



RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO GIVE PENNICHUCK EAST UTILITY, INC. AUTHORITY TO ENTER INTO LONG TERM LOANS FROM THE DRINKING WATER STATE REVOLVING FUNDS

CITY OF NASHUA

In the Year Two Thousand and Thirteen

WHEREAS, the City of Nashua is the sole shareholder of Pennichuck Corporation and each of its subsidiaries;

WHEREAS, Article IX (2) 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 or assume any indebtedness for borrowed money, which includes contracting a loan on behalf of the Corporation;

WHEREAS, Pennichuck East Utility, Inc. ("PEU"), is a New Hampshire public utility corporation providing retail water service to approximately 6,800 New Hampshire customers, and is wholly owned by Pennichuck Corporation ("Pennichuck") which, in turn, is wholly owned by the City of Nashua;

WHEREAS, PEU is proposing to enter into two new long term loans: (i) a loan from the Drinking Water State Revolving Funds ("SRF") in the principal amount of \$400,000 to finance a water main upgrade project in the Locke Lake Water System, known as Dam Site Road Phase 2, replacing 6,800 feet of substandard main in that portion of the Locke Lake system, as a part of a long term main replacement project for the entire system; and (ii) a second loan from SRF in the principal amount of \$450,000 to finance an interconnection between the Avery Estates community water system in Londonderry, New Hampshire, with a new source of supply from the Hudson water system;

NOW, THEREFORE, BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU's proposal for two loans from through the Drinking Water State Revolving Loan Fund, administered by the New Hampshire Department of Environmental Services in the principal amounts of \$400,000 and \$450,000.

PASSED BY THE BOARD OF ALDERMEN – JUNE 11, 2013

APPROVED BY THE MAYOR – JUNE 12, 2013

ATTEST: PATRICIA PIECUCH, DEPUTY CITY CLERK