

Pennichuck Water Works, Inc.
BALANCE SHEET

Schedule LDG-1

ASSETS AND DEFERRED CHARGES
For the Twelve Months Ended December 31, 2019

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Pro Forma

	Account Number	12/31/2019	Pro Forma Adjustments		12/31/2019
<u>PLANT ASSETS</u>					
Plant in Service	301 to 348	236,700,679	55,750,000 (1)		292,450,679
Work in process	105	490,029	-		490,029
Utility Plant		237,190,708	55,750,000		292,940,708
Accumulated depreciation	108	61,209,912	1,294,515 (2)		62,504,427
Net Plant		175,980,796	54,455,485		230,436,281
Net Acquisition Adjustment	114 & 115	264,613	-		264,613
Total Net Utility Plant		175,716,183	54,455,485		230,171,668
<u>CURRENT ASSETS</u>					
Cash	131 & 133	6,000	-		6,000
Restricted Cash - RSF	131	1,121,291	-		1,121,291
Restricted Cash - 2014 Bond Project Fund	131	2,188,909			2,188,909
Restricted Cash - 2015 Bond Project Fund	131	1,190,619			1,190,619
Restricted Cash - 2018 Bond Project Fund	131	-			-
Restricted Cash - 2019 Bond Project Fund	131	46,174			-
Accounts receivable-billed, net	141 & 143	2,119,328	-		2,119,328
Accounts receivable-unbilled, net	173	1,826,777	-		1,826,777
Accounts receivable-other	142	-	-		-
Inventory	151	640,493	-		640,493
Prepaid expenses	162	29,741,981	-		29,741,981
Prepaid property taxes	163 & 236	-	-		-
Prepaid taxes	162.3	-	-		-
		38,881,572	-		38,835,397
<u>OTHER ASSETS</u>					
Debt issuance expenses	181	4,109,164	1,780,000		5,889,164
Acquisition Premium - MARA	186	64,741,956	-		64,741,956
Other & Deferred Charges	182,184,186	12,970,880	-		12,970,880
		81,822,000	1,780,000		83,602,000
TOTAL ASSETS		\$ 296,419,755	\$ 56,235,485		\$ 352,609,066

Notes:

- (1) To record the assets related to the New Debt.
(2) To record the impact of full year depreciation offset by the Cost of Removal

Pennichuck Water Works, Inc.
BALANCE SHEET

Schedule LDG-1

EQUITY AND LIABILITIES
For the Twelve Months Ended December 31, 2019

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	Account Number	12/31/2019	Pro Forma Adjustments		Pro Forma 12/31/2019
STOCKHOLDERS' EQUITY					
Common stock	201	\$ 30,000	\$ -		\$ 30,000
Paid in capital	211	\$ 106,951,795	-		106,951,795
Comprehensive Income	219	-	-		-
Retained earnings	215	386,829	(4,180,094)	(2)	(3,793,265)
		107,368,623	(4,180,094)		103,188,530
LONG TERM DEBT					
Bonds, notes and mortgages	221	104,280,476	57,500,000	(1)	161,780,476
Intercompany advances	223	-	2,915,579	(3)	2,915,579
Other Long Term Debt	224	-	-		-
CURRENT LIABILITIES					
Accounts payable	231	5,892,887	-		5,892,887
Accrued property taxes	236	-	-		-
Accrued interest payable	237	1,686,391	-		1,686,391
Other accrued expenses	241	(1,686,391.15)	-		(1,686,391)
Income taxes payable	236	-	-		-
Customer deposits & other	235	76,106	-		76,106
		5,968,992	-		5,968,992
OTHER LIABILITIES AND DEFERRED CREDITS					
Deferred income taxes & liability	282	24,785,760	-		24,785,760
Customer advances	252	-	-		-
CIAC, net	271 & 272	33,059,749	-		33,059,749
Other deferred credits	241 to 255	20,956,153	-		20,956,153
		78,801,663	-		78,801,663
TOTAL EQUITY AND LIABILITIES		\$ 296,419,755	\$ 56,235,485		\$ 352,655,240

Notes:

(1) To record the new Debt as follows:

Tax Exempt Bonds	\$ 57,500,000
Taxable Bonds	-
Total Bond Debt	\$ 57,500,000

(2) To record the impact of interest, depreciation, property taxes and income tax benefit on retained earnings.

(3) To record the use of funds through the intercompany debt

Pennichuck Water Works, Inc.
OPERATING INCOME STATEMENT

Schedule LDG-2

For the Twelve Months Ended December 31, 2019

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	Account Number	TWELVE MONTHS 12/31/19	PRO FORMA ADJUSTMENTS	PRO FORMA 12 MONTHS 12/31/19
Water Sales	460 to 462	\$ 31,895,347	\$ -	\$ 31,895,347
Other Operating Revenue	471	385,048	-	385,048
Total Revenues		32,280,395	-	32,280,395
Production Expenses	601 to 652	5,064,262	-	5,064,262
Transmission & Distribution Expenses	660 to 678	3,197,561	-	3,197,561
Engineering Expenses	660	1,351,622	-	1,351,622
Customer Acct & Collection Exp	902 to 904	1,583,386	-	1,583,386
Administrative & General Expense	920 to 950	6,890,427	-	6,890,427
Inter Div Management Fee	930	(3,177,470)	-	(3,177,470)
Total Operating Expense		14,909,788	-	14,909,788
Dep Exp/Acq Adj Expense	403 & 406	6,100,476	1,294,515 (2)	7,394,991
Amortization Expense:CIAC	405	(838,900)	-	(838,900)
Amortization Expense	407	2,013,171	-	2,013,171
Gain on Debt Forgiveness	414	(63,284)	-	(63,284)
Property Taxes	408.1	4,855,740	1,589,042 (2)	6,444,783
Income Tax	409 to 410	1,521,380	(1,578,464) (4)	(57,084)
Total Operating Deductions		13,588,583	1,305,094	14,893,677
Net Operating Income		3,782,024	(1,305,094)	2,476,931
Other Income and Deductions		121,612	-	121,612
AFUDC		-	-	-
Interest Expenses		3,516,808	2,875,000 (1)	6,391,808
Debt Issuance Cost New/Amortization		-	70,333 (3)	70,333
Net Income		386,829	(4,180,094)	(3,793,265)

Notes:

- 1 - To record the change in interest expense associated with New Debt.
- 2 - To record the impact of assets on depreciation and property taxes.
- 3 - To record the amortization of new debt expense.
- 4 - To record the tax impact resulting from additional expenses at statutory composite rate of 27.08%.

**Pennichuck Water Works, Inc.
OPERATING INCOME STATEMENT**

Schedule LDG-2

For the Twelve Months Ended December 31, 2019

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Supporting Calculations:

Interest Expense:

New debt	\$ 57,500,000
Interest Rate	5.0%
Annual Interest	<u>\$ 2,875,000</u>

Depreciation

	<u>Asset Cost</u>				<u>Depreciation</u>	
			<u>Total</u>		<u>Rate</u>	<u>Amount</u>
Blended Depreciation Rate	\$ -	\$ 50,175,000	\$ 50,175,000	**	2.58%	\$ 1,294,515
Totals	\$ -	\$ 50,175,000	\$ 50,175,000	-		<u>\$ 1,294,515</u>

Retirements: - N/A

	<u>Asset Cost</u>				<u>Depreciation</u>	
			<u>Total</u>		<u>Rate</u>	<u>Amount</u>
Blended Depreciation Rate	\$ -	\$ -	\$ -		2.58%	\$ -
Totals	\$ -	\$ -	\$ -	-		<u>\$ -</u>
	\$ -	\$ 50,175,000	\$ 50,175,000	-		

Pro Forma Depreciation

\$ 1,294,515

Debt issuance amortization

	<u>Costs</u>		<u>Amortization</u>	
			<u>Rate</u>	<u>Amount</u>
New tax exempt bond debt 2017-20	\$ 1,750,000		3.33%	\$ 58,333
New FALOC	\$ 30,000		40.0%	\$ 12,000
Totals	\$ 1,780,000		Amortization	<u>\$ 70,333</u>

Property Taxes

Town	\$ 25.07	\$ 25.07	Using Nashua rate for Calc of Proforma Tax
State of New Hampshire	\$ 6.60	\$ 6.60	
Total Tax Rate	\$ 31.67	\$ 31.67	

Pro Forma Property Taxes \$ - \$ 1,589,042 **\$ 1,589,042**

P&L	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036	
Revenues					37,440,902	38,072,474	40,270,258	41,482,320	42,620,963	44,428,177	47,594,457	48,430,873	50,069,846	53,117,725	53,853,830	55,655,716	59,003,346	59,938,133	61,979,747	65,786,563	66,842,812	
Growth						1.69%	5.77%	3.01%	2.74%	4.24%	7.13%	1.76%	3.38%	6.09%	1.39%	3.35%	6.01%	1.58%	3.41%	6.14%	1.61%	
Operating Expenses																						
Direct Operating Expenses					9,110,770	9,738,843	10,198,758	10,804,471	11,469,605	12,074,943	12,692,941	13,323,979	13,993,198	14,690,744	15,420,216	16,177,072	16,967,634	17,790,163	18,645,618	19,534,987	20,462,037	
Corporate Expenses					(3,020,370)	(3,110,981)	(3,204,311)	(3,300,440)	(3,399,453)	(3,501,437)	(3,606,480)	(3,714,674)	(3,826,114)	(3,940,898)	(4,059,125)	(4,180,898)	(4,306,325)	(4,435,515)	(4,568,581)	(4,705,638)	(4,846,807)	
Administration					9,988,329	10,287,979	10,596,618	10,914,517	11,241,952	11,579,211	11,926,587	12,284,385	12,652,916	13,032,504	13,423,479	13,826,183	14,240,969	14,668,198	15,108,244	15,561,491	16,028,336	
Taxes Other Than Income					4,978,551	5,928,990	5,943,497	6,086,649	6,271,092	6,375,497	6,472,846	6,565,278	6,675,538	6,791,108	6,915,412	7,043,534	7,178,799	7,317,283	7,459,098	7,604,103	7,754,606	
TOTAL OPERATING EXPENSES					21,057,280	22,844,830	23,534,562	24,505,197	25,583,196	26,528,215	27,485,894	28,458,967	29,495,538	30,573,458	31,699,983	32,865,891	34,081,077	35,340,129	36,644,380	37,994,943	39,398,172	
Other Income (Expense)					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain from forgiveness on ARRA loans					63,288	63,288	63,288	63,288	63,288	63,288	63,288	63,288	63,288	63,288	63,288	63,288	63,288	-	-	-	-	
EBITDA					16,446,910	15,290,932	16,798,984	17,040,411	17,101,055	17,963,250	20,171,851	20,035,193	20,637,596	22,607,555	22,217,135	22,853,114	24,922,270	24,598,004	25,335,368	27,791,620	27,444,640	
Depreciation and Amortization																						
PP&E D&A (incl MARA)					(7,446,990)	(7,623,234)	(7,734,950)	(7,780,475)	(7,906,597)	(8,053,946)	(8,132,535)	(8,276,373)	(8,476,623)	(8,691,430)	(8,894,056)	(9,174,195)	(9,502,607)	(9,842,742)	(10,190,661)	(10,564,702)	(10,971,906)	
TOTAL DEPRECIATION AND AMORTIZATION					(7,446,990)	(7,623,234)	(7,734,950)	(7,780,475)	(7,906,597)	(8,053,946)	(8,132,535)	(8,276,373)	(8,476,623)	(8,691,430)	(8,894,056)	(9,174,195)	(9,502,607)	(9,842,742)	(10,190,661)	(10,564,702)	(10,971,906)	
EBIT					8,999,920	7,667,698	9,064,034	9,259,936	9,194,458	9,909,304	12,039,316	11,758,820	12,160,973	13,916,125	13,323,079	13,678,919	15,419,663	14,755,262	15,144,707	17,226,918	16,472,734	
Interest Expense					(3,306,908)	(4,009,562)	(4,964,863)	(6,606,163)	(7,256,260)	(7,797,396)	(8,414,963)	(8,837,323)	(9,232,781)	(9,596,877)	(9,993,311)	(10,393,438)	(10,787,527)	(11,177,024)	(11,570,090)	(11,959,560)	(12,344,976)	
Intecompny Interest					150,457	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortization of Premium					132,884	132,884	132,884	132,884	132,884	132,884	132,884	132,884	132,884	132,884	132,880	114,683	114,683	114,683	114,683	114,683	114,683	
Amortization of Deferred Debt Expense					(264,318)	(235,073)	(250,256)	(274,247)	(292,701)	(294,780)	(309,453)	(320,695)	(330,083)	(335,041)	(329,215)	(338,432)	(350,362)	(362,618)	(375,096)	(362,205)	(306,341)	
NET INTEREST EXPENSE					(3,287,885)	(4,111,751)	(5,082,235)	(6,747,526)	(7,416,078)	(7,959,292)	(8,591,532)	(9,025,134)	(9,429,980)	(9,799,034)	(10,189,646)	(10,617,187)	(11,023,207)	(11,424,959)	(11,830,503)	(12,207,082)	(12,536,634)	
EBT					5,712,035	3,555,947	3,981,799	2,512,410	1,778,380	1,950,012	3,447,784	2,733,686	2,730,993	4,117,092	3,133,433	3,061,732	4,396,456	3,330,303	3,314,204	5,019,836	3,936,100	
Taxes					1,546,819	962,950	1,078,271	680,361	481,585	528,063	933,660	740,282	739,553	1,114,908	848,534	829,117	1,190,560	901,846	897,486	1,359,372	1,065,896	
EARNINGS / NET INCOME					4,165,216	2,592,997	2,903,528	1,832,050	1,296,795	1,421,949	2,514,124	1,993,404	1,991,440	3,002,183	2,284,900	2,232,615	3,205,896	2,428,457	2,416,718	3,660,464	2,870,204	
2015 INDENTURE TEST (IOU)																						
EBITDA					16,446,910	15,290,932	16,798,984	17,040,411	17,101,055	17,963,250	20,171,851	20,035,193	20,637,596	22,607,555	22,217,135	22,853,114	24,922,270	24,598,004	25,335,368	27,791,620	27,444,640	
EBIT					8,999,920	7,667,698	9,064,034	9,259,936	9,194,458	9,909,304	12,039,316	11,758,820	12,160,973	13,916,125	13,323,079	13,678,919	15,419,663	14,755,262	15,144,707	17,226,918	16,472,734	
Interest Expense					(3,287,885)	(4,111,751)	(5,082,235)	(6,747,526)	(7,416,078)	(7,959,292)	(8,591,532)	(9,025,134)	(9,429,980)	(9,799,034)	(10,189,646)	(10,617,187)	(11,023,207)	(11,424,959)	(11,830,503)	(12,207,082)	(12,536,634)	
EBITDA / Interest Expense (> 1.5x)					5.00	3.72	3.31	2.53	2.31	2.26	2.35	2.22	2.19	2.31	2.18	2.15	2.26	2.15	2.14	2.28	2.19	
EBITDA / All Future Interest (> 1.5x)					5.00	3.72	3.31	2.53	2.31	2.26	2.35	2.22	2.19	2.31	2.18	2.15	2.26	2.15	2.14	2.28	2.19	
Pass/Fail Flag - EBITDA					Pass	Pass	Pass															
Pass																						
Fail																						
2015 INDENTURE MUNICIPAL REVENUE BOND TEST																						
<i>Coverage Prior to 2017 Integrated Capital Financing Plan</i>																						
Net Revenues Available for Debt Service					-	16,446,910	15,290,932	16,798,984	17,040,411	17,101,055	17,963,250	20,171,851	20,035,193	20,637,596	22,607,555	22,217,135	22,853,114	24,922,270	24,598,004	25,335,368	27,791,620	27,444,640
Debt Service Requirements					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Existing Senior Bond Debt Service					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Senior Lien Note Debt Service					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total SRF Loan Debt Service					-	(1,288,100)	(1,289,897)	(1,275,114)	(1,271,956)	(1,274,270)	(1,276,481)	(1,278,545)	(1,280,485)	(1,282,277)	(1,230,460)	(1,073,339)	(1,053,368)	(938,698)	(868,018)	(870,898)	(873,844)	(796,331)
Total Existing DS Requirements (Bonds, Notes, SRF Loans)					-	(1,288,100)	(1,289,897)	(1,275,114)	(1,271,956)	(1,274,270)	(1,276,481)	(1,278,545)	(1,280,485)	(1,282,277)	(1,230,460)	(1,073,339)	(1,053,368)	(938,698)	(868,018)	(870,898)	(873,844)	(796,331)
Net Revenues After Debt Service					16,446,910	15,290,932	16,798,984	17,040,411	17,101,055	17,963,250	20,171,851	20,035,193	20,637,596	22,607,555	22,217,135	22,853,114	24,922,270	24,598,004	25,335,368	27,791,620	27,444,640	
CBFRR					-	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)
Net Revenues After Debt Service and CBFRR					-	8,717,878	7,561,900	9,069,952	9,311,379	9,372,023	10,234,218	12,442,819	12,306,161	12,908,564	14,878,523	14,488,103	15,124,082	17,193,238	16,868,972	17,606,336	20,062,588	19,715,608
Debt Service Coverage - Bonds Only					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Coverage - Bonds, SRF Loans					-	12.77	11.85	13.17	13.40	13.42	14.07	15.78	15.65	16.09	18.37	20.70	21.70	26.55	28.34	29.09	31.80	34.46
Debt Service Coverage - Bonds, Notes, SRF Loans					-	12.77	11.85	13.17	13.40	13.42	14.07	15.78	15.65	16.09	18.37	20.70	21.70	26.55	28.34	29.09	31.80	34.46
Debt Service Coverage - Bonds, Notes, SRF Loans, CBFRR					-	1.82	1.70	1.87	1.89	1.90	1.99	2.24	2.22	2.29	2.52	2.52	2.60	2.88	2.86	2.95	3.23	3.22
Cash Coverage - (Net Revs + Beg Cash) / Bonds, Notes, SRF Loans, CBFRR					-	2.33	2.24	2.54	2.74	2.71	2.68	2.80	2.79	2.94	3.01	3.05	3.27	3.36	3.42	3.67	3.81	
Net Debt Service Coverage - CBFRR					-	2.13	1.98	2.17	2.20	2.21	2.32	2.61	2.59	2.67	2.93	2.96	3.22	3.18	3.28	3.60	3.55	
ABT: 2015 Net Revs / Future MADS - Bonds Only					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ABT: Total Bond Debt Service + Total SRF Loan Debt Service																						

Total New Indenture Bond Debt Service	(5,101,188)	(4,453,298)	(1,254,883)	(2,081,488)	(2,563,625)	(2,563,683)	(2,568,187)	(2,567,136)	(2,565,645)	(2,563,711)	(2,565,772)	(2,566,684)	(2,566,884)	(2,566,372)	(2,565,147)	(2,563,209)	(2,565,434)	(2,566,709)
Total SRF Loan Debt Service	-	(1,288,100)	(1,289,897)	(1,275,114)	(1,271,956)	(1,274,270)	(1,276,481)	(1,278,545)	(1,280,485)	(1,282,277)	(1,230,460)	(1,073,339)	(1,053,368)	(938,698)	(868,018)	(870,898)	(873,844)	(796,331)
Total New Indenture DS Requirements (Bonds, SRF Loans)	(5,101,188)	(5,741,398)	(2,544,779)	(3,356,602)	(3,835,581)	(3,837,953)	(3,844,667)	(3,845,681)	(3,846,129)	(3,845,988)	(3,796,232)	(3,640,023)	(3,620,252)	(3,505,070)	(3,433,165)	(3,434,107)	(3,439,278)	(3,363,040)
Net Revenues after New Indenture Debt Service	(5,101,188)	10,705,512	12,746,153	13,442,382	13,204,830	13,263,102	14,118,583	16,326,170	16,189,064	16,791,608	18,811,324	18,577,112	19,232,862	21,417,200	21,164,839	21,901,261	24,352,342	24,081,600
Total Existing Old Indenture Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minus Total Refunded Old Indenture Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Remaining Old Indenture Bond DS After Refunding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Senior Lien Note Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Old Indenture DS Requirements (Bonds, Notes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues After Old and New Indenture Debt Service	(5,101,188)	10,705,512	12,746,153	13,442,382	13,204,830	13,263,102	14,118,583	16,326,170	16,189,064	16,791,608	18,811,324	18,577,112	19,232,862	21,417,200	21,164,839	21,901,261	24,352,342	24,081,600
CBFRR	-	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)
Net Revenues After Old and New Indenture DS and CBFRR	(5,101,188)	2,976,480	5,017,121	5,713,350	5,475,798	5,534,070	6,389,551	8,597,138	8,460,032	9,062,576	11,082,292	10,848,080	11,503,830	13,688,168	13,435,807	14,172,229	16,623,310	16,352,568
Debt Service Coverage - New Indenture Bonds Only	-	3.69	12.19	8.07	6.65	6.67	6.99	7.86	7.81	8.05	8.81	8.66	8.90	9.71	9.59	9.88	10.83	10.69
Debt Service Coverage - New Indenture Bonds, SRF Loans	-	2.86	6.01	5.00	4.44	4.46	4.67	5.25	5.21	5.37	5.96	6.10	6.31	7.11	7.16	7.38	8.08	8.16
Debt Service Coverage - All Debt Service	-	2.86	6.01	5.00	4.44	4.46	4.67	5.25	5.21	5.37	5.96	6.10	6.31	7.11	7.16	7.38	8.08	8.16
Debt Service Coverage - All Debt Service, CBFRR	-	1.22	1.49	1.52	1.47	1.48	1.55	1.74	1.73	1.78	1.96	1.95	2.01	2.22	2.20	2.27	2.49	2.47
Cash Coverage - Net Revs + Beg Cash / All Debt Service, CBFRR	-	1.56	1.96	2.06	2.13	2.11	2.08	2.18	2.18	2.17	2.28	2.33	2.36	2.52	2.59	2.64	2.83	2.93
Net Debt Service Coverage - CBFRR	-	1.39	1.65	1.74	1.71	1.72	1.83	2.11	2.09	2.17	2.43	2.40	2.49	2.77	2.74	2.83	3.15	3.12
ABT: 2015 Net Revs / Future MADS - New Indenture Bonds Only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ABT: 2015 Net Revs / Future MADS - New Indenture Bonds, SRF Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Theoretical ABT: Old and New Indenture Debt Service	(5,101,188)	(5,741,398)	(2,544,779)	(3,356,602)	(3,835,581)	(3,837,953)	(3,844,667)	(3,845,681)	(3,846,129)	(3,845,988)	(3,796,232)	(3,640,023)	(3,620,252)	(3,505,070)	(3,433,165)	(3,434,107)	(3,439,278)	(3,363,040)
Theoretical ABT: 2015 Net Revs / Future MADS - Old and New Indenture DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Coverage Test Post-2017 Integrated Capital Financing Plan	-	16,446,910	15,290,932	16,798,984	17,040,411	17,101,055	17,963,250	20,171,851	20,035,193	20,637,596	22,607,555	22,217,135	22,853,114	24,922,270	24,598,004	25,335,368	27,791,620	27,444,640
Net Revenues Available for Debt Service	-	16,446,910	15,290,932	16,798,984	17,040,411	17,101,055	17,963,250	20,171,851	20,035,193	20,637,596	22,607,555	22,217,135	22,853,114	24,922,270	24,598,004	25,335,368	27,791,620	27,444,640
Debt Service Requirements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total New Indenture Bond Debt Service	(5,101,188)	(4,453,298)	(1,254,883)	(2,081,488)	(2,563,625)	(2,563,683)	(2,568,187)	(2,567,136)	(2,565,645)	(2,563,711)	(2,565,772)	(2,566,684)	(2,566,884)	(2,566,372)	(2,565,147)	(2,563,209)	(2,565,434)	(2,566,709)
Total Future CAPEX Bond Debt Service	(645,753)	(1,603,250)	(2,056,019)	(2,865,066)	(3,785,450)	(4,490,583)	(5,180,871)	(5,856,315)	(6,583,715)	(7,333,382)	(8,112,740)	(8,906,942)	(9,730,834)	(10,576,994)	(11,445,421)	(12,336,115)	(13,256,499)	(14,206,573)
Total New Indenture Bond Debt Service	(5,746,941)	(6,056,547)	(3,310,902)	(4,946,554)	(6,349,076)	(7,054,266)	(7,749,058)	(8,423,451)	(9,149,359)	(9,897,094)	(10,678,512)	(11,473,627)	(12,297,719)	(13,143,366)	(14,010,568)	(14,899,324)	(15,821,933)	(16,773,282)
Total SRF Loan Debt Service	-	(1,288,100)	(1,289,897)	(1,275,114)	(1,271,956)	(1,274,270)	(1,276,481)	(1,278,545)	(1,280,485)	(1,282,277)	(1,230,460)	(1,073,339)	(1,053,368)	(938,698)	(868,018)	(870,898)	(873,844)	(796,331)
Total New Indenture DS Requirements (Bonds, SRF Loans)	(5,746,941)	(7,344,647)	(4,600,799)	(6,221,668)	(7,621,031)	(8,328,536)	(9,025,539)	(9,701,996)	(10,429,844)	(11,179,370)	(11,908,971)	(12,546,965)	(13,351,086)	(14,082,063)	(14,878,585)	(15,770,222)	(16,695,777)	(17,569,613)
Net Revenues After New Indenture Debt Service	(5,746,941)	9,102,263	10,690,133	10,577,316	9,419,380	8,772,519	8,937,711	10,469,856	9,605,349	9,458,226	10,698,584	9,670,170	9,502,027	10,840,206	9,719,419	9,565,146	11,095,843	9,875,027
Total Remaining Old Indenture Bond DS After Refunding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Senior Lien Note Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Old Indenture DS Requirements (Bonds, Notes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues After Old and New Indenture Debt Service	(5,746,941)	9,102,263	10,690,133	10,577,316	9,419,380	8,772,519	8,937,711	10,469,856	9,605,349	9,458,226	10,698,584	9,670,170	9,502,027	10,840,206	9,719,419	9,565,146	11,095,843	9,875,027
CBFRR	-	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)
Net Revenues After Old and New Indenture DS and CBFRR	(5,746,941)	1,373,231	2,961,101	2,848,284	1,690,348	1,043,487	1,208,679	2,740,824	1,876,317	1,729,194	2,969,552	1,941,138	1,772,995	3,111,174	1,990,387	1,836,114	3,366,811	2,145,995
Debt Service Coverage - New Indenture Bonds Only	-	2.72	4.62	3.40	2.68	2.42	2.32	2.39	2.19	2.09	2.12	1.94	1.86	1.90	1.76	1.70	1.76	1.64
Debt Service Coverage - New Indenture Bonds, SRF Loans	-	2.24	3.32	2.70	2.24	2.05	1.99	2.08	1.92	1.85	1.90	1.77	1.71	1.77	1.65	1.61	1.66	1.56
Debt Service Coverage - All Debt Service	-	2.24	3.32	2.70	2.24	2.05	1.99	2.08	1.92	1.85	1.90	1.77	1.71	1.77	1.65	1.61	1.66	1.56
Debt Service Coverage - All Debt Service, CBFRR	-	1.09	1.24	1.20	1.11	1.06	1.07	1.16	1.10	1.09	1.15	1.10	1.08	1.14	1.09	1.08	1.14	1.08
Cash Coverage - Net Revs + Beg Cash / All Debt Service, CBFRR	-	1.39	1.64	1.64	1.61	1.52	1.44	1.45	1.39	1.33	1.34	1.31	1.27	1.30	1.28	1.25	1.29	1.29
Net Debt Service Coverage - CBFRR	-	1.18	1.38	1.37	1.22	1.14	1.16	1.35	1.24	1.22	1.38	1.25	1.23	1.40	1.26	1.24	1.44	1.28

	YES	NO	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
COVENANT TESTS																				
Rate Covenant: Net Revenues (EBITDA)/Amounts Paid on Funded Debt >=1.10	-		2.86	6.01	5.00	4.44	4.46	4.67	5.25	5.21	5.37	5.96	6.10	6.31	7.11	7.16	7.38	8.08	8.16	
PASS?	NO	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	
Net Worth Covenant: Assets-Liabilities >= \$4,500,000	-		(2,016,997)	(6,190,082)	(9,937,315)	(15,153,937)	(21,104,589)	(26,883,608)	(31,164,856)	(36,160,202)	(41,158,241)	(44,770,181)	(49,365,780)	(54,033,080)	(57,365,656)	(61,764,385)	(66,179,213)	(68,888,409)	(72,681,340)	
PASS?	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	
Debt/Capital Covenant: No Short-Term Debt (unless subordinate to Subordinated Lien Bonds)																				
if (Short-Term Debt + Funded Debt)/(Short-Term Debt + Funded Debt + Capital)>85%	0.0%	102.0%	105.4%	107.7%	112.0%	116.5%	120.4%	123.4%	127.1%	130.9%	133.2%	136.4%	139.6%	141.4%	144.2%	147.0%	148.1%	150.3%		
PASS? (Short-Term Debt Can Be Incurred)	YES	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO	NO		
All Bonds Test:																				
Test #1: Funded Debt/ (MARA + 85% of Net Capital Properties)<=1.0	-		0.48	0.55	0.64	0.65	0.68	0.72	0.74	0.77	0.79	0.81	0.84	0.86	0.89	0.91	0.93	0.96	0.98	
Test #2: Net Revenues (EBITDA)/ Maximum Due in Any Future Year on Funded Debt >= 1.10	-		3.72	3.31	2.53	2.31	2.26	2.35	2.22	2.19	2.31	2.18	2.15	2.26	2.15	2.14	2.28	2.19	2.18	
PASS? (Both Must Fail to Fail Test)	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	

P&L	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051	
Revenues	68,981,686	73,022,800	74,265,177	76,758,399	81,390,205	75,747,939	77,869,071	82,958,793	84,586,389	87,128,663	92,752,125	94,522,476	97,572,590	104,233,200	105,047,517	
Growth	3.20%	5.86%	1.70%	3.36%	6.03%	-6.93%	2.80%	6.54%	1.96%	3.01%	6.45%	1.91%	3.23%	6.83%	0.78%	
Operating Expenses																
Direct Operating Expenses	21,427,898	22,433,735	23,480,747	24,570,169	25,703,274	26,884,122	28,111,396	29,389,238	30,719,165	32,099,990	33,535,990	35,031,570	36,585,767	38,191,988	39,861,656	
Corporate Expenses	(4,992,211)	(5,141,978)	(5,296,237)	(5,455,124)	(5,618,778)	(5,787,341)	(5,960,961)	(6,139,790)	(6,323,984)	(6,513,704)	(6,709,115)	(6,910,388)	(7,117,700)	(7,331,231)	(7,551,168)	
Administration	16,509,186	17,004,462	17,514,595	18,040,033	18,581,234	19,138,671	19,712,831	20,304,216	20,913,343	21,540,743	22,186,965	22,852,574	23,538,152	24,244,296	24,971,625	
Taxes Other Than Income	7,910,066	8,071,420	8,243,482	8,425,025	8,613,434	8,807,617	9,005,573	9,208,836	9,416,936	9,626,742	9,841,014	10,062,604	10,298,878	10,545,258	10,799,677	
TOTAL OPERATING EXPENSES	40,854,939	42,367,639	43,942,588	45,580,103	47,279,165	49,043,069	50,868,838	52,762,500	54,725,460	56,753,772	58,854,855	61,036,360	63,305,096	65,650,312	68,081,790	
Other Income (Expense)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Gain from forgiveness on ARRA loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
EBITDA	28,126,747	30,655,161	30,322,589	31,178,296	34,111,041	26,704,869	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727	
Depreciation and Amortization																
PP&E D&A (incl MARA)	(11,348,031)	(11,549,863)	(11,811,690)	(12,171,502)	(6,187,097)	(8,960,384)	(8,940,038)	(9,306,724)	(9,687,633)	(10,068,269)	(10,451,231)	(10,457,741)	(10,671,930)	(10,990,846)	(11,242,826)	
TOTAL DEPRECIATION AND AMORTIZATION	(11,348,031)	(11,549,863)	(11,811,690)	(12,171,502)	(6,187,097)	(8,960,384)	(8,940,038)	(9,306,724)	(9,687,633)	(10,068,269)	(10,451,231)	(10,457,741)	(10,671,930)	(10,990,846)	(11,242,826)	
EBIT	16,778,716	19,105,298	18,510,899	19,006,794	27,923,944	17,744,485	18,060,195	20,889,568	20,173,296	20,306,623	23,446,039	23,028,375	23,595,563	27,592,043	25,722,901	
Interest Expense	(12,723,816)	(13,101,007)	(13,476,234)	(13,840,474)	(14,201,163)	(14,547,938)	(14,881,247)	(15,204,816)	(15,510,060)	(15,807,497)	(16,096,342)	(16,363,000)	(16,672,208)	(16,975,531)	(17,087,959)	
Intecompny Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Amortization of Premium	114,683	114,683	114,683	114,683	114,683	114,683	114,683	114,694	49,951	14,962	14,962	11,901	2,727	-	-	
Amortization of Deferred Debt Expense	(308,230)	(322,480)	(337,541)	(353,161)	(369,254)	(385,821)	(402,861)	(418,648)	(390,877)	(400,678)	(419,967)	(432,868)	(443,468)	(461,862)	(470,397)	
NET INTEREST EXPENSE	(12,917,363)	(13,308,805)	(13,699,092)	(14,078,952)	(14,455,734)	(14,819,076)	(15,169,425)	(15,508,770)	(15,850,986)	(16,193,213)	(16,501,347)	(16,783,968)	(17,112,949)	(17,437,393)	(17,558,356)	
EBT	3,861,353	5,796,494	4,811,807	4,927,842	13,468,209	2,925,409	2,890,770	5,380,799	4,322,310	4,113,409	6,944,692	6,244,407	6,482,614	10,154,650	8,164,545	
Taxes	Rate 27.08%	1,045,654	1,569,690	1,303,037	1,334,459	3,647,191	792,201	782,821	1,457,120	1,170,482	1,113,911	1,880,623	1,690,986	1,755,492	2,749,879	2,210,959
EARNINGS / NET INCOME	2,815,699	4,226,803	3,508,770	3,593,382	9,821,018	2,133,208	2,107,949	3,923,678	3,151,828	2,999,498	5,064,069	4,553,422	4,727,122	7,404,771	5,953,586	
2005 INDENTURE TEST (IOU)																
EBITDA	28,126,747	30,655,161	30,322,589	31,178,296	34,111,041	26,704,869	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727	
EBIT	16,778,716	19,105,298	18,510,899	19,006,794	27,923,944	17,744,485	18,060,195	20,889,568	20,173,296	20,306,623	23,446,039	23,028,375	23,595,563	27,592,043	25,722,901	
Interest Expense	(12,917,363)	(13,308,805)	(13,699,092)	(14,078,952)	(14,455,734)	(14,819,076)	(15,169,425)	(15,508,770)	(15,850,986)	(16,193,213)	(16,501,347)	(16,783,968)	(17,112,949)	(17,437,393)	(17,558,356)	
EBITDA / Interest Expense (> 1.5x)	2.18	2.30	2.21	2.21	2.36	1.80	1.78	1.95	1.88	1.88	2.05	2.00	2.00	2.21	2.11	
EBITDA / All Future Interest (> 1.5x)	2.18	2.30	2.21	2.21	2.36	1.80	1.78	1.95	1.88	1.88	2.05	2.00	2.00	2.21	2.11	
Pass/Fail Flag - EBITDA	Pass															
Pass																
Fail																
2015 INDENTURE MUNICIPAL REVENUE BOND TEST																
<i>Coverage Prior to 2017 Integrated Capital Financing Plan</i>																
Net Revenues Available for Debt Service	28,126,747	30,655,161	30,322,589	31,178,296	34,111,041	26,704,869	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727	
Debt Service Requirements																
Total Existing Senior Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total Senior Lien Note Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Total SRF Loan Debt Service	(716,759)	(559,426)	(528,165)	(528,415)	(528,664)	(528,909)	(529,151)	(529,390)	(529,627)	(529,861)	(530,091)	(489,629)	(460,231)	-	-	
Total Existing DS Requirements (Bonds, Notes, SRF Loans)	(716,759)	(559,426)	(528,165)	(528,415)	(528,664)	(528,909)	(529,151)	(529,390)	(529,627)	(529,861)	(530,091)	(489,629)	(460,231)	-	-	
Net Revenues After Debt Service	28,126,747	30,655,161	30,322,589	31,178,296	34,111,041	26,704,869	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727	
CBFRR	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(644,086)	-	-	-	-	-	-	-	-	-	
Net Revenues After Debt Service and CBFRR	20,397,715	22,926,129	22,593,557	23,449,264	26,382,009	26,060,783	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727	
Debt Service Coverage - Bonds Only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Debt Service Coverage - Bonds, SRF Loans	39.24	54.80	57.41	59.00	64.52	50.49	51.03	57.04	56.38	57.33	63.95	68.39	74.46	-	-	
Debt Service Coverage - Bonds, Notes, SRF Loans	39.24	54.80	57.41	59.00	64.52	50.49	51.03	57.04	56.38	57.33	63.95	68.39	74.46	-	-	
Debt Service Coverage - Bonds, Notes, SRF Loans, CBFRR	3.33	3.70	3.67	3.78	4.13	22.77	51.03	57.04	56.38	57.33	63.95	68.39	74.46	-	-	
Cash Coverage - (Net Revs + Beg Cash) / Bonds, Notes, SRF Loans, CBFRR	3.96	4.36	4.56	4.75	5.16	32.13	73.75	81.46	86.47	90.24	99.28	113.99	127.27	-	-	
Net Debt Service Coverage - CBFRR	3.64	3.97	3.92	4.03	4.41	41.46	-	-	-	-	-	-	-	-	-	
ABT: 2015 Net Revs / Future MADS - Bonds Only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
ABT: Total Bond Debt Service + Total SRF Loan Debt Service	(716,759)	(559,426)	(528,165)	(528,415)	(528,664)	(528,909)	(529,151)	(529,390)	(529,627)	(529,861)	(530,091)	(489,629)	(460,231)	-	-	
ABT: 2015 Net Revs / Future MADS - Bonds, SRF Loans	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
<i>Coverage and ABT Post-2017 Integrated Capital Financing Plan</i>																
Net Revenues Available for Debt Service	28,126,747	30,655,161	30,322,589	31,178,296	34,111,041	26,704,869	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727	
New Indenture Debt Service Requirements																
Existing New Indenture Debt Service	(656,250)	(660,750)	(660,019)	(659,219)	(662,431)	(659,656)	(660,894)	(655,972)	(659,775)	(334,781)	(336,328)	(337,219)	(59,390)	-	-	
2019 NM (Tax)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	(13,761)	-	
2019 NM (AMT)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	(584,846)	-	
2020 NM (Tax)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	(27,522)	
2020 NM (AMT)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	(798,143)	
2021 NM (Tax)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	(20,642)	
2021 NM (AMT)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	(460,996)	

Total New Indenture Bond Debt Service	(2,562,159)	(2,566,659)	(2,565,928)	(2,565,128)	(2,568,341)	(2,565,566)	(2,566,803)	(2,561,881)	(2,565,684)	(2,240,691)	(2,242,237)	(2,243,128)	(1,965,299)	(598,607)	-
Total SRF Loan Debt Service	(716,759)	(559,426)	(528,165)	(528,415)	(528,664)	(528,909)	(529,151)	(529,390)	(529,627)	(529,861)	(530,091)	(489,629)	(460,231)	-	-
Total New Indenture DS Requirements (Bonds, SRF Loans)	(3,278,918)	(3,126,085)	(3,094,093)	(3,093,543)	(3,097,004)	(3,094,474)	(3,095,954)	(3,091,271)	(3,095,311)	(2,770,551)	(2,772,328)	(2,732,757)	(2,425,530)	(598,607)	-
Net Revenues after New Indenture Debt Service	24,847,829	27,529,076	27,228,496	28,084,753	31,014,036	23,610,395	23,904,279	27,105,021	26,765,618	27,604,340	31,124,942	30,753,359	31,841,964	37,984,282	36,965,727
Total Existing Old Indenture Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Minus Total Refunded Old Indenture Bond Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Remaining Old Indenture Bond DS After Refunding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Senior Lien Note Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Old Indenture DS Requirements (Bonds, Notes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues After Old and New Indenture Debt Service	24,847,829	27,529,076	27,228,496	28,084,753	31,014,036	23,610,395	23,904,279	27,105,021	26,765,618	27,604,340	31,124,942	30,753,359	31,841,964	37,984,282	36,965,727
CBFRR	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(644,086)	-	-	-	-	-	-	-	-	-
Net Revenues After Old and New Indenture DS and CBFRR	17,118,797	19,800,044	19,499,464	20,355,721	23,285,004	22,966,309	23,904,279	27,105,021	26,765,618	27,604,340	31,124,942	30,753,359	31,841,964	37,984,282	36,965,727
Debt Service Coverage - New Indenture Bonds Only	10.98	11.94	11.82	12.15	13.28	10.41	10.52	11.79	11.64	13.56	15.12	14.93	17.44	64.45	-
Debt Service Coverage - New Indenture Bonds, SRF Loans	8.58	9.81	9.80	10.08	11.01	8.63	8.72	9.77	9.65	10.96	12.23	12.25	14.13	64.45	-
Debt Service Coverage - All Debt Service	8.58	9.81	9.80	10.08	11.01	8.63	8.72	9.77	9.65	10.96	12.23	12.25	14.13	64.45	-
Debt Service Coverage - All Debt Service, CBFRR	2.56	2.82	2.80	2.88	3.15	7.14	8.72	9.77	9.65	10.96	12.23	12.25	14.13	64.45	-
Cash Coverage - Net Revs + Beg Cash / All Debt Service, CBFRR	3.04	3.33	3.48	3.62	3.94	10.08	12.61	13.95	14.80	17.26	18.98	20.42	24.15	108.02	-
Net Debt Service Coverage - CBFRR	3.21	3.56	3.52	3.63	4.01	36.66	-	-	-	-	-	-	-	-	-
ABT: 2015 Net Revs / Future MADS - New Indenture Bonds Only	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ABT: 2015 Net Revs / Future MADS - New Indenture Bonds, SRF Loans	(3,278,918)	(3,126,085)	(3,094,093)	(3,093,543)	(3,097,004)	(3,094,474)	(3,095,954)	(3,091,271)	(3,095,311)	(2,770,551)	(2,772,328)	(2,732,757)	(2,425,530)	(598,607)	-
Theoretical ABT: Old and New Indenture Debt Service	(3,278,918)	(3,126,085)	(3,094,093)	(3,093,543)	(3,097,004)	(3,094,474)	(3,095,954)	(3,091,271)	(3,095,311)	(2,770,551)	(2,772,328)	(2,732,757)	(2,425,530)	(598,607)	-
Theoretical ABT: 2015 Net Revs / Future MADS - Old and New Indenture DS	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
<i>Coverage Test Post-2017 Integrated Capital Financing Plan</i>	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues Available for Debt Service	28,126,747	30,655,161	30,322,589	31,178,296	34,111,041	26,704,869	27,000,233	30,196,292	29,860,929	30,374,892	33,897,270	33,486,116	34,267,493	38,582,889	36,965,727
Debt Service Requirements	(2,562,159)	(2,566,659)	(2,565,928)	(2,565,128)	(2,568,341)	(2,565,566)	(2,566,803)	(2,561,881)	(2,565,684)	(2,240,691)	(2,242,237)	(2,243,128)	(1,965,299)	(598,607)	-
Total New Indenture Bond Debt Service	(2,562,159)	(2,566,659)	(2,565,928)	(2,565,128)	(2,568,341)	(2,565,566)	(2,566,803)	(2,561,881)	(2,565,684)	(2,240,691)	(2,242,237)	(2,243,128)	(1,965,299)	(598,607)	-
Total Future CAPEX Bond Debt Service	(15,186,336)	(16,195,790)	(17,234,933)	(18,303,766)	(19,409,712)	(20,545,347)	(21,718,094)	(22,927,954)	(24,167,503)	(25,444,165)	(26,765,361)	(28,042,023)	(28,717,466)	(29,118,279)	(30,063,810)
Total New Indenture Bond Debt Service	(17,748,496)	(18,762,449)	(19,800,862)	(20,868,895)	(21,978,052)	(23,110,912)	(24,284,897)	(25,489,835)	(26,733,188)	(27,684,856)	(29,007,599)	(30,285,151)	(30,682,765)	(29,716,886)	(30,063,810)
Total SRF Loan Debt Service	(716,759)	(559,426)	(528,165)	(528,415)	(528,664)	(528,909)	(529,151)	(529,390)	(529,627)	(529,861)	(530,091)	(489,629)	(460,231)	-	-
Total New Indenture DS Requirements (Bonds, SRF Loans)	(18,465,255)	(19,321,875)	(20,329,026)	(21,397,309)	(22,506,716)	(23,639,821)	(24,814,048)	(26,019,225)	(27,262,814)	(28,214,716)	(29,537,690)	(30,774,780)	(31,142,996)	(29,716,886)	(30,063,810)
Net Revenues After New Indenture Debt Service	9,661,493	11,333,286	9,993,563	9,780,987	11,604,325	3,065,048	2,186,185	4,177,068	2,598,115	2,160,175	4,359,580	2,711,336	3,124,497	8,866,003	6,901,917
Total Remaining Old Indenture Bond DS After Refunding	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Senior Lien Note Debt Service	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Old Indenture DS Requirements (Bonds, Notes)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Net Revenues After Old and New Indenture Debt Service	9,661,493	11,333,286	9,993,563	9,780,987	11,604,325	3,065,048	2,186,185	4,177,068	2,598,115	2,160,175	4,359,580	2,711,336	3,124,497	8,866,003	6,901,917
CBFRR	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(644,086)	-	-	-	-	-	-	-	-	-
Net Revenues After Old and New Indenture DS and CBFRR	1,932,461	3,604,254	2,264,531	2,051,955	3,875,293	2,420,962	2,186,185	4,177,068	2,598,115	2,160,175	4,359,580	2,711,336	3,124,497	8,866,003	6,901,917
Debt Service Coverage - New Indenture Bonds Only	1.58	1.63	1.53	1.49	1.55	1.16	1.11	1.18	1.12	1.10	1.17	1.11	1.12	1.30	1.23
Debt Service Coverage - New Indenture Bonds, SRF Loans	1.52	1.59	1.49	1.46	1.52	1.13	1.09	1.16	1.10	1.08	1.15	1.09	1.10	1.30	1.23
Debt Service Coverage - All Debt Service	1.52	1.59	1.49	1.46	1.52	1.13	1.09	1.16	1.10	1.08	1.15	1.09	1.10	1.30	1.23
Debt Service Coverage - All Debt Service, CBFRR	1.07	1.13	1.08	1.07	1.13	1.10	1.09	1.16	1.10	1.08	1.15	1.09	1.10	1.30	1.23
Cash Coverage - Net Revs + Beg Cash / All Debt Service, CBFRR	1.28	1.34	1.34	1.35	1.41	1.55	1.57	1.66	1.68	1.69	1.78	1.81	1.88	2.18	2.24
Net Debt Service Coverage - CBFRR	1.25	1.47	1.29	1.27	1.50	4.76	-	-	-	-	-	-	-	-	-

YES

	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
COVENANT TESTS															
Rate Covenant: Net Revenues (EBITDA)/Amounts Paid on Funded Debt >=1.10	8.58	9.81	9.80	10.08	11.01	8.63	8.72	9.77	9.65	10.96	12.23	12.25	14.13	64.45	-
PASS?	YES	NO													
Net Worth Covenant: Assets-Liabilities >= \$4,500,000	(76,549,019)	(78,481,558)	(81,398,783)	(84,199,973)	(78,460,796)	(76,179,473)	(73,288,703)	(67,907,905)	(63,585,595)	(59,472,185)	(52,527,493)	(46,283,086)	(39,800,472)	(29,645,822)	(21,481,277)
PASS?	NO														
Debt/Capital Covenant: No Short-Term Debt (unless subordinate to Subordinated Lien Bonds if (Short-Term Debt + Funded Debt)/(Short-Term Debt + Funded Debt + Capital)>85%)	152.5%	152.6%	153.8%	154.9%	148.0%	144.8%	141.4%	136.4%	132.8%	129.5%	124.8%	121.0%	117.3%	112.3%	108.6%
PASS? (Short-Term Debt Can Be Incurred)	NO														
All Bonds Test:															
Test #1: Funded Debt/ (MARA + 85% of Net Capital Properties)<=1.0	1.00	1.03	1.05	1.07	1.09	1.09	1.08	1.07	1.07	1.06	1.05	1.04	1.02	1.22	1.19
Test #2: Net Revenues (EBITDA)/ Maximum Due in Any Future Year on Funded Debt >=	2.30	2.21	2.21	2.36	1.80	1.78	1.95	1.88	1.88	2.05	2.00	2.00	2.21	2.11	2.03
PASS? (Both Must Fail to Fail Test)	YES														

Balance Sheet	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035	2036
Cash - including RSF funds					4,888,525	6,069,214	7,610,535	7,326,594	6,163,707	5,041,520	5,196,000	4,504,799	3,721,186	4,289,767	3,913,261	3,429,174	4,317,395	4,096,489	3,766,206	5,078,847	5,325,432
Escrow - 2014 Bond Project Fund																					
Escrow - 2015 Bond Project Fund																					
Escrow - 2018 Bond Project Fund																					
Escrow - 2019 Bond Project Fund																					
Escrow - 2020 Bond Project Fund																					
Escrow - 2021 Bond Project Fund																					
Other Current Assets					#####	#####	(97,177,217)	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####	#####
PP&E					178,213,494	184,787,129	184,499,352	189,017,940	194,953,782	197,906,190	200,653,792	203,137,384	206,193,202	209,447,303	213,017,045	216,624,900	220,424,876	224,320,426	228,305,562	232,364,941	236,577,763
Acquisition Premium					62,815,577	60,834,481	58,793,649	56,687,849	54,511,848	52,260,415	49,925,918	47,505,306	44,981,572	42,350,794	39,610,354	36,752,841	33,775,202	30,667,627	27,424,446	24,038,030	20,502,928
Unamortized Bond Issuance Costs					4,494,347	4,600,262	4,757,349	4,796,813	4,817,935	4,822,569	4,847,095	4,888,097	4,934,081	4,975,235	5,018,334	5,059,605	5,124,416	5,255,742	5,399,379	5,542,965	5,685,691
Deferred Assets					596,046	468,442	351,406	248,560	172,541	109,672	59,005	15,198	3,641	432	-	-	-	-	-	-	-
Debt Service Reserve Fund					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS					132,214,456	145,776,229	158,835,074	155,968,173	157,055,363	159,581,399	160,300,527	159,829,434	158,850,965	159,737,198	159,785,494	159,849,403	161,177,607	161,532,384	161,740,525	163,519,000	164,131,764
Other Current Liabilities					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt																					
Senior Lien Bonds					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Lien Notes					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinate Lien Bonds					83,620,000	102,958,850	121,375,210	125,353,339	134,045,085	144,028,648	150,731,584	156,985,575	162,761,828	168,977,986	175,192,955	181,492,460	187,624,202	193,786,575	199,833,555	205,757,692	211,525,227
OID					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SRF Loans					18,450,899	17,658,738	16,859,152	16,040,325	15,196,003	14,325,443	13,427,910	12,502,625	11,548,794	10,619,263	9,825,265	9,032,431	8,336,525	7,696,941	7,040,315	6,366,182	5,754,717
TOTAL LONG-TERM DEBT					102,070,899	120,617,588	138,234,362	141,393,664	149,241,088	158,354,091	164,159,494	169,488,201	174,310,621	179,597,250	185,018,219	190,524,892	195,960,726	201,483,516	206,873,870	212,123,874	217,279,944
Other Liabilities					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIAC					32,160,554	31,348,723	30,538,028	29,728,445	28,918,864	28,110,916	27,305,889	26,501,435	25,698,585	24,910,129	24,133,055	23,357,592	22,582,536	21,813,253	21,045,869	20,283,534	19,533,160
TOTAL LIABILITIES					134,231,453	151,966,311	168,772,390	171,122,109	178,159,952	186,465,007	191,465,383	195,989,636	200,009,206	204,507,379	209,151,274	213,882,484	218,543,262	223,296,769	227,919,739	232,407,408	236,813,104
Equity																					
Historical Equity					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition Equity					-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings					-	(2,016,997)	(6,190,082)	(9,937,315)	(15,153,937)	(21,104,589)	(26,883,608)	(31,164,856)	(36,160,202)	(41,158,241)	(44,770,181)	(49,365,780)	(54,033,080)	(57,365,656)	(61,764,385)	(66,179,213)	(68,888,409)
Current Year Earnings					4,165,216	2,592,997	2,903,528	1,832,050	1,296,795	1,421,949	2,514,124	1,993,404	1,991,440	3,002,183	2,284,900	2,232,615	3,205,896	2,428,457	2,416,718	3,660,464	2,870,204
Current Year Distributions					(6,182,213)	(6,766,082)	(6,650,761)	(7,048,671)	(7,247,447)	(7,200,969)	(6,795,372)	(6,988,750)	(6,989,479)	(6,614,124)	(6,880,498)	(6,899,915)	(6,538,472)	(6,827,186)	(6,831,546)	(6,369,660)	(6,663,136)
TOTAL EQUITY					(2,016,997)	(6,190,082)	(9,937,315)	(15,153,937)	(21,104,589)	(26,883,608)	(31,164,856)	(36,160,202)	(41,158,241)	(44,770,181)	(49,365,780)	(54,033,080)	(57,365,656)	(61,764,385)	(66,179,213)	(68,888,409)	(72,681,340)
TOTAL LIABILITIES AND EQUITY					132,214,456	145,776,229	158,835,075	155,968,173	157,055,363	159,581,399	160,300,527	159,829,434	158,850,966	159,737,198	159,785,494	159,849,403	161,177,606	161,532,384	161,740,526	163,518,999	164,131,764
Difference					TRUE 0	TRUE -	TRUE (0)	TRUE 0	TRUE -	TRUE (0)	TRUE 0	TRUE -	TRUE (0)	TRUE 0	TRUE -	TRUE (0)	TRUE 0	TRUE -	TRUE (0)	TRUE 0	TRUE -
Total Debt					102,070,899	120,617,588	138,234,362	141,393,664	149,241,088	158,354,091	164,159,494	169,488,201	174,310,621	179,597,250	185,018,219	190,524,892	195,960,726	201,483,516	206,873,870	212,123,874	217,279,944
Total Equity					(2,016,997)	(6,190,082)	(9,937,315)	(15,153,937)	(21,104,589)	(26,883,608)	(31,164,856)	(36,160,202)	(41,158,241)	(44,770,181)	(49,365,780)	(54,033,080)	(57,365,656)	(61,764,385)	(66,179,213)	(68,888,409)	(72,681,340)
Total Debt / Total Capital (< 65%)					102.0%	105.4%	107.7%	112.0%	116.5%	120.4%	123.4%	127.1%	130.9%	133.2%	136.4%	139.6%	141.4%	144.2%	147.0%	148.1%	150.3%
Funded Debt					102,070,899	120,617,588	138,234,362	141,393,664	149,241,088	158,354,091	164,159,494	169,488,201	174,310,621	179,597,250	185,018,219	190,524,892	195,960,726	201,483,516	206,873,870	212,123,874	217,279,944
PP&E					178,213,494	184,787,129	184,499,352	189,017,940	194,953,782	197,906,190	200,653,792	203,137,384	206,193,202	209,447,303	213,017,045	216,624,900	220,424,876	224,320,426	228,305,562	232,364,941	236,577,763
Funded Debt / PP&E (< 60%)					57.3%	65.3%	74.9%	74.8%	76.6%	80.0%	81.8%	83.4%	84.5%	85.7%	86.9%	88.0%	88.9%	89.8%	90.6%	91.3%	91.8%
Deposited Cash / Long-Term ABT - EBITDA					0.48	0.55	0.64	0.65	0.68	0.72	0.74	0.77	0.79	0.81	0.84	0.86	0.89	0.91	0.93	0.96	0.98
Funded Debt / MARA + 85% * PP&E<= 1.0					3.72	3.31	2.53	2.31	2.26	2.35	2.22	2.19	2.31	2.18	2.15	2.26	2.15	2.14	2.28	2.19	2.18
or EBITDA / All Future Interest > 1.5x					YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES
ABT Test Results					YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES	YES

Actuals

Balance Sheet	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Cash - including RSF funds	5,466,834	7,359,858	8,011,592	8,538,109	10,984,762	12,027,005	12,928,558	15,935,482	17,440,004	18,728,258	22,326,999	24,304,262	26,077,726	30,394,604	32,850,097
Escrow - 2014 Bond Project Fund															
Escrow - 2015 Bond Project Fund															
Escrow - 2018 Bond Project Fund															
Escrow - 2019 Bond Project Fund															
Escrow - 2020 Bond Project Fund															
Escrow - 2021 Bond Project Fund															
Other Current Assets	#####	#####	#####	(105,780,667)	(106,238,483)	(106,799,850)	(107,261,217)	(107,822,583)	(108,383,950)	(108,848,867)	(109,343,283)	(109,987,917)	(110,517,333)	(112,214,311)	(113,875,253)
PP&E	240,977,837	245,742,484	250,825,353	256,128,953	261,511,915	267,099,256	272,746,868	278,536,295	284,450,774	290,391,339	296,462,419	303,135,507	310,101,303	317,294,529	324,616,803
Acquisition Premium	16,813,909	12,963,341	8,943,375	4,746,164	366,257	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)	(7)
Unamortized Bond Issuance Costs	5,826,996	5,966,409	6,103,454	6,241,210	6,377,379	6,559,069	6,748,707	6,933,257	7,122,656	7,322,755	7,448,159	7,632,996	7,824,814	8,029,370	8,238,916
Deferred Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Reserve Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL ASSETS	164,671,259	167,163,508	168,560,924	169,873,769	173,001,830	178,885,473	185,162,910	193,582,445	200,629,477	207,593,477	216,894,287	225,084,841	233,486,503	243,504,185	251,830,556
Other Current Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Long-Term Debt															
Senior Lien Bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Senior Lien Notes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Subordinate Lien Bonds	217,219,562	222,782,739	228,205,168	233,435,530	238,440,676	243,180,517	247,711,468	251,899,330	255,780,970	259,795,929	263,317,540	266,394,764	269,422,323	269,940,084	270,940,810
OID	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SRF Loans	5,208,471	4,806,139	4,423,758	4,029,541	3,623,126	3,204,144	2,772,211	2,326,933	1,867,904	1,394,702	906,897	444,991	(1,247)	(1,247)	(1,247)
TOTAL LONG-TERM DEBT	222,428,033	227,588,878	232,628,926	237,465,071	242,063,802	246,384,661	250,483,678	254,226,263	257,648,873	261,190,631	264,224,437	266,839,756	269,421,076	269,938,837	270,939,563
Other Liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CIAC	18,792,246	18,056,188	17,330,781	16,608,672	9,398,824	8,680,285	7,967,935	7,264,086	6,566,198	5,875,032	5,197,343	4,528,172	3,865,898	3,211,170	2,372,270
TOTAL LIABILITIES	241,220,279	245,645,066	249,959,707	254,073,743	251,462,626	255,064,946	258,451,613	261,490,349	264,215,071	267,065,663	269,421,780	271,367,928	273,286,974	273,150,007	273,311,833
Equity															
Historical Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Acquisition Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Retained Earnings	(72,681,340)	(76,549,019)	(78,481,558)	(81,398,783)	(84,199,973)	(78,460,796)	(76,179,473)	(73,288,703)	(67,907,905)	(63,585,595)	(59,472,185)	(52,527,493)	(46,283,086)	(39,800,472)	(29,645,822)
Current Year Earnings	2,815,699	4,226,803	3,508,770	3,593,382	9,821,018	2,133,208	2,107,949	3,923,678	3,151,828	2,999,498	5,064,069	4,553,422	4,727,122	7,404,771	5,953,586
Current Year Distributions	(6,683,378)	(6,159,342)	(6,425,995)	(6,394,573)	(4,081,841)	148,115	782,821	1,457,120	1,170,482	1,113,911	1,880,623	1,690,986	1,755,492	2,749,879	2,210,959
TOTAL EQUITY	(76,549,019)	(78,481,558)	(81,398,783)	(84,199,973)	(78,460,796)	(76,179,473)	(73,288,703)	(67,907,905)	(63,585,595)	(59,472,185)	(52,527,493)	(46,283,086)	(39,800,472)	(29,645,822)	(21,481,277)
TOTAL LIABILITIES AND EQUITY	164,671,259	167,163,508	168,560,924	169,873,770	173,001,830	178,885,473	185,162,910	193,582,444	200,629,477	207,593,478	216,894,287	225,084,842	233,486,503	243,504,185	251,830,556
Difference	(0)	0	-	(0)	0	-	(0)	0	-	(0)	0	(0)	0	(0)	(0)
Total Debt	222,428,033	227,588,878	232,628,926	237,465,071	242,063,802	246,384,661	250,483,678	254,226,263	257,648,873	261,190,631	264,224,437	266,839,756	269,421,076	269,938,837	270,939,563
Total Equity	(76,549,019)	(78,481,558)	(81,398,783)	(84,199,973)	(78,460,796)	(76,179,473)	(73,288,703)	(67,907,905)	(63,585,595)	(59,472,185)	(52,527,493)	(46,283,086)	(39,800,472)	(29,645,822)	(21,481,277)
Total Debt / Total Capital (< 65%)	152.5%	152.6%	153.8%	154.9%	148.0%	144.8%	141.4%	136.4%	132.8%	129.5%	124.8%	121.0%	117.3%	112.3%	108.6%
Funded Debt	222,428,033	227,588,878	232,628,926	237,465,071	242,063,802	246,384,661	250,483,678	254,226,263	257,648,873	261,190,631	264,224,437	266,839,756	269,421,076	269,938,837	270,939,563
PP&E	240,977,837	245,742,484	250,825,353	256,128,953	261,511,915	267,099,256	272,746,868	278,536,295	284,450,774	290,391,339	296,462,419	303,135,507	310,101,303	317,294,529	324,616,803
Funded Debt / PP&E (< 60%)	92.3%	92.6%	92.7%	92.7%	92.6%	92.2%	91.8%	91.3%	90.6%	89.9%	89.1%	88.0%	86.9%	85.1%	83.5%
Deposited Cash / Long-Term ABT - EBITDA	1.00	1.03	1.05	1.07	1.09	1.09	1.08	1.07	1.07	1.06	1.05	1.04	1.02	1.22	1.19
Funded Debt / MARA + 85% * PP&E<= 1.0 or EBITDA / All Future Interest > 1.5x	2.30	2.21	2.21	2.36	1.80	1.78	1.95	1.88	1.88	2.05	2.00	2.00	2.21	2.11	2.03
ABT Test Results	YES														

Actuals

Cash Flow	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032	2033	2034	2035
Net Income					4,165,216	2,592,997	2,903,528	1,832,050	1,296,795	1,421,949	2,514,124	1,993,404	1,991,440	3,002,183	2,284,900	2,232,615	3,205,896	2,428,457	2,416,718	3,660,464
Depreciation and Amortization																				
D&A PP&E (incl MARA)					7,446,990	7,623,234	7,734,950	7,780,475	7,906,597	8,053,946	8,132,535	8,276,373	8,476,623	8,691,430	8,894,056	9,174,195	9,502,607	9,842,742	10,190,661	10,564,702
Amortization of Deferred Debt Expense					274,247	292,701	294,780	309,453	320,695	330,083	335,041	329,215	338,432	350,362	362,618	375,096	362,205	306,341	308,230	322,480
TOTAL DEPRECIATION AND AMORTIZATION					7,721,237	7,915,935	8,029,730	8,089,928	8,227,292	8,384,029	8,467,576	8,605,588	8,815,055	9,041,792	9,256,674	9,549,291	9,864,812	10,149,083	10,498,891	10,887,182
NET CASH FLOWS FROM OPERATIONS					11,886,453	10,508,932	10,933,257	9,921,978	9,524,086	9,805,978	10,981,700	10,598,992	10,806,496	12,043,975	11,541,574	11,781,906	13,070,708	12,577,540	12,915,609	14,547,647
Changes in PP&E																				
Purchases of PP&E					(8,700,000)	(12,900,000)	(6,100,000)	(10,900,000)	(12,400,000)	(9,500,000)	(9,300,000)	(9,100,000)	(9,800,000)	(10,100,000)	(10,500,000)	(10,700,000)	(11,100,000)	(11,400,000)	(11,700,000)	(12,000,000)
Annual Use of DSRR 0.1 funds for Capex					600,000															
Proceeds from borrowings					8,100,000	12,900,000	6,100,000	10,900,000	12,400,000	9,500,000	9,300,000	9,100,000	9,800,000	10,100,000	10,500,000	10,700,000	11,100,000	11,400,000	11,700,000	12,000,000
TOTAL CHANGES IN PP&E					-															
Changes due to Financings																				
Refunding Debt Issuance Costs																				
Increase/(decrease) in working capital																				
Project Escrow Fund Releases - 2018-2020 Bond Funds																				
DWGTF Loan Proceeds																				
RSF Releases - CBFRR from 2015 test year rate case																				
DSRF Releases																				
Tfr of RSF funds to PAC						(100,000)														
Principal Payments					(5,368,711)	(2,462,162)	(2,741,176)	(3,157,247)	(3,439,526)	(3,727,197)	(4,031,847)	(4,301,444)	(4,600,629)	(4,861,271)	(5,037,581)	(5,366,078)	(5,644,015)	(5,971,260)	(6,414,347)	(6,865,345)
Return of Acquisition Premium																				
TOTAL PAYMENTS					(5,368,711)	(2,562,162)	(2,741,176)	(3,157,247)	(3,439,526)	(3,727,197)	(4,031,847)	(4,301,444)	(4,600,629)	(4,861,271)	(5,037,581)	(5,366,078)	(5,644,015)	(5,971,260)	(6,414,347)	(6,865,345)
CHANGE IN CASH BEFORE DISTRIBUTIONS					6,517,742	7,946,771	8,192,081	6,764,730	6,084,560	6,078,781	6,949,853	6,297,548	6,205,866	7,182,704	6,503,993	6,415,828	7,426,693	6,606,280	6,501,262	7,682,301
CBFRR Net of Return on Acquisition Premium					(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)
Taxes Paid to Parent (Reduces Distribution)					1,546,819	962,950	1,078,271	680,361	481,585	528,063	933,660	740,282	739,553	1,114,908	848,534	829,117	1,190,560	901,846	897,486	1,359,372
NET DISTRIBUTIONS					(6,182,213)	(6,766,082)	(6,650,761)	(7,048,671)	(7,247,447)	(7,200,969)	(6,795,372)	(6,988,750)	(6,989,479)	(6,614,124)	(6,880,498)	(6,899,915)	(6,538,472)	(6,827,186)	(6,831,546)	(6,369,660)
CHANGE IN CASH AFTER DISTRIBUTIONS					335,529	1,180,689	1,541,321	(283,941)	(1,162,887)	(1,122,188)	154,481	(691,201)	(783,613)	568,580	(376,505)	(484,087)	888,221	(220,906)	(330,284)	1,312,641
BEGINNING CASH BALANCE					4,552,996	4,888,525	6,069,214	7,610,535	7,326,594	6,163,707	5,041,520	5,196,000	4,504,799	3,721,186	4,289,767	3,913,261	3,429,174	4,317,395	4,096,489	3,766,206
ENDING CASH BALANCE					4,888,525	6,069,214	7,610,535	7,326,594	6,163,707	5,041,520	5,196,000	4,504,799	3,721,186	4,289,767	3,913,261	3,429,174	4,317,395	4,096,489	3,766,206	5,078,847
Total CBFRR					(7,729,032)															
Cash Balance Pass/Fail Flag					Pass															

CBFRR Net of Return on Acquisition Premium = Annual CBFRR of \$7,465,139, netting by the MARA amortization in a year.

Distribution for RSF from Neptune Model = "make whole" for total debt obligation of City, after CBFRR pmts from PWW, PEU and PAC. This is indicative of the quarterly dividends paid to the City.

Pass

Fail

Cash Flow	2036	2037	2038	2039	2040	2041	2042	2043	2044	2045	2046	2047	2048	2049	2050	2051
Net Income	2,870,204	2,815,699	4,226,803	3,508,770	3,593,382	9,821,018	2,133,208	2,107,949	3,923,678	3,151,828	2,999,498	5,064,069	4,553,422	4,727,122	7,404,771	5,953,586
Depreciation and Amortization																
D&A PP&E (incl MARA)	10,971,906	11,348,031	11,549,863	11,811,690	12,171,502	6,187,097	8,960,384	8,940,038	9,306,724	9,687,633	10,068,269	10,451,231	10,457,741	10,671,930	10,990,846	11,242,826
Amortization of Deferred Debt Expense	337,541	353,161	369,254	385,821	402,861	418,648	390,877	400,678	419,967	432,868	443,468	461,862	470,397	469,498	464,222	479,296
TOTAL DEPRECIATION AND AMORTIZATION	11,309,447	11,701,192	11,919,117	12,197,511	12,574,363	6,605,745	9,351,261	9,340,716	9,726,691	10,120,501	10,511,737	10,913,093	10,928,138	11,141,428	11,455,068	11,722,122
NET CASH FLOWS FROM OPERATIONS	14,179,651	14,516,891	16,145,920	15,706,281	16,167,745	16,426,763	11,484,469	11,448,666	13,650,369	13,272,330	13,511,235	15,977,162	15,481,560	15,868,551	18,859,838	17,675,708
Changes in PP&E																
Purchases of PP&E	(12,400,000)	(12,800,000)	(13,200,000)	(13,600,000)	(14,000,000)	(14,400,000)	(14,900,000)	(15,300,000)	(15,800,000)	(16,300,000)	(16,700,000)	(17,200,000)	(17,800,000)	(18,300,000)	(18,838,800)	(19,404,000)
Annual Use of DSRR 0.1 funds for Capex																
Proceeds from borrowings	12,400,000	12,800,000	13,200,000	13,600,000	14,000,000	14,400,000	14,900,000	15,300,000	15,800,000	16,300,000	16,700,000	17,200,000	17,800,000	18,300,000	18,838,800	19,404,000
TOTAL CHANGES IN PP&E	-	-	-	-	-	-	-	-	-	-						
Changes due to Financings																
Refunding Debt Issuance Costs																
Increase/(decrease) in working capital																
Project Escrow Fund Releases - 2018-2020 Bond Funds																
DWGTF Loan Proceeds																
RSF Releases - CBFRR from 2015 test year rate case																
DSRF Releases																
Tfr of RSF funds to PAC																
Principal Payments	(7,269,930)	(7,692,112)	(8,093,555)	(8,628,552)	(9,246,655)	(9,898,269)	(10,590,341)	(11,329,932)	(12,100,565)	(12,938,289)	(13,336,892)	(14,259,044)	(15,195,282)	(15,850,579)	(17,292,840)	(17,431,174)
Return of Acquisition Premium																
TOTAL PAYMENTS	(7,269,930)	(7,692,112)	(8,093,555)	(8,628,552)	(9,246,655)	(9,898,269)	(10,590,341)	(11,329,932)	(12,100,565)	(12,938,289)	(13,336,892)	(14,259,044)	(15,195,282)	(15,850,579)	(17,292,840)	(17,431,174)
CHANGE IN CASH BEFORE DISTRIBUTIONS	6,909,721	6,824,779	8,052,366	7,077,729	6,921,090	6,528,494	894,128	118,733	1,549,804	334,040	174,342	1,718,119	286,278	17,971	1,566,999	244,534
CBFRR Net of Return on Acquisition Premium	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(644,086)	-	-	-	-	-	-	-	-	-
Taxes Paid to Parent (Reduces Distribution)	1,065,896	1,045,654	1,569,690	1,303,037	1,334,459	3,647,191	792,201	782,821	1,457,120	1,170,482	1,113,911	1,880,623	1,690,986	1,755,492	2,749,879	2,210,959
NET DISTRIBUTIONS	(6,663,136)	(6,683,378)	(6,159,342)	(6,425,995)	(6,394,573)	(4,081,841)	148,115	782,821	1,457,120	1,170,482	1,113,911	1,880,623	1,690,986	1,755,492	2,749,879	2,210,959
CHANGE IN CASH AFTER DISTRIBUTIONS	246,585	141,401	1,893,024	651,734	526,517	2,446,653	1,042,242	901,554	3,006,924	1,504,522	1,288,254	3,598,741	1,977,263	1,773,463	4,316,878	2,455,493
BEGINNING CASH BALANCE	5,078,847	5,325,432	5,466,834	7,359,858	8,011,592	8,538,109	10,984,762	12,027,005	12,928,558	15,935,482	17,440,004	18,728,258	22,326,999	24,304,262	26,077,726	30,394,604
ENDING CASH BALANCE	5,325,432	5,466,834	7,359,858	8,011,592	8,538,109	10,984,762	12,027,005	12,928,558	15,935,482	17,440,004	18,728,258	22,326,999	24,304,262	26,077,726	30,394,604	32,850,097
Total CBFRR	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(7,729,032)	(644,086)	-								
Cash Balance Pass/Fail Flag	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass	Pass						

CBFRR Net of Return on Acquisition Premium = Annual CBFRR

Distribution for RSF from Neptune Model = "make whole" for to

Pass

Fail

[REDACTED]

- [REDACTED]
- [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]
- [REDACTED]

REDACTED

[REDACTED]

REDACTED

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]



CORPORATE SECRETARY'S CERTIFICATE

PENNICHUCK WATER WORKS, INC.

I, Suzanne L. Ansara, do hereby certify that I am the duly elected Corporate Secretary of Pennichuck Water Works, Inc. (the "Company"), a New Hampshire corporation, and that I am authorized to execute and deliver this Certificate on behalf of the Company. In that capacity, I do hereby further certify that:

1. The following resolution was adopted by the Board of Directors of the Company on February 28, 2020; and such resolution has not been altered, amended or repealed, and is in full force and effect, as of the date hereof:

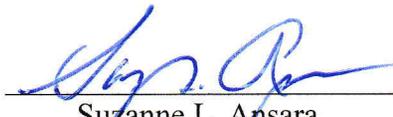
Resolved: that management is hereby authorized to proceed with the following process and approvals required to complete the application for issuance of taxable or tax-exempt bonds for 2020-2024 capital needs for Pennichuck Water Works, Inc.:

- (1) obtain New Hampshire Business Finance Authority (NHBFA) approval to issue taxable or tax-exempt bonds sufficient to fund the capital needs;
- (2) file a financing petition with the New Hampshire Public Utilities Commission to seek approval to complete the financing activity;
- (3) file a shareholder approval request with the City of Nashua to seek approval to complete the financing activity;
- (4) file a joint approval request with the NHBFA to the State of New Hampshire Governor and Council, approving the funding of the taxable or tax-exempt bonds through the NHBFA; and
- (5) complete the entire bond issuance and documentation process with the investment bankers and respective counsels.

2. The following resolution was adopted by the Board of Directors of the Company on May 21, 2020; and such resolution has not been altered, amended or repealed, and is in full force and effect, as of the date hereof:

Resolved: that the Board of Directors of Pennichuck Water Works, Inc. (the "Company") hereby consents to the Company securing approvals and authority to implement and put in place a 5-year Plan of Financing to issue tax-exempt and/or taxable bonds for capital projects for the years 2020-2024 for the Company, at an overall value of \$57,500,000, inclusive of: the estimated aggregate cost of the projects for the years of \$51,000,000, the estimated aggregate cost of issuance of approximately \$1,750,000 and a provision for the ability to issue bonds at a premium or discount of \$4,750,000, should that be needed at the time of issuance of the bonds; and that Larry D. Goodhue, the Company's Chief Executive Officer, or Donald L. Ware, the Company's Chief Operating Officer, or George Torres, the Company's Treasurer, are hereby severally authorized or affirmed to execute and submit for all approvals for this facility, with the NH Business Finance Authority (which was submitted on May 4, 2020, as allowed by the resolution passed by this Board on February 28, 2020), the NHPUC, the Governor and Council, and the City of Nashua.

In Witness Whereof, I have hereunto set my hand this 21st day of September, 2020.



Suzanne L. Ansara
Corporate Secretary



CORPORATE SECRETARY'S CERTIFICATE

PENNICHUCK CORPORATION

I, Suzanne L. Ansara, do hereby certify that I am the duly elected Corporate Secretary of Pennichuck Corporation (the "Company"), a New Hampshire corporation, and that I am authorized to execute and deliver this Certificate on behalf of the Company. In that capacity, I do hereby further certify that:

1. The following resolution was adopted by the Board of Directors of the Company on February 28, 2020; and such resolution has not been altered, amended or repealed, and is in full force and effect, as of the date hereof:

Resolved: that the Chief Executive Officer of the Company is hereby authorized to negotiate the renewal of the Pennichuck Water Works, Inc. Fixed Asset Line of Credit with TD Bank, and to pursue increasing the amount of the Fixed Asset Line of Credit from \$10 million to \$12 million.

In Witness Whereof, I have hereunto set my hand this 21st day of September, 2020.



Suzanne L. Ansara
Corporate Secretary

From: [James Key-Wallace](#)
To: [Goodhue, Larry](#); [Meagen Kerris](#)
Subject: RE: [EXTERNAL] FW: Governor and Council Meeting 6/24/2020
Date: Monday, June 22, 2020 4:41:13 PM
Attachments: [image004.jpg](#)
[image001.jpg](#)

Hi Larry,

Glad to help. Looks like the taxable transaction is in good shape.

Regarding the tax-exempt transaction, the BFA board passed the preliminary inducement resolution during our May meeting. That preliminary resolution doesn't need G&C approval to be effective, only the final resolution heads over there. Is there a sense of timing that you have in mind? I don't believe Ike has circulated a transaction schedule for the tax-exempt issuance yet.

James Key-Wallace
Executive Director
NH Business Finance Authority
2 Pillsbury Street, Suite 201
Concord, NH 03301
603-415-0191
jameskw@nhbfa.com

From: Goodhue, Larry <larry.goodhue@PENNICHUCK.com>
Sent: Monday, June 22, 2020 4:33 PM
To: Meagen Kerris <meagenk@nhbfa.com>
Cc: James Key-Wallace <jameskw@nhbfa.com>
Subject: RE: [EXTERNAL] FW: Governor and Council Meeting 6/24/2020

Hi Meagen and James,

This all makes sense to me for the Taxable Bond deal we are doing in September. Timing and approval of this is very important at this time.

Is the second resolution (our overall capacity to issue tax-exempt and/or taxable bonds for the next five years of capital projects) also going before G&C in this meeting, or is that slated for a later meeting?

Thanks,



Larry D. Goodhue
Chief Executive Officer
Pennichuck Water

25 Manchester St.
Merrimack, New Hampshire 03054
Ph: (603) 913-2312

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From: Meagen Kerris <meagenk@nhbfa.com>
Sent: Monday, June 22, 2020 4:28 PM
To: Goodhue, Larry <larry.goodhue@PENNICHUCK.com>
Subject: RE: [EXTERNAL] FW: Governor and Council Meeting 6/24/2020

Good afternoon Larry,

I have provided a link below that will bring you to all of the documents included in the book we sent to Governor and Council. Please let me know if you have any questions!

https://www.dropbox.com/sh/mmj6fnydetdg986/AADw8y_ETcG8eToSSCAjUiMpa?dl=0

Kind regards,

Meagen Kerris
Administrative Assistant
NH Business Finance Authority
2 Pillsbury Street, Suite 201
Concord, NH 03301
Tel: (603) 415-0190
Fax: (603) 415-0194

From: Goodhue, Larry [mailto:larry.goodhue@PENNICHUCK.com]
Sent: Monday, June 22, 2020 2:43 PM
To: James Key-Wallace
Cc: Meagen Kerris
Subject: RE: [EXTERNAL] FW: Governor and Council Meeting 6/24/2020

The number I will be calling in on is as follows, James.

603-860-3967

Thank you very much.



Larry D. Goodhue
Chief Executive Officer
Pennichuck Water
25 Manchester St.
Merrimack, New Hampshire 03054
Ph: (603) 913-2312

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From: James Key-Wallace <jameskw@nhbfa.com>
Sent: Monday, June 22, 2020 2:20 PM
To: Goodhue, Larry <larry.goodhue@PENNICHUCK.com>
Cc: Meagen Kerris <meagenk@nhbfa.com>
Subject: [EXTERNAL] FW: Governor and Council Meeting 6/24/2020

Good afternoon Larry,

Below are the dial-in instructions for the G&C meeting. Please keep this information private as it contains the speaker access codes that are not for public consumption. Please let me know what number you will be dialing from and I will let them know you will be joining in on the call. They have been moving through items very quickly on these phone meetings, it's quite possible you may not be asked to speak.

On an encouraging note, I have connected with most of the councilors (and left VMs for the others) and there have been no concerns from anyone I've spoken with.

Meagen – could you send Larry an electronic version of the G&C book for the Pennichuck transaction?

Thanks,

James Key-Wallace
Executive Director
NH Business Finance Authority

2 Pillsbury Street, Suite 201
Concord, NH 03301
603-415-0191
jameskw@nhbfa.com

From: Melanson, Jonathan <Jonathan.Melanson@nh.gov>
Sent: Friday, June 19, 2020 3:37 PM
To: Cryans, Michael <Michael.Cryans@nh.gov>; Volinsky, Andru <Andru.Volinsky@nh.gov>; Russell E. Prescott, P.E. <represcott@represcott.com>; Gatsas, Theodore <Ted.Gatsas@nh.gov>; Pignatelli, Debora <Debora.Pignatelli@nh.gov>
Cc: Reed, Fallon <Fallon.Reed@dos.nh.gov>
Subject: Governor and Council Meeting 6/24/2020

Good afternoon Councilors,

We will be conducting the June 24, 2020 Governor and Council Meeting telephonically as we have done for a past few meetings. Below are a few details on how to join the call:

For Speakers(councilors/dept heads etc)

1. Dial the call in number: 1-800-356-8278
2. Enter the 6 digit conference code: 125563#
3. When prompted, clearly state your first and last name as well as your department/agency.
4. To become a speaker: type in 88* then 27512
 - a. This will allow you to be a speaker
 - b. Please PUT LINE ON MUTE when not speaking
5. To Virtually "raise your hand" or ask to speak press 5*

For Participants: (general public/media)

1. Dial the call in number: 1-800-356-8278
2. Enter the 6 digit conference code: 125563#
3. When prompted, clearly state your first and last name as well as your department/agency.

Through the conference call Fallon will have the ability to correlate names with phone numbers. To help facilitate this, if you could please respond to me with the number that you will be calling in on would be greatly appreciated.

As always if you have any questions please do not hesitate to reach out to me at (603) 303-7246.

All the best,
Jonathan

Jonathan A. Melanson
Director of Appointments

& Liaison to the Executive Council
Office of Governor Christopher T. Sununu
NH State House
107 N. Main Street
Concord, NH 03301
Phone - (603) 271-2121

Jonathan A. Melanson
Director of Appointments
& Liaison to the Executive Council
Office of Governor Christopher T. Sununu
NH State House
107 N. Main Street
Concord, NH 03301
Phone - (603) 271-2121

VIA EMAIL

September 14, 2020

Mr. Steven A. Bolton
Corporation Counsel
City of Nashua
229 Main Street
Nashua, NH 03060

Re: Pennichuck Water Works, Inc. – Request for Approval for 5-year Plan of Financing to Issue Tax-Exempt or Taxable Bonds and to Renew its Fixed Asset Line of Credit with TD Bank, N.A.

Dear Attorney Bolton:

Introduction. As you know, the City of Nashua, New Hampshire (the “City”) is the sole corporate shareholder of Pennichuck Corporation (“Pennichuck”). The City has been the sole shareholder since the acquisition of Pennichuck on January 25, 2012.

The purpose of this letter is to request that the City, acting in its capacity as sole shareholder, approve resolutions authorizing Pennichuck’s regulated public water utility subsidiary, Pennichuck Water Works, Inc. (“PWW”), to issue tax-exempt AMT and/or taxable bonds through the NHBFA or directly to the market with B.C Ziegler and Company, and to renew and expand its current revolving Fixed Asset Line of Credit with TD Bank, N.A.

Background. As part of the City’s acquisition of Pennichuck, in accordance with special legislation enacted by the State Legislature, and as unanimously approved by the Mayor and Board of Aldermen on January 11, 2011, the corporate structure of Pennichuck and its utility subsidiaries was retained. This corporate structure was retained for several reasons. First, the Mayor and Board of Aldermen desired to maintain stability and continuity for customers and employees of the Pennichuck utilities and the communities they serve. Second, retaining the corporate structure provided continuity for the existing relationships with regulatory agencies and financial/banking partners. Third, the Mayor and Board of Aldermen unanimously agreed that the corporate structure would encourage business-smart decisions and rely upon well-established governance principles of corporate law, pursuant to Pennichuck’s Articles of Incorporation and its by-laws.

Shareholder Approval of Borrowings Required. Under Article IX of Pennichuck’s Articles of Incorporation, the City, acting in its capacity as Pennichuck’s sole shareholder, must approve:

- “(3) any action to (A) create, incur or assume any indebtedness for borrowed money or guarantee any such indebtedness of any person, (B) issue or sell any debt securities or warrants or other rights to acquire any debt securities of the [Pennichuck] Corporation or any of its Subsidiaries, or (C) guarantee any debt securities of any person.”

PWW Proposed Financings: Continuation of PWW’s Integrated Capital Finance Plan.

Pennichuck requests the City’s approval to allow PWW to issue up to a total of \$57,500,000 in aggregate principal amount of tax-exempt AMT bonds and/or other borrowings to raise proceeds for the following purposes:

- (1) to finance up to \$55.75 million 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 \$1.75 million of various costs of issuance of the new bonds, including transaction 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.

PWW is seeking the City’s approval to consummate these proposed borrowings because Pennichuck and PWW believe that the proposed financings are consistent with the public interest for the following reasons:

- (1) the financing of the capital projects using long-term debt with favorable interest rates and maturities that are aligned with the useful lives of the funded capital assets; and
- (2) the borrowing transactions together is consistent with PWW’s capital structure, is consistent with the assumptions underlying the City’s original acquisition of Pennichuck in January 2012 and the NHPUC’s original approval of the City’s acquisition, and is in line with PWW’s modified rate structure as approved in dockets DW 16-806 and DW 19-084 with the NH Public Utilities Commission.

PWW Proposed Financings: Fixed Asset Line of Credit (FALOC). Pennichuck requests the City’s approval to allow PWW to renew and expand its \$10,000,000 Fixed Asset Line of Credit with TD Bank, N.A., to a new multi-year facility at a level of \$12,000,000, with an interest rate of 30-day LIBOR +1.75%. This facility is being put in place to fund capital projects during each calendar year beginning January 1, 2021, which will then be repaid and refinanced in its entirety by annual bond issuances from the Integrated Capital Finance Plan offerings, in April of the successive year, for which an approval is being sought from the City in this request, for the capital

project years 2020-2024 (bond issuance years 2021-2025). This renewed FALOC, upon approval and closing, will replace the current \$10.0 million FALOC for PWW with TD Bank, N.A., with financial covenants that are consistent with those that currently exist under the current FALOC, and in line with PWW's rate structure. This financing is in conformity with the modified rate methodology currently approved for PWW by the NH Public Utilities Commission in its rate filing under dockets DW 16-806 and DW 19-084. A copy of the term sheet for the revolving Fixed Asset Line of Credit with TD Bank, N.A., is attached to this letter as Attachment A (to be treated as Confidential Information for Board of Aldermen usage only).

New Hampshire Public Utilities Commission Approval Required. The proposed borrowings may not occur without the prior approval of the NHPUC. PWW intends to file a petition to request this approval during the month of September 2020. PWW will work with the NHPUC to set a schedule for considering this request that contemplates completing its review in order to allow PWW to consummate the proposed borrowings under the Integrated Capital Finance Plan, and issue the first tranche of bonds under this plan in April 2021 (with subsequent tranches to occur in April of 2022, 2023, 2024 and 2025), and to put the renewed revolving Fixed Asset Line of Credit in place no later than January 1, 2021. A copy of this petition, once filed, will be available to the City and the public.

Advisors, Underwriters and Lenders. Pennichuck and PWW are developing the structure and terms of the proposed 5-year bond borrowing plan with the assistance of B.C. Ziegler and Company, as advisor. B.C. Ziegler and Company will serve as underwriter in connection with the annual issuance of tax-exempt bonds to be issued through the NHBFA.

Description of the Proposed Borrowings. PWW's proposed borrowings are projected to have the following terms:

- (1) *The issuance of up to \$55.75 million of tax-exempt bonds through the NHBFA, or taxable bonds directly to the market or through the NHBFA, depending on allowed methods of issuance in conformity with existing or revised Federal tax regulations. These new tax-exempt AMT bonds or taxable bonds would be unsecured, bear a fixed interest rate, currently estimated to be approximately 4.00%, and would be fully amortized over a term of approximately 30 years.*
- (2) *The issuance of up to \$1.75 million of tax-exempt bonds through the NHBFA, or taxable bonds, to finance certain issuance and transaction costs which would have the terms specified above.*

Approval by the Pennichuck and PWW Boards of Directors. The Pennichuck and PWW Boards of Directors have approved the proposed borrowings in concept and will also be required to approve the final terms and conditions of the proposed borrowings, near the time of the transaction closing.

Requested Approvals. For the reasons described above, Pennichuck respectfully requests that the City, acting in its capacity as sole shareholder of Pennichuck and pursuant to Article IX (3) of Pennichuck's Articles of Incorporation, authorize the following actions:

RESOLVED, that the City hereby approves the borrowing by Pennichuck Water Works, Inc. for each of the proposed tax-exempt and/or taxable bond borrowings described above for its 5-year Plan of Financing, in the aggregate principal amount of up to \$57.5 million, for the purposes described above, inclusive of cost of issuance, and in the NHPUC petition and testimony, and

RESOLVED, that the City hereby approves Pennichuck Water Works, Inc. entering into a renewal of its Fixed Asset Line of Credit with TD Bank, N.A., allowing for annual borrowings of up to \$12.0 million, 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 NHPUC), for the purpose of providing advances to be used for interim capital projects funding, described above and in the NHPUC petition and testimony, and

FURTHER RESOLVED, that Pennichuck Corporation and Pennichuck Water Works, Inc., their respective Board of Directors and Officers are severally authorized, empowered and directed to execute and deliver, in the name of and on behalf of Pennichuck Corporation and Pennichuck Water Works, Inc., loan and trust agreements and other related documents and agreements (the "Borrowing Agreements"), with such terms, including exhibits and schedules to such Borrowing Agreements, as may be deemed necessary or advisable in the several judgment of the Officers executing the Borrowing Agreements, and to take all other actions as they deem necessary or desirable to effect the proposed borrowings and the Borrowing Agreements and to carry out the purposes of these resolutions.

Respectfully submitted,

PENNICHUCK CORPORATION

By: _____
Larry D. Goodhue
Chief Executive Officer

cc: Mayor James Donchess