

**Town of Boscawen
Select Board
MEETING MINUTES
Thursday, February 22, 2024, at 6:00 PM**

In Attendance: Matt Burdick, Lorrie Carey, Bill Bevans, & Katie Phelps

Guests: Charlie Niebling & Henry Herndon

Roll Call: completed and guests introduced.

Chairman Matt Burdick called the meeting to order at 6:00pm.

Consent Agenda Items:

- P&L, Balance Sheet, Check Manifest & Payroll
- Nonpublic/Public Minutes for Approval—02/15/24
- Parks and Rec. Coordinator Job Description Update
- Parks and Rec. Director Job Description Update
- Access to Governmental Records Policy
- NH Public Utilities Commission Order 26949
- Police Department Report 2/12-2/18/24
- 2023 Impact Fee Report
- Letter of Support for City of Concord Raise Grant

Chairman Burdick noted changes to the 2/15/24 minutes from Selectwoman Lorrie Carey.

Selectwoman Carey motioned to approve the Consent Agenda as amended. Seconded by Selectman Bevans. Roll Call Vote. All in favor. None opposed.

Boscawen Community Power: Mr. Charlie Niebling, Vice Chair of the Energy Committee (Boscawen Electric Aggregation Committee) gave an update on the Community Power Plan. In December 2023, the Select Board approved an Electric Aggregation Plan. At that point, the Energy Committee sent the plan to the Public Utilities Commission. On February 20th, the Public Utilities Commission issued an order approving the Electric Aggregation Plan. Mr. Niebling stated the Select Board also approved placing the plan on the town warrant for the adoption of community power by the legislative body at town meeting. Mr. Niebling explained that the purpose of their presentation was to present the cost sharing agreement and member services contract from the Community Power Coalition of NH (CPCNH), and to ask the Select Board for approval of the documents. The documents must be approved before March 29th, if Boscawen wants to launch in June with the next new wave of communities. Mr. Niebling was in favor of launching the plan in June because CPCNH recently rolled out their new rates from February through July. The rates are 24% lower than Unutil's default service rate. The main reason for the community power plan was to save residents money. Mr. Niebling noted the Energy Committee was working on informational material to share with residents who vote on SB FM 02.22.24

March 12th. The committee plans to update their summary on why and how community power benefits the town, and what it will mean to rate payers in town. They will also include information on the new rates. Chair of the Energy Committee, Mr. Ed Cherian, will make a presentation at town meeting.

Mr. Niebling introduced Mr. Henry Herndon, Director of Member Services for CPCNH, to provide a presentation on the cost sharing agreement and member services contract. Mr. Herndon stated the cost sharing agreement referenced 4 critical policies to the work that CPCNH does as a nonprofit governed by cities and towns. The 3 R's policies are classified as rates, risk, and reserve policies. They also have a data security policy to protect customers personal information. The objectives of the policy documents are a) meet customer electricity requirements; (b) obtain best available rates; (c) maintain rate stability; (d) develop and maintain financial reserves to ensure long-term customer benefits. The Energy Portfolio Risk Management Policy sets guidelines on how CPCNH buys power to make sure they're minimizing any risks associated with buying large portions of electricity in the wholesale market. The risk management policy related to the rates they set and the financial reserves. As a nonprofit, CPCNH pays for the cost of power, cost of overhead, and deposits a portion of the revenue into financial reserves to ensure long-term financial health to serve customers. The Financial Reserve policy has a minimum target of 60 days of operating cash, and they aim to meet the target after a 3-year period. Mr. Herndon noted they are about 1 year in and on track. The main target was 120 days or 4 months of operating cash in financial reserves. Mr. Herndon provided a summary of each policy and noted the presentation was available on the town website. The purpose of the Energy Portfolio Risk Management policy was to procure electricity supply for Community Power, identify risks, and have low rates and stability. Some of the risks defined were changes in market, changes in volumes of electricity, customer's opting out, and counterparty credit. Mr. Herndon noted the parameters and assignments of responsibility. The retail rates policy outlined how CPCNH sets their electricity rates. Currently, they are set by the Board of Directors including people from the member cities and towns. The schedule was currently set up on a 6-month cycle. The requirement noted the rates were only launched if rates beat the utility default rate. The default rate setting process included the CEO recommending a rate, the recommendation reviewed by their Finance and Risk Management Committee, and then recommended to the Board for a final deliberation of approval. Members would be notified before a rate change and immediately after. Any rate change would be publicly noticed at least 30 days before a rate change. Mr. Herndon explained the types of rates. Granite Basic is the minimum allowable renewable content and was typically what a town would offer customers on a broad opt-out basis. A few towns have been motivated to meet renewable energy goals and have selected Granite Plus with an additional 10% renewable. Any customer could choose 50% or 100% renewable energy. The purpose of the Financial Reserve policy was to establish a minimum target, and maximum level of Joint Reserves. The objective was to have general stability and eliminate finance and interest costs by relying on certain 3rd parties to support financing of power procurement. The more financial reserves the town has, the more self-sufficient and lower finance costs. Mr. Herndon said there were categories, primarily joint reserves that CPCNH collects, maintains, and controls. CPCNH tracks the joint reserves to gain knowledge on the proportions associated with each town. Mr. Herndon clarified that the town cannot withdraw the money. In the event that a program closes,

after fulfilling obligations for the power contract, the reserves can be returned to the town as a form of equity. Selectwoman Carey asked how it was invested. Mr. Herndon noted that their Finance committee suggested developing an investment policy. They currently do not have a policy and the reserves have not been invested. Selectwoman Carey asked about the value of the reserves. Mr. Herndon noted for revenues in 2023 it was around \$42 million, and the reserves was between \$4 to \$8 million. Mr. Herndon reviewed the Data Privacy and Security policy. The purpose was to define goals and controls to safeguard confidentiality, integrity, and availability of confidential individual customer information. Selectwoman Carey inquired about a cybersecurity policy and procedure for a breach. Mr. Herndon said they do have a cybersecurity policy and a draft policy for a breach procedure, but they were in the midst of transitioning to a new IT system. Mr. Herndon mentioned the primary purpose of the cost sharing agreement was to ensure costs were recovered fairly and proportionally from members. The agreement mandated regular cost reporting and provided operational clarity to all parties. There were 3 categories of costs: 1) general and administrative; 2) direct project; 3) member services. Mr. Herndon noted there were currently no project costs, but the option was enabled under the agreement so a town could enter into a project contract. The structure of the agreement referenced legislative context and process. The cost reporting included implementation costs. Mr. Herndon explained that there were start-up costs that would be recovered over a 5-year period from all participating towns. Mr. Herndon highlighted general provisions. The term of the agreement was a 36-month rolling term. He clarified it was not a term for a rate of electricity, it was for community power service. A final appointment would be provided in the agreement where the Select Board would appoint an individual and allow certain authorities. There were 3 decisions that needed to be made. The first was before implementing the program, the CPCNH Risk Management committee would meet and invite all the towns authorized individuals to review rates, market contexts and decide whether they would like to start or delay powers. The second decision would be for the Select Board to decide whether to offer the cheapest product and provide other products as an option or to purchase a higher plan. The last decision would be to complete the application for a discretionary reserve adder. Mr. Herndon noted the agreement allowed the town authority to apply but it was not required. The discretionary reserve adder would be applied to the electric rate to accrue a discretionary reserve fund for sole use of the town. Mr. Niebling asked if other towns had the discretionary reserve adder. Mr. Herndon said there were no towns with it, but it would be available for the first time in August. Mr. Herndon noted for early terminations there were two methods. One would be for the coalition to calculate and notify the town on the minimum waiting period. After the period, the town would depart the coalition along with a portion of the towns share of reserve funds. Option 2 would be to forego reserve funds in case there were added costs to cover the early termination. Mr. Niebling asked for clarification on the shares of the reserve fund. He mentioned it was rate payers money in the towns share. Mr. Herndon agreed and stated that many towns would choose to remit all monies back to the customers. He noted there was a question on whether the utilities company would remit money on the electric bill. There may need to be an alternative mechanism to remit those monies to customers. Selectwoman Carey asked if they would know which residents opted in to community power. Mr. Herndon noted CPCNH would know the residents enrolled. Selectwoman Carey explained the costs would be transferred to the town and it would be a cost to the town to manage. Selectman Bevans mentioned it would need to be calculated by the amount of kilowatt

hours the customer used. Mr. Herndon noted the cost sharing agreement was identical among all membered towns. It was not subject to modifications. There were 28 communities operating community power with the coalition. There were 6 that were operating on a county level. Chairman Burdick mentioned Merrimack County was also interested in community power. He asked where the coalition saw the town leveled because Merrimack County would like to offer it for all towns. Mr. Herndon suggested Boscawen was ready to implement community power and there would not be a scenario where Merrimack County community power would interfere. The state law stated that municipal aggregation would take priority or precedent over county aggregation. Selectwoman Carey asked if the town would have more local control. Mr. Herndon noted there would be more local control at a town model with upfront work such as the approval process and town meeting whereas for example, the Salisbury Select Board could vote to be part of the county's program. Discussion ensued. Mr. Niebling noted the Board could wait to make a decision until after Town Meeting, but in order to be in the June wave, they need to decide by March 29. Mr. Herndon clarified the decision would be for CPCNH to implement operations such as approving the purchase of electricity, to acquire customer and load information from the utilities, to inform power procurement, and to send out notices to the utility companies and customers. The notice must be sent 30 days prior to enrollment. The Select Board will reconvene after Town Meeting to make a decision.

Department Head Updates: Town Administrator Katie Phelps presented the MS-636 for signature. The Board signed the MS-636.

TA Phelps presented a revised payment plan for Taxpayer B on behalf of Tax Collector Nicole Hoyt.

Chairman Burdick motioned to approve the revised payment agreement for Taxpayer B. Seconded by Selectman Bevans. Roll Call Vote. All in favor. None opposed.

Selectwoman Carey noted that Thursday, February 29th was National Rare Illness day to raise awareness.

Chairman Burdick opened public comment at 6:38 PM.

Chairman Burdick closed public comment at 6:39 PM.

Next Meeting: Thursday, February 29, 2024, at 6:00PM.

Selectman Bevans motioned to adjourn at 6:40PM. Seconded by Selectwoman Carey. Roll Call Vote. All in favor. None Opposed.

Respectfully submitted by Hannah Gardner