RESOLUTION

APPROVING THE PROPOSAL OF PENNICCHUCK EAST UTILITY, INC. TO BORROW UP TO $525,000 FROM THE STATE REVLVING LOAN FUND

CITY OF NASHUA

In the Year Two Thousand and Twelve

RESOLVED by the Board of Aldermen of the City of Nashua that the City of Nashua is the sole shareholder of Pennichuck Corporation and each of its subsidiaries, including Pennichuck East Utility, Inc.; and

WHEREAS Article VI §2 of the by-laws of the Pennichuck Corporation states that “[n]o loan shall be contracted on behalf of the Corporation and no evidence of indebtedness shall be issued in its name unless authorized by the Sole Shareholder”; and

WHEREAS Pennichuck East Utility, Inc. (PEU) is proposing to borrow up to $525,000 from the State Revolving Loan Fund, administered by the New Hampshire Department of Environmental Services, to fund capital improvements to undertake a main replacement project in its Locke Lake system by replacing approximately 8,500 LF of small diameter PVC water main. PEU has filed a petition and pre-filed testimony for approval of that borrowing by the New Hampshire Public Utilities Commission; and

WHEREAS that borrowing also requires the approval of the sole shareholder, City of Nashua, under the terms of the Pennichuck Corporation by-laws.

NOW THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves PEU’s proposal to borrow up to $525,000 through the State Revolving Loan Fund.
RESOLUTION: R-12-006

PURPOSE: Approving the proposal of Pennichuck East Utility, Inc. to borrow up to $525,000 from the State Revolving Loan Fund

ENDORSER:

COMMITTEE ASSIGNMENT:

FISCAL NOTE: None.

ANALYSIS

This legislation is written in anticipation that the City of Nashua will complete its purchase of the Pennichuck Corporation and become the sole shareholder of the Pennichuck Corporation on or about January 25, 2012 and prior to the approval of this legislation.

This resolution approves the proposal by Pennichuck East Utility, Inc. (PEU) to borrow up to $525,000 from the State Revolving Loan Fund. This is for a planned capital improvement on PEU's project list.

In order for PEU to obtain available financing through the State Revolving Loan Fund at favorable terms, the approval process by the City needs to be completed by the end of February, 2012. Article VI §2 of the Pennichuck Corporation's by-laws requires City approval for the borrowing.

Approved as to form: Office of Corporation Counsel

By: [Signature]

Date: January 20, 2012
RESOLUTION R-12-006

Approving the proposal of
Pennichuck East Utility, Inc. to
borrow up to $525,000 from the
State Revolving Loan Fund

IN THE BOARD OF ALDERMEN

1st Reading JANUARY 24, 2012

Referred to:

PENNICHUCK WATER SPECIAL COMMITTEE

2nd Reading FEBRUARY 14, 2012

3rd Reading

4th Reading

Other Action

Passed FEBRUARY 14, 2012

Indefinitely Postponed

Defeated

Approved

Mayor's Signature

February 15, 2012

Date

Endorsed by

MAYOR

TABACSKO

WILSHIRE

MELIZZI-GOLIA

SHEEHAN

VITALE

PRESSLY

Vetoed:

Veto Sustained:

Veto Overridden:

Attest: City Clerk

President

Attest: President