

PENNICHUCK WATER SPECIAL COMMITTEE

JUNE 2, 2021

A meeting of the Pennichuck Water Special Committee was held Wednesday, June 2, 2021, at 6:04 p.m. remotely in accordance with Governor's Emergency Order #12 pursuant to Executive Order 2020-04.

Chairman Laws

As Chairman of the Pennichuck Special Water Committee, I find that due to the State of Emergency declared by the Governor as a result of the COVID-19 pandemic and in accordance with the Governor's Emergency Order #12 pursuant to Executive Order 2020-04, this public body is authorized to meet electronically.

Please note that there is no physical location to observe and listen contemporaneously to this meeting, which was authorized pursuant to the Governor's Emergency Order. However, in accordance with the Emergency Order, I am confirming that we are:

Providing public access to the meeting by telephone, with additional access possibilities by video or other electronic means:

To access Zoom, please refer to the agenda or the City's website for the meeting link.

To join by phone dial: 1-929-205-6099 Meeting ID: 891 1492 5604 and Passcode: 814779

The public may also view the meeting via Channel 16.

We previously gave notice to the public of the necessary information for accessing the meeting, through public postings. Instructions have also been provided on the City of Nashua's website at www.nashuanh.gov and publicly noticed at City Hall and Nashua Public Library.

If anyone has a problem accessing the meeting via phone or Channel 16, please call 603-589-3329 and they will help you connect.

In the event the public is unable to access the meeting via the methods mentioned above, the meeting will be adjourned and rescheduled. Please note that all votes that are taken during this meeting shall be done by roll call vote.

Let's start the meeting by taking a roll call attendance. When each member states their presence, please also state whether there is anyone in the room with you during this meeting, which is required under the Right-To-Know Law.

The roll call was taken with 4 members of the Board of Aldermen present: Alderman-at-Large Brandon Michael Laws, Alderman Richard A. Dowd, Alderman-at-Large Lori Wilshire, and Alderman-at-Large Michael B. O'Brien, Sr.

Alderman Skip Cleaver was recorded absent.

Also in Attendance:

Larry Goodhue, CEO, Pennichuck
Don Ware, COO, Pennichuck
Thomas J. Leonard, Director, Pennichuck Corporation
John Boisvert
Chris Countie
George Torres, Corporate Controller and Treasurer

COMMUNICATIONS

From: Larry D. Goodhue, Chief Executive Officer, Pennichuck Corporation
Re: Pennichuck East Utility, Inc. – Request for Approval of Term Loan with Co-Bank, ACB

ON THE QUESTION

Chairman Laws

Thank you Alderman O'Brien. So before we take questions from my colleagues, Mr. Goodhue if you'd like to touch upon this communication that would be greatly appreciated.

Larry Goodhue, CEO/CFO, Pennichuck Corporation

Sure thing. Larry Goodhue here. Chief Executive Officer and Chief Financial Officer for Pennichuck Corporation and all its subsidiaries including Pennichuck East Utility.

Brought before this committee today and the Board of Aldermen for a Resolution to be voted upon is our annual term loan financing for Pennichuck East Utility for capital assets placed in service during the year 2020. Each year we fund our capital projects for either Pennichuck East Utility or Pennichuck Water Works using their fixed asset lines of credit during the course of that year. All assets that are built and/or purchased during that year and are used and useful as of the end of the year are eligible for our annual quick pack or QC pack surcharge as well as to be converted into a term loan after the completion of the year to basically repay the fixed asset line of credit for those monies borrowed on a short-term basis into a long-term fully amortizing note payable. We do this each year. This is probably the third or fourth year that we've done this with Pennichuck East Utility based on authority and approvals that were granted by the Public Utilities Commission.

The loan this year is for \$1,135,409. That is the total amount of dollars that were utilized out of the fixed asset line of credit for assets placed in service during 2020 for Pennichuck East Utility. That is not the total amount of the assets placed in service during 2020 as there was a good number of assets during that year that were funded by State revolving fund loans already approved by this committee and do not need usage of that fixed asset line of credit and that you can borrow against those facilities as your constructing an asset and it terms out at the conclusion of a project. This is a loan that is going to be looking to close on by the end of the month of July. We have an order/a petition with the Commission with the Public Utilities Commission for them to approve this financing. We are to have our Board's approval and we also have an approval from TD Bank who is our senior leader at Pen. Corp. They have to just affirm that we're doing this and now we're seeking the City's approval as a part of the entire approval package needed for this term loan which will be for 25 years at approximately 4 ¼ percent. It's a floating interest rate until we lock in and actually close on the loan. If we get the Public Utilities Commission order by the end of the month of June, that order will be effective by the end of the month of July and we'll be able to close on the loan at that time.

Those are basically the major factors relative to what it is we're asking the Committee to consider tonight.

Chairman Laws

Thank you. Very well stated and clear as always. Any questions from my colleagues on the Board? No.

There being no objection, Chairman Laws accepted the communication and placed it on file.

UNFINISHED BUSINESS – None

NEW BUSINESS – RESOLUTIONS

R-21-146

Endorser: Alderman-at-Large Lori Wilshire

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC. TO ENTER INTO A TERM LOAN WITH COBANK, ACB

MOTION BY ALDERMAN O’BRIEN TO RECOMMEND FINAL PASSAGE, BY ROLL CALL

Chairman Laws

Thank you Alderman O’Brien. One more opportunity for my colleagues on the board to ask questions. Speak now or forever hold your peace. Would the Clerk please call the roll.

A viva voce roll call was taken which resulted as follows:

Yea: Alderman Dowd, Alderman Wilshire, Alderman O’Brien 4
Alderman Laws

Nay: 0

MOTION CARRIED

TABLED IN COMMITTEE - None

NEW BUSINESS – ORDINANCE - None

REMARKS BY THE ALDERMEN

Alderman Dowd

Just a couple things. As everybody on here knows, we have a number of projects going on off Manchester Street. Pennichuck school building project is well underway and there will be major construction there over the summer and into the fall. There are four easements that are in play for the work. One I have correspondence from Vanesse who are the people that are designing the intersection for the Joint Special. There is an easement with the Pennichuck Water Works Liberty Utility relative to the movement of the gas chamber, or gas tank and they’re waiting for response from the Pennichuck. Do we know where that response is and how quickly we can get it?

Unidentified Male Speaker

Yeah Rick I sent a response over a week ago to the engineer indicating that we were fine with the easement and asked them to prepare the language and gave them the particulars in terms of the fact that a typical easement if the future we needed them to relocate, they would relocate so on and so forth. Let me see the date on that e-mail but I did respond to them.

Alderman Dowd

Can you send me a copy of that?

Unidentified Male Speaker

I can.

Alderman Dowd

Making sure that all the four contractors involved in all these projects are all on the same page is like herding cats.

Unidentified Male Speaker

And that was one of the issues. They also wanted a contact from the solar company to coordinate the construction of that work so I gave the gentleman that contact information on that as well.

Alderman Dowd

Yes and I did get that as well and I made sure that they had it. I still haven't heard anybody come back and say when the solar project was actually starting. I know you've had those issues but.

Unidentified Male Speaker

That still stands. Until they clear things with Mr. Early, they you know will not be starting. So they're in negotiations. They being New England Solar Garden and Mr. Early and it relates to the fact that they did not cut the trees on his property. They cut all the trees around it but there was that paper street such as it was whether it was ever a paper street or not where he claims half ownership or 13 feet in width by the length of his lot 50 feet. There was some trees cut in that area. So there's ongoing discussions I guess as far as clearing up that issue. I'm not a party to them. Again that is between the parties though.

Alderman Dowd

So that's between New England Solar and the landowner?

Unidentified Male Speaker

Correct. The gentleman by the name of Bob Early.

Alderman Dowd

Okay. Let me know if we need to get our corporate legal involved and I'm sure you have your lawyers standing by as well. The moving that gas vault is – that work needs to get going.

Unidentified Male Speaker

Yup.

Alderman Dowd

The other thing involved is up at the front where they're moving your fence back and putting in utility poles, trying to tie that into our schedule I'd like to believe that they will start doing that before anything in the back. At least cutting down and moving the fence so that we can tie all the fence work together because our fence is tying in to where your new fence is. So we're trying to get that all wrapped up this summer.

Unidentified Male Speaker

So Alderman Dowd – I'm just searching my e-mails right now. What was the name of the engineering firm or the engineer who had sent that e-mail?

Alderman Dowd

Steve Budreau.

Unidentified Male Speaker

For some reason that name doesn't...I'll search on that one. That name doesn't sound familiar in terms of people we've...okay I've got...

Alderman Dowd

Yeah that's the only name on the correspondence relative to the easement. Michelle Paige?

Unidentified Male Speaker

You said Michelle Paige?

Alderman Dowd

Yup.

Unidentified Male Speaker

With two lls?

Alderman Dowd

Yes.

Unidentified Male Speaker

And Paige?

Alderman Dowd

I'm sorry, it's Mitchell P. Paige, GIT, whatever that means.

Unidentified Male Speaker

Okay. Engineer in training and that's the gentleman who I recall seeing communications from.

Alderman Dowd

So if you send me a copy of your response, I'll make sure the right people see it at Vanesse you can be sure of that.

Unidentified Male Speaker

Yeah because there's a number of things and John can I think address this as well. In the survey work, it was also determined that the gas company does not have an actual easement across our property at that location. So we wanted to wrap those easements together so ultimately the gas company would have all the appropriate easements that they needed.

Alderman Dowd

Yeah the city has no problem with the easement onto Old Harris Road across (inaudible). Because as you know, we moved the entrance to Old Harris Road back further onto the Pennichuck school property for a number of reasons but I thought that that was being addressed as a separate easement? I think there's several of the easements around if you will. I think there's an easement already for access to Old Harris Road. I could be wrong but I heard

something referenced to that. There's also an easement, I believe, Pennichuck owns that rectangular field in the back.

Unidentified Male Speaker

No, no we do not. That field is owned by – I'm trying to think of the name of the group. There's a sports group that practices back there.

Alderman Dowd

PAL?

Unidentified Male Speaker

My understanding is you look at the city maps. I believe that's shown as city property.

Alderman Dowd

All right I'll check that on GIS.

Unidentified Male Speaker

Yeah they access that down that gravel road that is effectively the Old Harris Road.

Alderman Dowd

We're going to be giving them access across the school property. So the people ultimately will use that rectangular field won't be going down Old Harris Road. I think the Park/Rec. is going to do something in that field to make it more usable but not this year. The group that uses it is PAL. I'm sure PAL doesn't own anything. It has to be the City of Nashua that owns it.

Unidentified Male Speaker

So I'm looking here and the last e-mail from Mitchell was actually May 26th – meeting with Alderman Dowd indicating Pennichuck Water approves the easement, which is true but I can't find the one he sent. I'm going to respond to this in kind to say that is correct. We approve the easement and we'll work with Hayner/Swanson and Liberty to draft the appropriate language.

Alderman Dowd

Yup it sounded to me like that at this point they were looking for a signature. So I'm not sure who signs that easement on behalf of the Pennichuck.

Unidentified Male Speaker

Well either Larry or I could sign it or even John I believe could sign it dependent upon how they set it up. Send us the easement so we can review it. The one thing it did cover and it might have been in a meeting was the fact that if at some point in the future for unbeknownst reason we need to have that pit relocated, we'll work with them for us to do our work but at that stage, the relocation is at their cost. That's standard easement language for us unless people pay for an easement.

Alderman Dowd

Yeah does that easement also involve the land for the turn lane?

Unidentified Male Speaker

Well so there is again you know the easement for the turn lane I don't think is from us. I think that's from the condos. There wasn't anything required in the last plan other than for the gas company.

Alderman Dowd

No this is on Manchester Street. I think when you know we moved that fence back and I think that the road was coming within a foot or two of Pennichuck land and I was under the impression it involved an easement. I'll double check that.

Unidentified Male Speaker

Yeah again you know saw that it didn't require an easement but if the city feels that want an easement for whatever – maintenance purposes, again we can certainly work with them. I'm copying you on this. I'm sending an e-mail just to see once we're off of this meeting to Mitchell indicating we're yes we're good to go with the easement. We're waiting for a copy of the final plan which we did see along with the proposed easement language.

Alderman Dowd

Okay. All right. I think that's it with Pennichuck and I think John will appreciate that everything seems to be going well with the new tank at Kessler. There were a couple of people I heard that were complaining of no water or lack of water pressure but I understand you guys are all over that.

Unidentified Male Speaker

Remember when we stated to you we knew that we were going to have some periods of time where we would have to make adjustments in the distribution system when depending on the time when people turned on their irrigation systems and everything else. There would be a few minutes (inaudible) chasing our tail a couple of times but we tried to get it right. These things can't be tweaked but you're right. The folks from distribution and water supply jumped all over it. So far so good. Things are performing well. We are going in and out. A few days ago our demands were way up because the temperatures are high. Over the weekend, you get the rain and now we're coming back into some warm weather so hopefully we can stay on top of things and continue to do that through the opening up truly of summer.

Alderman Dowd

Well my irrigation system is working fine. So no complaints.

Unidentified Male Speaker

Perfect. Again if there's any concerns or issues – I know the folks up on top of the hill and Kessler Farm have all the project contacts there but if anybody is experiencing these things within any of our distribution systems or our water systems, the most important thing is that they call us. If we don't know about an issue, we can't solve it. That information is very important to us.

Alderman Dowd

Probably one of the best amusement things in sound right now, it's like a baseball game. People watching the tank come down, the new one going up. It's like a spectator sport.

Unidentified Male Speaker

Right now they're framing up and putting the forms up for the floor and the footings. You're seeing rebar reinforce

the steel going in. I think early on they were talking about a large concrete pour for the end of next week but my gut feeling is it will be delayed a little bit so keep an eye on our webpage. It's moving.

Alderman Dowd

Back to you Brandon. Sorry for hijacking that part of the meeting.

Chairman Laws

That's all right. I learned a lot. It was a fun ride.

Alderman Dowd

Well while you have this captive audience.

Chairman Laws

Does anybody from Pennichuck want to add anything before I get to the end of this meeting? No.

Larry Goodhue, CEO/CFO, Pennichuck Corporation

Just one thing that I kind of mentioned to a couple of members prior to the meeting and just to actually put it formally into this meeting is that we've initiated our soft reopening of our headquarters facility this week relative to COVID. It's a hybrid opening so we will have more people working within our facility starting as of this week. It's a hybrid opening where not 100 percent of the folks are back working physically in the office. It's a hybrid between working from home, working in the office, working in the field. Our reception area is opened on a limited basis three days a week with limited hours but giving access for customers that need to come to the customer reception area to address water utility business needs. So we've been able to operate seamlessly during this COVID pandemic in an isolated – our remote manner and now we're going to be less so in an isolated remote manner and more of a hybrid manner which is probably the manner for which we'll be operating to a great extent on a going forward basis. That was just something to make the entire committee aware of. You'll see more cars in our parking lot relative to more people physically working in the facility which is a good thing.

Alderman Dowd

Sounds like City Hall.

Larry Goodhue, CEO/CFO, Pennichuck Corporation

Sounds like City Hall, yes. I actually started working in the office again part of the week this week and it was a nice transition back into that sense of normalcy which is kind of a nice thing. So that's the major thing I wanted to bring everybody aware of. As John mentioned, we are entering into the summer season where flushing activities have happened and there are certain water restrictions that need to be imposed based on water source, water availability, where the drought goes, how much rain we get. Anything like that are communicated through our web page and our other social media pushes out to our customers. As John mentioned, our standard message to any customer is if you've got a concern, you got a question, you got anything call our customer service line. If you call City Hall first, all City Hall is going to do is they're going to call us and you delay the amount of time for which we can respond to you. Call the water company directly. Make sure that you get through to our customer service reps. and they'll direct you to the right people to address your concerns, answer your questions, whatever it may be. That's just kind of a public service announcement relative to us working with our customers.

Chairman Laws

Thank you and as always, we all appreciate how you handle these meetings, and all the information that you give us, and how you present it and everything else. I like your background too.

POSSIBLE NON-PUBLIC SESSION - None

ADJOURNMENT

MOTION BY ALDERMAN O'BRIEN TO ADJOURN BY ROLL CALL

A viva voce roll call was taken to adjourn the Pennichuck Special Water Committee meeting which resulted as follows:

Yea: Alderman Dowd, Alderman Wilshire, Alderman O'Brien 4
Alderman Laws

Nay: 0

MOTION CARRIED

The meeting was declared closed at 6:26 p.m.

Alderman Michael B. O'Brien, Sr.
Committee Clerk