

PENNICHUCK CORPORATION

BOARD OF DIRECTORS

MINUTES OF OCTOBER 25, 2024 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, October 25, 2024 at 8:10 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
Amymarie R. Corriveau
Scott A. Cote
Elizabeth A. Dunn
H. Scott Flegal
Ronald J. Houle
Brian H. Law
Jay N. Lustig
John D. McGrath
Deborah B. Novotny

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
Tara King, Revenue and Customer Operations Director
Steve M. Greenwood, IT Director
Sarah E. Rossetti, Human Resources Director
Erin Holmes, Director of Engineering and Environmental Services
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Alan D. Brown, Manager, Distribution (via Microsoft Teams)
Lori Douglas, Corporate Controller
Matt Day, Water Supply Manager
Casey Harding, Engineer
Hannah Marshall, Engineer
Ashley Piper, Environmental Scientist
Tara Gosselin, HR Generalist
Maria Marotte, Sr. Accountant
Lauren Moylan, Corporate Trainer

Other Attendees: James J. Steinkrauss – Rath, Young and Pignatelli, P.C. (via Microsoft Teams)

C. Howe recorded the minutes of the meeting.

The Chairman called the meeting to order.

Approval of Minutes

There being no comments on the draft minutes of the October 4, 2024 meeting of the Pennichuck Corporation Board of Directors, on motion duly made by J. Lustig and seconded by A. Corriveau, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the October 4, 2024 meeting of the Board of Directors are hereby approved.

Move to Non-Public Session

S. Flegal moved that the Board enter into non-public session to discuss financial or confidential information, pursuant to RSA 91-A:3, II(j) and D. Novotny 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, J. McGrath, S. Flegal, S. Cote

Nay:

Motion was carried to enter into non-public session at 8:13 a.m.

Reconvene in Public Session

The non-public session ended at 10:21 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, J. Lustig,
D. Novotny, E. Dunn, J. McGrath, S. Flegal

Nay:

Financial Update

L. Douglas provided a brief summary on the September year-to-date results noting revenue continues to increase due to the effects of the Pennichuck Water Works, Inc. from prior rate case as well as increases in operating expenses related to production expenses such as chemicals, purchased water and power, in addition to decreases in some General and Administrative expenses such health insurance premiums due to timing. She stated forecasted cash is expected to be above budget and we were still out of the line of credit. R. Houle asked what contributed to our large favorable cash adjustment and L. Douglas provided an explanation. G. Torres

discussed the results of the Pension and Savings Plan Audits and explained the driver of the PBGC premiums which is based on employees in the plan as well as the funding levels. He also noted there is some uncertainty to where our balances in the pension will land in the future and it is primarily based on where interest rates go. He talked about the Term Loan with CoBank which will be closing next week, noting it may potentially be the final one if the merger goes through as the purpose of this is to clear out the CoBank Fixed Asset Line of Credit (FALOC) for Pennichuck East Utility, Inc. He noted this may be the final term loan if the merger goes as planned as the capital will be funded by Pennichuck Water Works, Inc. He also went on to explain what would be occurring with the TD Bank FALOC which expires on June 30, 2025 and the amount of the FALOC if the merger occurs and the amount if it does not. He stated we met with our representative, Todd Jacobson, Executive V.P. at USI, our Insurance Agent and he stated our premiums are estimated to be around a 5 1/2% increase throughout all the policies which approximate a \$52,000 increase which is significantly lower than a lot of other companies are seeing in their insurance rates.

G. Torres also indicated we locked down healthcare costs which came in slightly higher than a 4% increase, but our dental insurance costs are looking at double digit increases, and we are currently working on this to bring that cost down. We did put out a request for proposal to Delta Dental but it would only be justified if it came in much less than our current policy with Metlife. Our current premium is about \$256,000 per year with an anticipated increase of about \$26,000.

Budget Goals and Objectives

L. Douglas presented the budgeted goals and objectives for the 2025 budget. She described the methodology used for forecasting the regulated companies' revenue and noted that Pennichuck Water Works, Inc. (PWW) and Pennichuck East Utility, Inc. (PEU) budgeted pumpage is based on a 5-year average and Pennichuck Aqueduct Company, Inc. (PAC) is based on 2024 actual consumption at current PUC approved rates. E. Dunn asked a question related to pumpage being budgeted based on average consumption and D. Ware provided some input on this methodology and the nature of the potential uncertainty of this as we can't predict weather.

L. Douglas also detailed some of the specific budget considerations related to the Capital Budget, Compensation for the Union and Non-Union Wages and the effects of the current anticipated rate cases which will be dependent on the merger outcomes. C. Countie commented on budgeted costs related to production such as fuels for vehicles, gas/oil for heating facilities and explained we are still waiting on some electric rates related to supply and transmission. We are not able to predict future factors that will have an effect on these expenses but will base it on previous usage as well as a 10% increase in costs. At the conclusion, L. Douglas asked if there were any questions.

Funding Chemical Feed Expansion Project – NHDES PFAS Remediation Loan Fund – Updated Resolution

G. Torres noted that we needed an updated Resolution which actually provides for Pennichuck Corporation to act as a guarantor on the loan. This is standard resolution wording that is always prevalent, but it was not included in the original Resolution that the board approved.

After no further discussion, on motion duly made by E. Dunn and seconded by J. McGrath, all of the Directors then voting by roll call, it was unanimously

Resolved: that the Board of Directors of Pennichuck Corporation (the “Company”) hereby approves the guaranty by the Company (the “Guaranty”) of the payment and performance by Pennichuck Water Works, Inc. (“PWW”) of all of its obligations with respect to PWW’s borrowing of up to \$11,500,000.00 in principal amount from the PFAS Remediation Loan Fund offered through the State of New Hampshire Department of Environmental Services (the “State”), such amount to be paid over a term of up to 25 years, with interest and related costs, to finance a chemical feed project for PWW, pursuant to a certain loan agreement between PWW and the State.

Further Resolved: that the officers of the Company are severally authorized, empowered and directed to execute and deliver, in the name and on behalf of the Company, a guaranty agreement representing the Guaranty with respect to the loan described in the prior resolution (the “PFAS Remediation Loan”), with such terms as may be deemed necessary or advisable in the judgment of the officer(s) executing such agreement.

Further Resolved: that the officers of the Company are hereby severally authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the Guaranty from the New Hampshire Department of Environmental Services, the Governor and Executive Council, and the City of Nashua in its capacity as the sole shareholder of the Company, and any other authority determined by such officer(s) as necessary or advisable and relating to the Guaranty.

Further Resolved: that the officers of the Company are severally authorized, empowered, and directed to take such actions and to execute and deliver such documents as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the Guaranty and the PFAS Remediation Loan and to carry out the purposes of the preceding resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

Further Resolved: that any actions taken by an officer of the Company prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed, approved, and adopted as actions of the Company.

Workforce Development

L. Moylan, Corporate Trainor, presented to the Board what the Company was doing related to the workforce development effort. Other members from the Workforce Development joined the meeting and each was introduced to the Board. The members were as follows: Hannah Marshall, Sr. Engineer; Casey Harding, Sr. Engineer; Tara Gosselin, HR Generalist; Maria Marotte, Sr. Accountant. L. Moylan started the presentation by displaying the current demographics of the Companies employees displaying the 2024 trends including the anticipated number of retirements in the next five to ten years. She also discussed the educational outreach to the community that is being done including various schools, agencies, etc. and the nature of some of those programs, etc. She also noted the Co-ops and Intern programs we have. She discussed various methods in the manner in which we communicate our career opportunities. We deactivated our Facebook Career area and turned to communications on LinkedIn. She also noted several other areas of communication including on Instagram, Career Page, Blogs on our website, etc. She noted our various external partnerships with several different outside groups including Girls at Work – Career Fair, NAWIC (Women in Construction Group), I Build NH – NH & VT Conference, NH Drinking Water Festival, VLACS Career Connections and Hiring our Heroes. She spoke to what we are doing related to diversity efforts and agencies we have worked with in obtaining information as well as a new Committee that has been created “*Pennichuck IDEAL Committee* “ which stands for Inclusion, Diversity, Equity, and Access Leading to Belonging.

H. Marshall, C. Harding, T. Gosselin, M. Marotte, L. Moylan left the meeting at 11:20 a.m.

Chemical Feed and Storage Project Update

C. Countie provided an update on where we stand on the cost of this project.

Emergency Response Plan (site specific) Updates and Exercises

C. Countie provided an overview of the Company’s Emergency Response Plan. He indicated . we currently have 61 Emergency Response Plans which include the specifics related to each site. These have been completed for 2024 and we they will be updated each year. We have Emergency Action Plans for each facility which contain several exhibits. He spoke to the Emergency Response Plan as well as the Emergency Action Plans for each facility and the various reporting requirements under those. He indicated, we also have separate Emergency Plans for our dams, approximately 22 of them, and there is actually a drill that is done to test this process. We have maps of all the structures which have been updated. He also discussed the documentation process for tracking compliance with each of these required tasks and noted that C. Howe is responsible for that task. G. Bower asked what plans we are making to account for future significant events that can affect our structures etc. (i.e. hurricanes). C. Countie provided some input and E. Holmes discussed what is being done related to looking at our high-risk areas that can be impacted by significant storm events. She explained they are starting to look at this from a strategic planning perspective and summarized some of the various areas they are looking at in preparation for that strategic planning process.

Board Meeting Schedule for 2025

J. Boisvert reviewed the board meeting scheduled and prompted a discussion on the date of when we wanted to schedule the Annual Meeting. There was not a date selected at this time.

Management Presentation List

J. Boisvert reviewed the Management Presentation List and reviewed the remaining projects for the year. He noted in December we would discuss our 2024 Accomplishments. He also touched on the meeting that company leadership had on the strategic goals and objectives planning session for 2025. He noted he would have a list of those he would be discussing with the Board at the December meeting and would be seeking their input. He noted the intention of these goals was to have them cascade throughout the organization and be incorporated within each Department's goals and objectives for the year. He stated he thought it was a great session and was very beneficial.

S. Flegal left the meeting at 11:42 a.m.

There being no further business to come before the Board, the Chairman adjourned the meeting at 11:46 a.m.

Carol Ann Howe

Carol Ann Howe, CPA
Assistant Treasurer & Corporate Secretary