RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO BORROW AND ISSUE UP TO TWENTY-FIVE MILLION FIVE HUNDRED THOUSAND DOLLARS ($25,500,000) IN AN AGGREGATE PRINCIPAL AMOUNT OF TAX-EXEMPT BONDS AND/OR OTHER BORROWINGS

CITY OF NASHUA

In the Year Two Thousand and Fifteen

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 to issue or sell any debt securities or warrants, which includes borrowing and issuing bonds on behalf of Pennichuck or its subsidiaries; and

WHEREAS, Pennichuck is proposing to borrow and issue up to $25,500,000 in an aggregate principal amount of tax-exempt bonds and/or other borrowings for the purpose of: 1) refinancing up to $16,400,000 of Pennichuck Water Works’s currently outstanding tax-exempt bonds including accrued interest of approximately $200,000; 2) to fund up to $7,000,000 of the cost of constructing a new facility to replace Pennichuck’s obsolete operations facility, currently located on Will Street in Nashua; and 3) to fund up to $2,100,000 of various costs of issuance of the new bonds, including transaction costs, capitalized interest, and, if necessary and appropriate, credit enhancements such as a debt service reserve fund or other credit measures as may be determined by Pennichuck in response to prevailing market conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck Corporation’s proposal to borrow and issue up to $25,500,000 in an aggregate principal amount of tax-exempt bonds and/or other borrowings for the purposes described above.
LEGISLATIVE YEAR 2015

RESOLUTION: R-15-133

PURPOSE: Approving the proposal of Pennichuck Corporation to borrow and issue up to twenty-five million five hundred thousand dollars ($25,500,000) in an aggregate principal amount of tax-exempt bonds and/or other borrowings

ENDORSERS: Mayor Donnalee Lozeau

COMMITTEE ASSIGNMENT:

FISCAL NOTE: None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation to borrow and issue up to $25,500,000 in an aggregate principal amount of tax-exempt bonds and/or other borrowing for refinancing some outstanding tax-exempt bonds and accrued interest, funding the financing of the construction of a new operations facility, and funding the costs of issuance associated with those first two purposes. These borrowings are also subject to approval of the New Hampshire Public Utilities Commission.

Pennichuck has provided additional information which will be provided to the Board of Aldermen 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: April 7, 2015