



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

76 - 10/21/26



September 12, 2026

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Authorize the Department of Environmental Services to amend a Per- and Polyfluoroalkyl Substances Remediation Grant and Loan Fund (PFAS RLF), loan agreement (PO#1104572) with Pennichuck Water Works, Inc., Nashua, NH (VC# 155870-B001) by increasing the loan limitation by \$3,000,000 to \$14,450,000, from \$11,450,000, to finance water system improvement, subject to conditions as outlined in documents substantially in the form presented, effective upon Governor & Council approval. The original loan agreement was approved on January 15, 2025, Item #65. 100% PFAS Response Fund.

Funding is available in the following account:

03-44-44-444010-8873-301-501976

Dept Environmental Services, Emerging Contaminants, Loans

FY 2027

\$3,000,000

EXPLANATION

The purpose of this loan amendment is to provide Pennichuck Water Works (Pennichuck) with additional funding from the PFAS RLF to complete their water system improvement project, which includes installing additional chemical feed storage to increase the viable capacity from a source with lesser PFAS impacts and prolong the life of the existing carbon media for PFAS treatment. The construction bids and the engineering service costs were greater than originally anticipated.

The PFAS RLF was created, as authorized by RSA 485-H, to provide low interest loans and grants to community public water systems; non-profit, non-transient, non-community public water systems; municipalities; and wastewater facilities to address exceedances of PFAS standards for costs incurred after September 30, 2019. Grant and loan applications are accepted year-round and reviewed for eligibility in the order in which the applications are received. To date, a total of \$3,744,362.71 of the original \$11,450,000 loan has been spent.

The final loan amount will be based on the total PFAS RLF funds disbursed and may be less than \$14,450,000. The loan interest rate may be adjusted downward if the loan rate in effect upon project completion is less than the current rate of 3.5% for 20 years. In the event that these funds become no longer available, general funds will not be requested to support this project.

We respectfully request your approval of this item.

Robert R. Scott
Commissioner

CLOSING AGENDA

STATE OF NEW HAMPSHIRE

PER- AND POLYFLUOROALKYL SUBSTANCES REMEDIATION LOAN FUND

RE: FIRST AMENDMENT TO LOAN TO PENNICHUCK WATER WORKS, INC.

FOR NASHUA WTP CHEMICAL SYSTEMS UPGRADE

NASHUA, NEW HAMPSHIRE

Project # PRLF-45

DATE: _____

- | | | |
|----|---|-------|
| A. | State of New Hampshire | "SNH" |
| B. | Pennichuck Water Works, Inc. | "B" |
| C. | Borrower's Counsel: Rath, Young, and Pignatelli | "BC" |
| D. | State's Counsel: Kim Burgess | "KB" |

No.	Item:	Responsible Party:
1.	Certified Copy of Articles of Incorporation of Borrower	B
2.	Certified Copy of Articles of Pennichuck Corporation	B
3.	Certified Bylaws of Borrower	B
4.	Certified Bylaws of Pennichuck Corporation	B
5.	Certificate of Existence of Borrower	B
6.	Certificate of Existence of Pennichuck Corporation	B
7.	Certificate of Corporate Resolution of Borrower	B
8.	Certificate of Resolutions of Pennichuck Corporation Board of Directors	B
9.	Certificate of Resolutions of City of Nashua	B
10.	Amended Schedule of Costs (Budget) (Exhibit B)	B
11.	First Amendment to Loan Agreement	SNH
12.	First Allonge to Promissory Note	SNH
13.	First Amendment to Guaranty of Pennichuck Corporation	SNH
14.	Opinion of Counsel to Borrower and Pennichuck Corporation	BC
15.	Public Utilities Commission Order	B
16.	Certificate of Insurance	B
17.	Governor and Council approval	SNH
18.	399-B Disclosure	SNH

FIRST AMENDMENT TO LOAN AGREEMENT

This First Amendment to Loan Agreement (the "Amendment") is made this _____ day of _____, 2026 between Pennichuck Water Works, Inc., a New Hampshire corporation with a principal place of business at 25 Walnut St., PO Box 428, Nashua, New Hampshire 03061-0428 (the "Borrower") and the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Lender") for themselves and their successors and assigns.

RECITALS

A. The Lender has provided a loan of up to \$11,450,000 (the "Loan") to the Borrower as evidenced by a Promissory Note of the Borrower dated January 27, 2025 in the original principal amount of \$11,450,000 (the "Note") pursuant to a Loan Agreement dated January 27, 2025 between the Borrower and the Lender (the "Loan Agreement") to finance the design and construction of a new chemical feed and storage improvement project at the Borrower's Nashua Water Treatment Facility to provide more bulk chemical storage as a PFAS remedial action.

B. The Loan is secured by a Guaranty executed by Pennichuck Corporation and dated January 27, 2025.

C. The parties desire to increase the amount of the Loan to up to \$14,450,000 and are amending the Note pursuant to a First Allonge to Promissory Note of even date to increase its principal amount (the "Allonge"); and

D. The parties desire to amend the Loan Agreement in accordance with this Amendment.

NOW THEREFORE, in consideration of the mutual covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by the parties, the parties agree as follows:

1. **Defined Terms.** All capitalized terms used in this Amendment shall have the meaning assigned to them in the Loan Agreement unless otherwise defined herein.

2. Amendment of the Loan Agreement.

(a) The third sentence of Recital Paragraph B on the first page of the Loan Agreement is hereby amended by replacing "\$11,450,000" with "\$14,450,000":

(b) Section 1 of the Loan Agreement is hereby amended by replacing the definition of "Note" with the following:

"Note" means the Borrower's Promissory Note dated January 27, 2025 in the original principal amount of \$11,450,000 payable to the order of the State in the form attached hereto as Exhibit C, as amended by a First Allonge to Promissory Note dated _____, 2026 between the Borrower and the Lender increasing the principal amount to \$14,450,000."

(c) Exhibit B to the Loan Agreement is hereby amended by replacing it with Exhibit B attached hereto.

(d) Section 3.1 of the Loan Agreement is hereby amended by replacing Paragraph (g) with the following:

Financial Statements. The balance sheets and financial statements of the Borrower and the Guarantor, which were submitted in connection with the Borrower's request for the loan contemplated herein, were prepared in accordance with generally accepted principles of accounting applied on a basis consistent with that of preceding periods and are complete and correct and fairly present, under the aforementioned basis, the financial condition of the Borrower and the Guarantor, respectively, as of said dates. Neither the Borrower nor the Guarantor has any contingent obligations, liabilities for taxes or unusual forward or long-term commitments except as set forth in the foregoing financial statements specifically mentioned. Since the date of such financial statements, there has been no material adverse change in the financial condition of the Borrower or the Guarantor;

(f) Section 5 of the Loan Agreement is hereby amended by replacing Paragraph (n) with the following:

Financial Statements. If requested by the State, furnish to the State such information regarding its operation, assets, business

affairs and financial condition, as the State may reasonably request and in particular shall furnish to the State (i) on or before April 15 of each year during the term of the loan annual financial statements of each of the Borrower and Guarantor, prepared in accordance with generally accepted accounting principles and certified by the Borrower as fairly presenting the financial condition of the Borrower, and otherwise in form and content reasonably acceptable to the State and (ii) as soon as practical after filing with the Internal Revenue Service a copy of the executed federal income tax returns of the Borrower with all schedules thereto. The Borrower shall use accounting, audit, and fiscal procedures as required by Env-Dw 1405.19;

3. Representations. The Borrower represents and warrants that the representations and warranties set forth in Section 3 of the Loan Agreement, as amended herein, are true and correct as of the date hereof.

4. Ratification. The Borrower ratifies and confirms all of the terms, conditions, covenants and provisions of the Loan Agreement as amended by this Amendment, and the Note as amended by the Allonge, all of which shall remain in full force and effect.

5. Further Assurances. The Borrower shall execute such additional documents, instruments and assurances and take such additional actions as are necessary to carry out the terms and intent hereof.

6. Fees. Borrower shall be responsible for any fees associated with amending the Note and related documents as set forth in the 399-B Statement dated of near or even date.

[Signature Page Follows]

EXECUTED on the day and year first above written.

BORROWER:

PENNICHUCK WATER WORKS, INC.

Witness

By: _____
George Torres
Chief Financial Officer
Duly Authorized

LENDER:

THE STATE OF NEW HAMPSHIRE

Witness

By: _____
Robert R. Scott, Commissioner
Department of Environmental Services
Duly Authorized

JOINDER OF GUARANTOR

The undersigned, being the person named as the Guarantor in the foregoing First Amendment to Loan Agreement, hereby joins therein and agrees to be legally and equitably bound by all of the terms, covenants, warranties, representations and conditions thereof, this ____ day of _____, 2026.

PENNICHUCK CORPORATION

Witness

By: _____
George Torres
Chief Financial Officer
Duly Authorized

FIRST ALLONGE TO PROMISSORY NOTE

Allonge made this ____ day of _____, 2026 between Pennichuck Water Works, Inc., a New Hampshire corporation with a principal place of business 25 Walnut St., PO Box 428, Nashua, New Hampshire 03061-0428 (the "Maker"), and the State of New Hampshire with an address of c/o Department of Environmental Services, 29 Hazen Drive, P.O. Box 95, Concord, New Hampshire 03302-0095 (the "Payee") for themselves and their successors and assigns.

RECITALS

A. Pursuant to a Loan Agreement dated January 27, 2025 between the Maker and the Payee (the "Loan Agreement"), the Payee agreed to provide a loan to the Maker of up to \$11,450,000, which is evidenced by the Promissory Note dated January 27, 2025, of the Maker in the principal amount of up to \$11,450,000 (the "Note");

B. The parties have amended the Loan Agreement pursuant to a First Amendment to Loan Agreement of even date between the Maker and the Payee (the "Amendment Agreement"); and

C. The parties desire to increase the amount of such loan evidenced by the Note to up to \$17,500,000 pursuant to the terms of this Allonge.

NOW THEREFORE, the parties agree as follows:

1. The Note is hereby amended as follows:

(a) The face amount of the Note as expressed in the top left corner of the first page of the Note is hereby increased from \$11,450,000 to \$14,450,000.

(b) The amount of "Eleven Million Four Hundred Fifty Thousand Dollars (\$11,450,000)" in the fifth and sixth lines of the first paragraph of the Note is hereby replaced with "Fourteen Million Four Hundred Fifty Thousand Dollars (\$14,450,000)".

(c) Paragraph 1(b) of the Note is hereby amended by replacing "\$11,450,000" in the eleventh and twelfth lines with "\$14,450,000".

2. The Note, as amended hereby, and the Loan Agreement, as amended by the Amendment Agreement are hereby ratified and confirmed and shall remain in full force and effect.

Executed as of the day and year first above written.

MAKER:

PENNICHUCK WATER WORKS, INC.

Witness

By: _____
George Torres
Chief Financial Officer
Duly Authorized

PAYEE:

THE STATE OF NEW HAMPSHIRE

Witness

By: _____
Robert R. Scott, Commissioner
Department of Environmental Services
Duly Authorized

FIRST AMENDMENT TO GUARANTY

This First Amendment to Guaranty made this _____ day of _____, 2026 by Pennichuck Corporation, a New Hampshire corporation with a principal place of business at 25 Walnut St., PO Box 428, Nashua, New Hampshire 03061-0428 ("Guarantor") to and with the State of New Hampshire with an address of c/o Department of Environmental Services, P.O. Box 95, Concord, New Hampshire 03302-0095 ("State").

Whereas, the State made a loan to Pennichuck Water Works, Inc. (the "Borrower") in the amount of up to \$11,450,000 evidenced by a Promissory Note dated January 27, 2025 (the "Note") and has agreed to increase the loan amount to up to \$14,450,000 as evidenced by a First Allonge to Promissory Note of even date herewith (the "Allonge");

Whereas, the Guarantor guaranteed certain Borrower's obligations under the Note pursuant to a Guaranty dated January 27, 2025 (the "Guaranty"); and

Whereas, the parties desire to amend the Guaranty to increase the amount guaranteed thereby as a condition to the increase in the amount of the loan.

Now therefore the parties agree as follows:

1. Guarantor hereby consents to the Allonge and to a certain First Amendment of Loan Agreement between Borrower and State of even date herewith (collectively, the "Amendment Documents").

2. The first recital paragraph of the Guaranty is amended by replacing it with the following:

WHEREAS, State has agreed to loan to Pennichuck Water Works, Inc. ("Borrower") the principal sum of Fourteen Million Four Hundred Fifty Thousand Dollars (\$14,450,000), which is to be repaid with interest in accordance with the terms of a certain promissory note dated January 27, 2025 issued by Borrower to State, as amended by a First Allonge to Promissory Note dated _____ between Borrower and State (as amended, the Note");

3. All references to the Loan Agreement and Note in the Guaranty shall hereafter refer to these documents as amended by the Amendment Documents.

Executed on the day and year above written.

GUARANTOR:

PENNICHUCK CORPORATION

Witness

By: George Torres

Its Chief Financial Officer

Duly Authorized

**DISCLOSURE OF FINANCE CHARGES
PER- AND POLYFLUOROALKYLE SUBSTANCES REMEDIATION LOAN FUND**

Pursuant to New Hampshire RSA Chapter 399-B:2

To: **PENNICHUCK WATER WORKS, INC.**

Date: _____

Amount of Loan: \$14,450,000

Payable: As provided in the Note.

Finance Charges: 1% until the Interest Rate Change Date (as defined in the Note dated January 27, 2025 in the principal amount of \$11,450,000, as amended by a First Allonge to Promissory Note increasing the principal amount to \$14,450,000 (the "Note")), then the annual rate of 3.50% as determined in Env-Dw 1405.06.

Late fee: 5% of each payment will be assessed if not paid within 7 days of its due date.

Above interest is based on the number of days elapsed over a 360-day year.

Recording and filing fees:	\$ NA
Title search fee:	\$ NA
Environmental Site Assessment:	\$ 0
Appraisal:	\$ 0

Acknowledged.

PENNICHUCK WATER WORKS, INC.
Borrower

By: _____
George Torres
Chief Financial Officer
Duly Authorized