

City of Nashua Legislation Details for R-15-114

Bill Number: R-15-114

1st Reading: 2/24/2015

Bill Name: APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO GIVE PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND PITTSFIELD AQUEDUCT COMPANY, INC. AUTHORITY TO BORROW FUNDS FROM THE NEW HAMPSHIRE DRINKING WATER STATE REVOLVING LOAN FUND

Bill Status: Approved

**Approval
Date:** 4/14/2015

Voting: Not a Roll Call Vote on this Legislation

Bill Sponsor: Mayor Lozeau

Co-Sponsors: No Co-Sponsors to date

Bill Text: **APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO GIVE PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND PITTSFIELD AQUEDUCT COMPANY, INC. AUTHORITY TO BORROW FUNDS FROM THE NEW HAMPSHIRE DRINKING WATER STATE REVOLVING LOAN FUND**

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RESOLUTION

APPROVING THE PROPOSAL OF PENNICHUCK CORPORATION TO GIVE PENNICHUCK WATER WORKS, INC., PENNICHUCK EAST UTILITY, INC., AND PITTSFIELD AQUEDUCT COMPANY, INC. AUTHORITY TO BORROW FUNDS FROM THE NEW HAMPSHIRE DRINKING WATER STATE REVOLVING LOAN FUND

CITY OF NASHUA

In the Year Two Thousand and Fifteen

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, assume, or guarantee any indebtedness for borrowed money, which includes contracting a loan on behalf of the Corporation; and

WHEREAS, Pennichuck Water Works, Inc. ("PWW"), Pennichuck East Utility, Inc. ("PEU"), and Pittsfield Aqueduct Company, Inc. ("PAC") are regulated New Hampshire public water utility corporations providing retail water service to New Hampshire customers, and are wholly owned subsidiaries 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 PWW borrowing up to \$3,500,000 from the Drinking Water State Revolving Loan Fund to finance the cost of installing approximately 6,100 linear feet of raw water transmission main in Merrimack and Nashua;

FUTHER RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PEU borrowing up to \$400,000 from the Drinking Water State Revolving Loan Fund to finance the cost of replacing approximately 4,000 linear feet of water main in the Winwood/Monroe section of the Locke Lake water system in Barnstead; and

FUTHER RESOLVED by the Board of Aldermen of the City of Nashua that the City approves Pennichuck and PAC borrowing up to \$165,000 from the Drinking Water State Revolving Loan Fund to finance the cost of replacing approximately 1,350 linear feet of water main in the downtown area of the water system in Pittsfield.

LEGISLATIVE YEAR 2015

RESOLUTION:

R-15-114

PURPOSE:

Approving the proposal of Pennichuck Corporation to give Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., and Pittsfield Aqueduct Company, Inc. authority to borrow funds from the New Hampshire Drinking Water State Revolving Loan Fund

ENDORSERS:

Mayor Donnalee Lozeau

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposals by Pennichuck Corporation and three of their regulated public water subsidiaries to obtain three loans from the Drinking Water State Revolving Loan Fund administered by the New Hampshire Department of Environmental Services for the purposes 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: *Donley Clarke*

Date: *February 17, 2015*