

PENNICHUCK WATER SPECIAL COMMITTEE

OCTOBER 19, 2020

7:00 PM

Join Zoom Meeting: <https://us02web.zoom.us/j/85274669076?pwd=anJnTEJVMFJpcS9MeG1lcXd3ajhQdz09>
Meeting ID: 852 7466 9076
Passcode: 412838

By telephone: 1-929-205-6099 Meeting ID: 852 7466 9076 Passcode: 412838

If for some reason you cannot connect to Zoom, please contact us at (603) 821-2049 and someone will help you with connectivity. The public may also view this meeting via Channel 16.

ROLL CALL

PUBLIC COMMENT

COMMUNICATIONS

UNFINISHED BUSINESS

NEW BUSINESS – RESOLUTIONS

R-20-078

Endorsers: Alderman-at-Large Lori Wilshire
Alderman Richard A. Dowd
Alderman-at-Large David C. Tencza
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Thomas Lopez
Alderman Skip Cleaver
Alderman Linda Harriott-Gathright

AUTHORIZING PENNICHUCK CORPORATION TO RENEW AND EXTEND ITS LINE OF CREDIT WITH TD BANK, N.A.

R-20-079

Endorsers: Alderman-at-Large Lori Wilshire
Alderman Richard A. Dowd
Alderman-at-Large David C. Tencza
Alderman Thomas Lopez
Alderman Linda Harriott-Gathright
Alderman-at Large Brandon Michael Laws
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Skip Cleaver

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK WATER WORKS, INC. TO ISSUE BONDS AND RENEW ITS FIXED ASSET LINE OF CREDIT WITH TD BANK, N.A.

TABLED IN COMMITTEE

R-20-073

Endorsers: Mayor Jim Donchess
Alderman Richard A. Dowd
Alderman Linda Harriott-Gathright
Alderman-at-Large Brandon Michael Laws
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Skip Cleaver
Alderman-at-Large Lori Wilshire

**AUTHORIZING THE MAYOR TO ENTER INTO PILOT AGREEMENT PURSUANT TO RSA 72:74
WITH PENNICHUCK WATER WORKS, INC.**

NEW BUSINESS – ORDINANCES

GENERAL DISCUSSION

PUBLIC COMMENT

REMARKS BY THE ALDERMEN

POSSIBLE NON-PUBLIC SESSION

ADJOURNMENT



RESOLUTION

**AUTHORIZING PENNICHUCK CORPORATION TO RENEW AND EXTEND ITS
LINE OF CREDIT WITH TD BANK, N.A.**

CITY OF NASHUA

In the Year Two Thousand and Twenty

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation (“Pennichuck”) and each of its subsidiaries; and

WHEREAS, Article IX (3) of the Articles of Incorporation of Pennichuck and Article V §2 of the by-laws of Pennichuck require the approval of the sole shareholder (the City of Nashua) for Pennichuck to create, incur, assume, or guarantee any indebtedness for borrowed money, which includes contracting a loan on behalf of Pennichuck or its subsidiaries.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves the renewal of Pennichuck Corporation’s existing line of credit facility, allowing for borrowing by Pennichuck Corporation under its line of credit, in the aggregate principal amount of up to \$4,000,000.00 from TD Bank, N.A., pursuant to a senior line of credit facility, for the purpose of providing advances to be used for general corporate purposes.

LEGISLATIVE YEAR 2020

RESOLUTION:

R-20-078

PURPOSE:

Authorizing Pennichuck Corporation to renew and extend its line of credit with TD Bank, N.A.

ENDORSERS:

Alderman-at-Large Lori Wilshire

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation to renew and extend its line of credit with TD Bank, N.A. as described in the resolution.

Pennichuck has separately provided additional information on the proposal to the Board of Aldermen.

Article IX (3) of Pennichuck Corporation's Articles of Incorporation and Article V §2 of the Pennichuck Corporation's by-laws requires City approval for the borrowing.

Approved as to form:

Office of Corporation Counsel

By: _____

Date: _____



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK WATER WORKS, INC. TO ISSUE BONDS AND RENEW ITS FIXED ASSET LINE OF CREDIT WITH TD BANK, N.A.

CITY OF NASHUA

In the Year Two Thousand and Twenty

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation (“Pennichuck”) and each of its subsidiaries;

WHEREAS, Article IX (3) of the Articles of Incorporation of Pennichuck and Article V §2 of the by-laws of Pennichuck require the approval of the sole shareholder (the City of Nashua) for Pennichuck to create, incur, assume, or guarantee any indebtedness for borrowed money, which includes contracting a loan on behalf of Pennichuck or its subsidiaries; and

WHEREAS, Pennichuck Water Works, Inc. (“PWW”) is a regulated New Hampshire public water utility, and is a wholly owned subsidiary of Pennichuck which, in turn, is wholly owned by the City of Nashua.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves allowing PWW to issue up to a total of \$57,500,000 in an aggregate principal amount of tax-exempt AMT bonds and/or other borrowings to raise proceeds for the following purposes: (1) to finance up to \$55,750,000 of PWW’s cost of constructing, reconstructing, and replacing infrastructure, equipment, vehicles and all other fixed assets of the company for the years 2020-2024; and (2) to fund up to \$1,750,000 of various costs of issuance of the new bonds, including transactional costs, capitalized interest, and, if necessary and appropriate, credit enhancements such as a debt service reserve fund or other credit measure as may be determined by PWW in response to prevailing market conditions; and

FURTHER, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves PWW entering into a renewal of its Fixed Asset Line of Credit with TD Bank, N.A., allowing for annual borrowings of up to \$12,000,000, pursuant to a security interest in PWW’s accounts receivable and inventory, and pledge of the stock of PWW and an assignment of its rights under the Money Pool Agreement and Cost Sharing Agreement (both as previously approved and in place under the oversight of the New Hampshire Public Utilities Commission), for the purpose of providing advances to be used for interim capital projects funding for the capital project years 2020-2024 (bond issuance years 2021-2025).

LEGISLATIVE YEAR 2020

RESOLUTION:

R-20-079

PURPOSE:

Authorizing Pennichuck Corporation and Pennichuck Water Works, Inc. to issue bonds and renew its fixed asset line of credit with TD Bank, N.A.

ENDORSERS:

Alderman-at-Large Lori Wilshire

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and one of their regulated public water subsidiaries to issue bonds and renew a fixed asset letter of credit as described in the resolution.

Pennichuck has separately provided additional information on the proposal to the Board of Aldermen.

Article IX (3) of Pennichuck Corporation's Articles of Incorporation and Article V §2 of the Pennichuck Corporation's by-laws requires City approval for the borrowing.

Approved as to form:

Office of Corporation Counsel

By: _____

Date: _____



RESOLUTION

**AUTHORIZING THE MAYOR TO ENTER INTO PILOT AGREEMENT PURSUANT
TO RSA 72:74 WITH PENNICHUCK WATER WORKS, INC.**

CITY OF NASHUA

In the Year Two Thousand and Twenty

RESOLVED by the Board of Aldermen of the City of Nashua that the Mayor is authorized to enter into the Pilot Agreement pursuant to RSA 72:74 with Pennichuck Water Works, Inc. in substantially the same form as the attached.

AGREEMENT PURSUANT TO RSA 72:74

This is an agreement between the City of Nashua (Nashua) a New Hampshire municipal corporation with its principal place of business at 229 Main Street, Nashua, New Hampshire and Pennichuck Water Works, Inc. (Pennichuck) a New Hampshire corporation and regulated utility.

The parties agree as follows:

1. Pennichuck shall install renewable electric generating facilities in the form of solar panels and related equipment on certain of its properties in northeast Nashua.
2. As to any such properties Pennichuck shall not be liable for municipal real estate taxes but shall instead make a payment in lieu of taxes (PILOT) each year in accordance with New Hampshire RSA 72:74. Said PILOT shall be equal to the value of the real estate comprising each separate parcel as of April 1 of each year less the value of the solar facilities and related equipment (Adjusted Value). multiplied by the tax rate determined by the New Hampshire Department of Revenue Administration for Nashua in said year.
3. The PILOT shall be paid in two installments each year, the first on or before July 1 in an amount of 50% of the total tax bill or PILOT for the previous year and the second on or before December first in an amount equal to the total due for that year less any payment made on account of the July obligation.
4. Interest on any late payment will be charged and shall accrue in the same manner and at the same rate as for municipal real estate taxes.
5. Pennichuck may in any year challenge Nashua's calculation of the Adjusted Value in the same manner and with the same filing deadlines as applicable to municipal real estate tax abatements.

6. The term of this agreement shall be five (5) years beginning with tax year 2021 and may be renewed for subsequent five (5) year periods by agreement of the parties.

Date: _____

City of Nashua

Pennichuck Water Works, Inc.

LEGISLATIVE YEAR 2020

RESOLUTION: R-20-073

PURPOSE: Authorizing the Mayor to enter Pilot Agreement pursuant to RSA 72:74 with Pennichuck Water Works, Inc.

ENDORSER(S): Mayor Jim Donchess

**COMMITTEE
ASSIGNMENT:** Pennichuck Special Water Committee

FISCAL NOTE: This resolution has no cash outlay by the City of Nashua but does impact property taxes for future taxes.

ANALYSIS

This resolution authorizes the Mayor to enter into Pilot Agreement pursuant to RSA 72:74 with Pennichuck Water Works, Inc.

Approved as to form: Office of Corporation Counsel

By:



Date:

