RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO ENTER INTO LONG TERM LOANS WITH COBANK AND THE NEW HAMPSHIRE DEPARTMENT OF ENVIRONMENTAL SERVICES STATE REVOLVING FUND

CITY OF NASHUA

In the Year Two Thousand and Fourteen

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 or assume any indebtedness for borrowed money or guarantee any such indebtedness on behalf of Pennichuck or its subsidiaries; and

WHEREAS, Pennichuck Corporation and Pennichuck East Utility, Inc. (“PEU”) is proposing to enter into long term loans with CoBank and the New Hampshire Department of Environmental Services State Revolving Fund as follows: 1) a loan from CoBank in the principal amount of $625,000 to finance capital projects for PEU for late 2014 and early 2015; 2) an increase of the existing loan from the State Revolving Fund in the additional principal amount of $510,000 to finance the second phase of capital improvements for PEU’s W&E water system located in Windham, New Hampshire in 2015, at 2014 existing interest rates; and 3) guarantees by Pennichuck of payment.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck Corporation’s proposal to enter into long term loans and guarantees with CoBank and the New Hampshire Department of Environmental Services State Revolving Fund in the amounts and for the purposes described above.
LEGISLATIVE YEAR 2014

RESOLUTION: R-14-083

PURPOSE: Approving the proposal of Pennichuck Corporation to enter into long term loans with CoBank and the New Hampshire Department of Enviromental Services State Revolving Fund

ENDORSERS: Mayor Donnalee Lozeau

COMMITTEE ASSIGNMENT:

FISCAL NOTE: None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation to enter into long term loans with CoBank and the New Hampshire Department of Environmental Services State Revolving Fund to finance capital improvements for Pennichuck East for late 2014 and early 2015 and guarantees of payment. These borrowings are also the subject of a current approval proceeding before the New Hampshire Public Utilities Commission.

Pennichuck has provided additional information which will be provided to the Board of Alderman by communication.

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: [Signature]

Date: October 8, 2014