



## RESOLUTION

**AUTHORIZING PENNICHUCK CORPORATION, PENNICHUCK WATER WORKS, INC., AND PENNICHUCK EAST UTILITY, INC., TO BORROW FUNDS FROM THE STATE OF NEW HAMPSHIRE DRINKING WATER REVOLVING LOAN FUND AND THE STATE OF NEW HAMPSHIRE DRINKING WATER AND GROUNDWATER TRUST FUND**

### *CITY OF NASHUA*

*In the Year Two Thousand and Eighteen*

**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 Water Works, Inc. ("PWW"), and Pennichuck East Utility, Inc. ("PEU"), are regulated New Hampshire public water utility corporations providing retail water service to New Hampshire customers, and are wholly owned subsidiaries 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 the borrowing by Pennichuck East Utility, Inc. of up to \$4,240,000 from the State of New Hampshire Drinking Water Revolving Loan Fund to finance the cost of the Locke Lake New Groundwater Source Project;

**FURTHER RESOLVED** by the Board of Aldermen of the City of Nashua that the City approves the borrowing by Pennichuck Water Works, Inc. of up to \$3,375,000 from the State of New Hampshire Drinking Water and Groundwater Trust Fund to finance the cost of the Pennichuck Core Water main Replacement Project; and

**FURTHER RESOLVED** by the Board of Aldermen of the City of Nashua that the City approves the guaranty by Pennichuck Corporation of the payments by Pennichuck East Utility, Inc. and Pennichuck Water Works, Inc. for each of the two loans described above.

**LEGISLATIVE YEAR 2018**

**RESOLUTION:** R-18-058

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

**ENDORSERS:** Alderman-at-Large Lori Wilshire

**COMMITTEE  
ASSIGNMENT:**

**FISCAL NOTE:** None.

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**ANALYSIS**

This resolution approves the proposals by Pennichuck Corporation and two of their regulated public water subsidiaries to obtain loans from the State of New Hampshire Drinking Water Revolving Loan Fund and the State of New Hampshire Drinking Water and Groundwater Trust Fund 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.

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

By:  \_\_\_\_\_

Date: July 2, 2018