



RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO GIVE PENNICHUCK WATER WORKS, INC. AND PENNICHUCK EAST UTILITY, INC. AUTHORITY TO ENTER INTO LONG TERM LOANS FROM THE DRINKING WATER STATE REVOLVING FUNDS

CITY OF NASHUA

In the Year Two Thousand and Fourteen

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

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

WHEREAS, Pennichuck Water Works, Inc. ("PWW") and Pennichuck East Utility, Inc. ("PEU"), are New Hampshire public utility corporations providing retail water service to New Hampshire customers, and are wholly owned by Pennichuck Corporation ("Pennichuck") which, in turn, is wholly owned by the City of Nashua;

WHEREAS, PWW is proposing to enter into two new long term loans: (i) a loan from the Drinking Water State Revolving Funds ("SRF") in the principal amount of up to \$1,540,000 to finance the cost of replacing approximately 7,080 linear feet of water main in the Nashua Core Water System, in Nashua and Amherst, N.H.; and, (ii) a second loan from the SRF in the principal amount of up to \$330,000 to finance the cost to upgrade the existing Timberline Booster Station in Nashua, by replacing three existing pumps with three new pumps to meet system demands on a consistent and peak usage basis;

WHEREAS, PEU is proposing to enter into three new long term loans: (i) a loan from the SRF in the principal amount of up to \$400,000 to finance the cost of replacing approximately 6,000 linear feet of water main in the Phase I of the Winwood/Monroe section of the Locke Lake Water System in Barnstead, N.H.; (ii) a second loan from SRF in the principal amount of \$550,000 to finance the cost of replacing approximately 8,500 linear feet of water main in that portion of the Hardwood Community Water System located in Windham, N.H.; and, (iii) a third loan from the SRF in the principal amount of up to \$572,000 to finance the cost of replacing the existing treatment/storage/pumping facility at the Hardwood Community Water System, known as the Hardwood Booster Station, located in Windham, N.H.

RESOLUTION

R-14-006

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PWW's proposals for two loans from through the Drinking Water State Revolving Loan Fund, administered by the New Hampshire Department of Environmental Services, in the principal amounts of up to \$1,540,000 and up to \$330,000 and Pennichuck and PEU's proposals for three loans from the Drinking Water State Revolving Loan Fund, administered by the New Hampshire Department of Environmental Services, in the principal amounts of up to \$400,000, up to \$550,00 and up to \$572,000.

LEGISLATIVE YEAR 2014

RESOLUTION: R-14-006

PURPOSE: Approving the proposal of Pennichuck Corporation to give Pennichuck Water Works, Inc. and Pennichuck East Utility, Inc. authority to enter into long term loans from the Drinking Water State Revolving Funds

ENDORSERS: Alderman-At-Large Brian S. McCarthy

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: None.

ANALYSIS

This resolution approves the proposals by Pennichuck Corporation and Pennichuck Water Works, Inc. to obtain two loans of up to \$1,540,000 and up to \$330,000 and Pennichuck Corporation and Pennichuck East Utility, Inc. to obtain three loans of up to \$400,000, up to \$550,000 and up to \$572,000 from the Drinking Water State Revolving Funds administered by the New Hampshire Department of Environmental Services for the purposes described in the resolution.

Pennichuck has 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: January 23, 2014