



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC. TO ENTER INTO A LONG TERM LOAN AND FIXED ASSET LINE OF CREDIT WITH COBANK, AND TO REFINANCE INTERCOMPANY LOANS

CITY OF NASHUA

In the Year Two Thousand and Eighteen

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 (1) obtaining a loan from CoBank, ACB in an amount up to \$500,000 with a 25-year amortization schedule; (2) obtaining a 3-year revolving line of credit from CoBank, ACB, in an amount up to \$3,000,000; (3) refinancing the \$2,858,919 intercompany loan, with a 30-year amortization period, owed to Pennichuck by PEU, and (4) for Pennichuck to guarantee the loan and revolving line of credit.

LEGISLATIVE YEAR 2018

RESOLUTION:

R-18-006

PURPOSE:

Authorizing Pennichuck Corporation and Pennichuck East Utility, Inc. to enter into a long term loan and fixed asset line of credit with CoBank, and to refinance intercompany loans

ENDORSERS:

Alderman-at-Large Brian S. McCarthy

**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 and fixed asset line of credit with CoBank as described in the resolution, as well as the refinance of an intercompany loan.

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:

1/18/2018