



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK WATER WORKS, INC. TO ISSUE BONDS AND ENTER INTO A FIXED ASSET LINE OF CREDIT WITH TD BANK, N.A.

CITY OF NASHUA

In the Year Two Thousand and Seventeen

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 Water Works, Inc. (“PWW”) 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, 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 PWW borrowing up to a total of \$32,500,000 in an aggregate principal amount by issuing tax-exempt AMT bonds and/or other borrowings to raise proceeds for the following purposes: (1) to finance up to \$30,000,000 of PWW’s cost of constructing, reconstructing, and replacing infrastructure, equipment, vehicles and all other fixed assets of PWW for the years 2017 – 2109; and (2) to fund up to \$2,500,000 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 measure as may be determined by PWW in response to prevailing market conditions.

AND FURTHER, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PWW entering into a revolving fixed asset line of credit with TD Bank, N.A., allowing for annual borrowings of up to \$10,000,000, pursuant to a security interest in PWW’s accounts receivable and inventory, and pledge of the stock of PWW, for the purpose of providing advances to be used for interim capital projects funding.

LEGISLATIVE YEAR 2017

RESOLUTION: R-17-157

PURPOSE: Authorizing Pennichuck Corporation and Pennichuck Water Works, Inc. to issue bonds and enter into a fixed asset line of credit with TD Bank, N.A.

ENDORSERS: Alderman-at-Large Brian S. McCarthy

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE: None.


ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and Pennichuck Water Works to issue tax-exempt AMT and/or taxable bonds and to enter into a new revolving fixed asset line of credit with TD Bank, N.A. as 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: November 13, 2017