



RESOLUTION

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

CITY OF NASHUA

In the Year Two Thousand and Twenty

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, assume, or guarantee any indebtedness for borrowed money, which includes contracting a loan on behalf of Pennichuck or its subsidiaries; and

WHEREAS, Pennichuck Water Works, Inc. (“PWW”) is a regulated New Hampshire public water utility, and is a wholly owned subsidiary of 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 allowing PWW to issue up to a total of \$57,500,000 in an aggregate principal amount of tax-exempt AMT bonds and/or other borrowings to raise proceeds for the following purposes: (1) to finance up to \$55,750,000 of PWW’s cost of constructing, reconstructing, and replacing infrastructure, equipment, vehicles and all other fixed assets of the company for the years 2020-2024; and (2) to fund up to \$1,750,000 of various costs of issuance of the new bonds, including transactional 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 PWW entering into a renewal of its Fixed Asset Line of Credit with TD Bank, N.A., allowing for annual borrowings of up to \$12,000,000, pursuant to a security interest in PWW’s accounts receivable and inventory, and pledge of the stock of PWW and an assignment of its rights under the Money Pool Agreement and Cost Sharing Agreement (both as previously approved and in place under the oversight of the New Hampshire Public Utilities Commission), for the purpose of providing advances to be used for interim capital projects funding for the capital project years 2020-2024 (bond issuance years 2021-2025).

LEGISLATIVE YEAR 2020

RESOLUTION:

R-20-079

PURPOSE:

Authorizing Pennichuck Corporation and Pennichuck Water Works, Inc. to issue bonds and renew its fixed asset line of credit with TD Bank, N.A.

ENDORSERS:

Alderman-at-Large Lori Wilshire

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and one of their regulated public water subsidiaries to issue bonds and renew a fixed asset letter of credit as described in the resolution.

Pennichuck has separately 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: _____

RESOLUTION R-20-079

Authorizing Pennichuck Corporation and Pennichuck Water Works, Inc. to Issue bonds and renew its fixed asset line of credit with TD Bank, N.A.

IN THE BOARD OF ALDERMEN

1ST READING October 13, 2020

Referred to:
Pennichuck Special Water Committee

2nd Reading October 27, 2020

3rd Reading _____

4th Reading _____

Other Action _____

Passed October 27, 2020

Indefinitely Postponed _____

Defeated _____

Attest: _____
Gari Wilshire City Clerk

President

Approved _____
Mayor's Signature

Date

Endorsed by *Gari Wilshire*

WILSHIRE

DOWD

TENCZA

LOPEZ

HARRIOTT-GATHRIGHT

LAWS

O'BRIEN

CLEAVER

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____
City Clerk

President