



## RESOLUTION

### AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC. TO BORROW FUNDS FROM THE NEW HAMPSHIRE DRINKING WATER STATE REVOLVING LOAN FUND

### *CITY OF NASHUA*

*In the Year Two Thousand and Seventeen*

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

**WHEREAS**, Article IX (3) 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, assume, or guarantee any indebtedness for borrowed money, which includes contracting a loan on behalf of the Corporation; and

**WHEREAS**, Pennichuck East Utility, Inc. ("PEU") is a regulated New Hampshire public water utility corporation providing retail water service to New Hampshire customers, and is a wholly owned subsidiary of Pennichuck Corporation ("Pennichuck") which, in turn, is wholly owned by the City of Nashua.

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU borrowing up to \$2,400,000 from the New Hampshire Drinking Water State Revolving Loan Fund to finance the cost of an interconnection pipeline to connect PEU Litchfield with Pennichuck Water Works, Inc. Merrimack/Litchfield;

**FURTHER RESOLVED** by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU borrowing up to \$570,000 from the New Hampshire Drinking Water State Revolving Loan Fund to finance the cost of replacing approximately 2,400 linear feet of water main on Brady Avenue, Maple Hills, in Derry; and

**FURTHER RESOLVED** by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU borrowing up to \$245,000 from the New Hampshire Drinking Water State Revolving Loan Fund to finance the cost of replacing approximately 1,200 linear feet of water main on Hillcrest Road in Litchfield.

**LEGISLATIVE YEAR 2017**

**RESOLUTION:** R-17-090

**PURPOSE:** Authorizing Pennichuck Corporation and Pennichuck East Utility, Inc. to borrow funds from the New Hampshire Drinking Water State Revolving Loan Fund

**ENDORSERS:** Alderman-at-Large Daniel Moriarty

**COMMITTEE  
ASSIGNMENT:**

**FISCAL NOTE:** None.

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**ANALYSIS**

This resolution approves the proposals by Pennichuck Corporation and one of their regulated public water subsidiaries to obtain three loans from the New Hampshire Drinking Water State Revolving Loan Fund administered by the New Hampshire Department of Environmental Services for the purposes described in the resolution.

Pennichuck has provided additional information on this proposal which will be forwarded 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.

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**Approved as to form:** Office of Corporation Counsel

**By:** Douglas Clarke

**Date:** February 8, 2017