



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PENNICHUCK EAST UTILITY, INC. TO ENTER INTO A TERM LOAN AND RENEW A FIXED ASSET LINE OF CREDIT WITH COBANK, ACB

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 East Utility, Inc. 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 (1) the loan to Pennichuck East Utility, Inc. from CoBank, ACB, in an amount of \$803,275, with a 25-year amortization schedule; (2) the guarantee by Pennichuck Corporation of the payment by Pennichuck East Utility, Inc. of said loan; and (3) the renewal of the fixed asset line of credit for Pennichuck East Utility, Inc. with CoBank, ACB, at a facility level of \$3 million for a period of three years.

LEGISLATIVE YEAR 2020

RESOLUTION: R-20-043

PURPOSE: Authorizing Pennichuck Corporation and Pennichuck East Utility, Inc. to enter into a term loan and renew a fixed asset line of credit with CoBank, ACB

ENDORSERS: Alderman-at-Large Lori Wilshire
Alderman-at-Large Michael B. O'Brien, Sr.
Alderman Richard A. Dowd
Alderman Patricia Klee
Alderman-at-Large David C. Tencza
Alderman Linda Harriott-Gathright
Alderman Thomas Lopez
Alderman-at-Large Brandon Michael Laws

**COMMITTEE
ASSIGNMENT:** Pennichuck Special Water Committee

FISCAL NOTE: None.

ANALYSIS

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

We have forwarded additional information provided by Pennichuck 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: _____

Marilyn Clarke

Date: _____

June 3, 2020

RESOLUTION R-20-043

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IN THE BOARD OF ALDERMEN

1ST READING June 9, 2020

Referred to:
Pennichuck Special Water Committee

2nd Reading June 23, 2020

3rd Reading _____

4th Reading _____

Other Action _____

Passed June 23, 2020

Indefinitely Postponed _____

Defeated _____

Attest: _____

[Signature] City Clerk
President

Approved [Signature]
Mayor's Signature

6/24/20
Date

Endorsed by

WILSHIRE

O'BRIEN

DOWD

KLEE

TENCZA

HARRIOTT-GATHRIGHT

LOPEZ

LAWS

Vetoed: _____

Veto Sustained: _____

Veto Overridden: _____

Attest: _____
City Clerk

President

