



RESOLUTION

AUTHORIZING PENNICHUCK CORPORATION AND PITTSFIELD AQUEDUCT COMPANY TO REFINANCE INTERCOMPANY DEBT

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, Pittsfield Aqueduct Company, Inc. (“PAC”) 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 PAC to (1) refinance a 10-year \$776,850 7% fixed rate intercompany note payable between PAC and Pennichuck Corporation which matures on May 1, 2018; and (2) convert \$409,150 of variable rate short term intercompany debt to a long term note. These two existing notes would be aggregated into one new long-term intercompany note payable as a new single intercompany loan. The new intercompany loan would be in the aggregate amount of \$1,186,000, repaid over a 30-year term, on a fully amortizing basis, at an interest rate of 3.2%.

LEGISLATIVE YEAR 2018

RESOLUTION:

R-18-025

PURPOSE:

Authorizing Pennichuck Corporation and Pittsfield Aqueduct Company to refinance intercompany debt

ENDORSERS:

Alderman-at-Large Lori Wilshire

**COMMITTEE
ASSIGNMENT:**

FISCAL NOTE:

None.

ANALYSIS

This resolution approves the proposal by Pennichuck Corporation and Pittsfield Aqueduct Company to refinance intercompany debt as described in the resolution.

Pennichuck has provided additional information on the proposal, which will be submitted 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:

Donna Clark

Date:

April 5, 2018