



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC. TO ENTER INTO A LONG TERM LOAN WITH COBANK

CITY OF NASHUA

In the Year Two Thousand and Sixteen

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 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 obtaining a loan from CoBank, ACB in a principal amount up to \$2,200,000 with a 25-year amortization schedule to (1) refinance and repay approximately \$1.1 million of intercompany debt owed to Pennichuck by PEU, which was used to fund capital improvements to the PEU water system infrastructure during 2015, which were not funded by New Hampshire Drinking Water State Revolving Loan Fund debt, and (2) provide financing for approximately \$1.1 million of PEU’s 2016 capital expenditures and improvements, and for Pennichuck to guarantee this loan.

LEGISLATIVE YEAR 2016

RESOLUTION:

R-16-013

PURPOSE:

Authorizing Pennichuck Corporation and Pennichuck East Utility, Inc. to enter into a long term loan with CoBank

ENDORSERS:

Alderman-at-Large Daniel T. Moriarty

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and Pennichuck East Utility to enter into a long term loan with CoBank 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:

Doreen Clarke

Date:

February 16, 2016