

PENNICHUCK CORPORATION

BOARD OF DIRECTORS

MINUTES OF NOVEMBER 22, 2024 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, November 22, 2024 at 8:07 a.m. at the Company’s offices at 25 Walnut Street, Nashua, New Hampshire.

Written materials relating to items listed in the Agenda were provided to the Board members for their review prior to the meeting.

The following Directors were present for the start of the meeting, constituting a quorum:

C. George Bower, Chairman
Aymarie R. Corriveau
Scott A. Cote (via Microsoft Teams)
Elizabeth A. Dunn
Ronald J. Houle
Ralph Jenkins
Brian H. Law
Jay N. Lustig (via Microsoft Teams)
Deborah B. Novotny
Sarah Pillsbury

Attending all or a portion of the meeting from the Company were:

John J. Boisvert, Chief Executive Officer and Chief Engineer
Donald L. Ware, Chief Operating Officer
George Torres, Chief Financial Officer and Treasurer
Christopher J. Countie, Director of Operations
Sarah E. Rossetti, Human Resources Director
Tara King, Revenue and Customer Operations Director (via Microsoft Teams)
Steve M. Greenwood, IT Director
Erin Holmes, Director of Engineering and Environmental Services
Alan D. Brown, Manager, Distribution
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Lori Douglas, Corporate Controller
Jay Kerrigan, Manager, Regulatory Affairs, Internal Control and Business Services

C. Howe recorded the minutes of the meeting.

The Chairman called the meeting to order.

Approval of Minutes

S. Pillsbury noted that she was not present at the October 25, 2024 meeting and her name was shown as being in attendance. C. Howe indicated she would edit the minutes. There being no further comments on the draft minutes of the October 25, 2024 meeting of the Pennichuck Corporation Board of Directors, on motion duly made by B. Law and seconded by E. Dunn, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the October 25, 2024 meeting of the Board of Directors are hereby approved.

Nay:

Report of the Audit, Finance and Risk Committee Meeting on November 18, 2024

G. Bower noted that R. Jenkins now serves as the Chair of the Committee. R. Jenkins provided a summary of the items that occurred at the Audit, Finance and Risk Committee Meeting on November 18. He first thanked G. Bower for serving as the Committee Chair. He noted the primary purpose of the Committee Meeting was to discuss the upcoming audit with the external auditors. He let the Board know that Marcum was purchased by CBIZ and it was important to note that because they are a publicly traded company and for independence purpose they would need to know if any Board members held stock in CBIZ. He stated the staffing of the CBIZ (previously Marcum) audit team was going to remain the same. He also stated that G. Torres, along with Deborah Tarbox, from CBIZ, took the Committee through a review of both the Pension and Savings Plans. He spoke about an incident that occurred with a late funding and the transfer of funds to an employee's account. He discussed further how that was addressed.

He then provided a brief summary of the discussion by G. Torres on what took place related to the Internal Control review and testing in both 2023 and 2024. This consisted of an explanation of the process and testing that was done in 2023 and what was planned for the 2024 Internal Control review year, which was primarily the same plan as the 2023 audit period. The Committee then went on to a lengthy discussion on the review of the Charter and they anticipated some changes may be needed in the language. R. Jenkins indicated the discussion related to this would be continued into the next meeting Committee Meeting.

A. Brown joined the meeting at 8:20 a.m.

Financial Update

L. Douglas provided a brief summary of the Financial Results for October . She started by noting that pumpage was slightly above prior year but still slightly below budget. D. Ware provided some input on how pumpage is looked at and a gauge of the measurement of it from year to year. L. Douglas provided a review of actual versus budgeted information on the Income Statement as well as review of the Balance Sheet and Cash Flow. She noted the increase in revenue is related to the increase in pumpage as well as the effect of the Pennichuck Water Works, Inc. rate case that was approved in 2023 and how this has impacted revenue all year long. Operating expenses are under due to conservative budgeting in certain areas as well as decreased pension expense cost due to significantly lower PBGC fees which resulted in \$87,000 lower costs. The Balance Sheet ended at \$350,000 of which the significant portion of that amount consisted of \$261,000 of Net Plant and Equipment. G. Torres indicated we still remain out of the

line of credit. There were some questions related to the cash balances by the Board and management provided response. L. Douglas presented the Debt Covenants and noted we are in compliance with all requirements required by banks and the Public Utility Commission and this also generated some discussions as it related covenants on a consolidated company level.

Brian Law left the meeting at 8:26 a.m.

Dividend to Sole Shareholder

G. Torres indicated that management is recommending that the Board approve the payment of a quarterly dividend to the City of Nashua. The dividend will supplement the monthly interest and note payment made by the Company to the City of Nashua for the funding of the City's acquisition debt.

On motion duly made by S. Pillsbury and seconded by E. Dunn, all of the Directors then voting by roll call, it was unanimously

Resolved: that a dividend in the amount of \$69,547.74 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on November 22, 2024.

Review Quarterly Shareholder Report for September

G. Torres explained this is the Quarterly Shareholder Report that is submitted to the City. We review this with the board prior to its distribution to the City. He noted some items of significance and indicated that the report is a summary of what had been discussed in the financial discussions in prior Board meetings and represents the results through September 2024. He also noted there is additional wording relating to other significant events occurring throughout the organization. There were no questions from the Board.

Preliminary Capital Budget for 2025 and Cap Ex Plans 2026 and 2027

L. Douglas and G. Torres provided an overview of the preliminary Capital Budget and the Capital Expenditure plans for 2026 and 2027. She noted that the package that was provided to them prior to the meeting consists of Capital Budgets at each of the Companies and also on a consolidated level of all three companies (Pennichuck Water Works, Inc., Pennichuck East Utility, Inc. and Pittsfield Aqueduct Company, Inc.). She highlighted various items throughout noting that the total 2025 Capital Expenditures budgeted for all companies is \$16.7 million. She noted if the merger were to be approved, the funding for all capital will go through the bonding in 2025. There were several questions from the Board that were addressed by G. Torres and L. Douglas.

Report of the Retirement Plans Investment Committee Meeting on November 6, 2024

G. Torres provided an overview of the meeting held with HUB. He explained there are a couple of investments that are on the watch list. He also stated that the PBGC premiums have decreased. These fees are based on plan participants and funding levels and because our funding levels have increased, we have shown significant savings. He

mentioned the Pension Plan document updates are needed every five or six years and those that are currently in place need to be updated by March 30. J. Lustig noted there are not many changes since the last review and we will continue to keep our annual Pension Plan funding at the same levels. G. Torres noted the Savings Plan investment activity is closely mirroring that on the Pension side as many of the funds are the same. Andrea Armata, Empower Relationship Manager, spoke about some Secure Act 2.0 provisions. She discussed a provision related to a student loan program and how that works as well as some other items.

Board Meeting Schedule for 2025

G. Bower discussed the meeting schedule that was presented and C. Howe pointed out a revision on the date of the May Board which will now be held on the same date as the Annual Meetings. The change was agreed to by Board members. G. Bower also discussed the importance of in person attendance at the meetings as well as the importance of using the Pennichuck Email account for all Board business.

Management Presentation List 2024 and 2025

J. Boisvert discussed the remaining items that were on the Presentation List for 2024 and indicated he will be presenting a drafted Presentation List for 2025 at the December Board Meeting and will be looking for Board input on topics they may want added to the list and/or those that were on the list that they were no longer interested in seeing.

E. Dunn commented briefly on the Nominating and Governance Committee Meeting discussion items that would be addressed in the upcoming meetings to be held, one of which is directly after the board meeting. She noted that the topics related to the Board member nomination process and other Corporate Governance items may need review particularly those being impacted by the merger.

Business Updates and Comments from CEO

J. Boisvert asked E. Holmes to speak about a couple of recent grants in the pipeline. She discussed the River Crossing Grant for about 460K which was previously approved by the Board and explained the purpose of the grant and where the funds were allocated from. She said the grant is now approved by Governor and Counsel and she also noted that C. Harding will manage the project. The second grant is one we are working with the state on at their request, to see if there is a way that to evaluate if we can develop an economic and viable solution related to a main in order to bring water into the Windham area. This is a \$10,000 Grant to conduct a desktop review from the Drinking Water Ground and Drinking Water Trust which are funds from the Small Systems Consolidation Grant Program. We will be bringing a resolution to the board in December. She noted we also were offered two more grants - one on the Great Bay System and another on our Pine Haven System. These both need Environmental Protection Agency (EPA) approval and are Federal Funds so a timeline is undeterminable.

Move to Non-Public Session

A. Corriveau moved that the Board enter into non-public session to discuss financial or confidential information, pursuant to RSA 91-A:3, II(j) and E. Dunn seconded the motion.

A roll call of the Directors was taken, which resulted as follows:

Yea: G. Bower, R. Houle, B. Law, A. Corriveau, J. Lustig,
D. Novotny, E. Dunn, S. Cote, R. Jenkins

Nay:

Motion was carried to enter into non-public session at 9:55 a.m.

Reconvene in Public Session

The non-public session ended at 11:32 a.m. and the Board reconvened in public session.

E. Dunn moved that the Board seal the minutes of the non-public session to discuss financial or confidential information, pursuant to RSA 91-A:3, II(j) and B. Law seconded the motion. A roll call of the Directors was taken, which resulted as follows:

Yea: G. Bower, R. Houle, B. Law, A. Corriveau,
D. Novotny, E. Dunn, S. Cote, R. Jenkins

Nay:

There being no further business to come before the Board, the Chairman adjourned the meeting at 11:33 a.m.

Carol Ann Howe

Carol Ann Howe, CPA
Assistant Treasurer & Corporate Secretary