LEBANON CITY COUNCIL
SEPTEMBER 15, 2021 - 7:00 PM
COUNCIL CHAMBERS, CITY HALL OR REMOTE VIA VIRTUAL PLATFORM
LEBANONNH.GOV/LIVE

1. **Call to Order**

   To participate in this meeting, pleasejoin live via WebEx or call 415-655-0001 (access code: 2632 817 4646). If you have trouble accessing this meeting, please email Shaun Mulholland.

   The September 15, 2021 Lebanon City Council Meeting is hereby called to order.

2. **Pledge of Allegiance**

3. **Public Forum Announcement by the Mayor**

   Any member of the public who desires to speak on any item may do so when the item is taken up by the Council and will be allowed to speak on the subject for not more than three minutes. **(Note: Speakers are asked to state their name, ward of residence, and to use the microphone provided.)**

4. **Open to the Public**

5. **Recognitions**

   A. Resolution in Honor and Memory of Terri Dudley

6. **Approval of Minutes**

   A. A MOTION TO approve the minutes as presented in the September 15, 2021 agenda packet

7. **Appointments**

   A. - Zoning Board of Adjustment, David Newlove (Regular Member)
   - Board of Cemetery Trustees, Caitlyn Hauke (Reappointment as At-Large Representative)

8. **Public Hearing Items**

   A. AMEND ORDINANCE 18, SALARY PLAN: Public hearing for the purpose of receiving public input and taking action to amend Ordinance #18 Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Full-time and Part-time Benefit Eligible Positions to add the position of Community Nurse, Grade 10.
   i. Presentation:
   ii. Opening of the Public Hearing:
   iii. Questions & Comments by the Public:
   iv. Closing of the Public Hearing:
   v. Council Deliberation & Action:

9. **Old Business**

A. Action to authorize appropriation and bond issuance for purchase of 38 Maple Street, West Lebanon (public hearing held August 18, 2021).

B. Presentation of second reading to amend Ordinance No. 18, Salary Plan, Article III, C. Lebanon Police Benevolent Association (LPBA)/ New England Police Benevolent Association (NEPBA).

C. Review and adoption of City Council Policy CC-107, Debt Management.

10. New Business

A. Presentation and Adoption of Lebanon Community Power Aggregation Plan

B. Authorization for City Manager to sign the Joint Powers Agreement with the Community Power Coalition of New Hampshire

C. Appointment of City representative and alternate representative to the Community Power Coalition of New Hampshire

D. Discussion of Interview and Selection Process for Members of the Diversity, Equity & Inclusion Commission

11. City Manager Report

12. Council Representatives to Other Bodies Report

13. Future Agenda Items

14. Non-Public Session

15. Adjournment

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

FUTURE BOARD/COMMITTEE/COMMISSION APPOINTMENTS

Board/Committee: Arts & Culture Commission
Position: Regular Member
Applicant: B. Van Vliet
Assigned Councilor: G. Sykes
Assigned Date:08/10/2021

Board/Committee: Board of Cemetery Trustees
Position: Regular Member
Applicant: F. Hanchett
Assigned Councilor: K. Zook
Assigned Date:07/21/2021

Board/Committee: Lebanon Energy Advisory Committee
Position: Regular Member
Applicant: F. W. Rothe
Assigned Councilor: K. Hill
Assigned Date:07/21/2021

Board/Committee:Lebanon Energy Advisory Committee
Position: Regular Member

Applicant: G. Ames
Assigned Councilor: J. Winny
Assigned Date: 08/10/2021

Note: While 1 City Councilor is officially assigned to interview each applicant, any City Councilor may interview any applicant for any position to better inform their decision.

PROPOSED FUTURE AGENDA ITEMS: Dates may be tentative and this list is not considered all-inclusive.

OCTOBER 6, 2021
PUBLIC HEARING ITEM:
A. AMEND ORDINANCE 18, SALARY PLAN: Public hearing for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, Article III, C. Lebanon Police Benevolent Association (LPBA)/ New England Police Benevolent Association (NEPBA)
OLD BUSINESS:
A. Review and adoption of City Council Policy CC-107, Debt Management (IF NEEDED)
NEW BUSINESS:
A. Presentation of Zoning Amendments
B. Request by Edwards Properties to discontinue portions of Edwards Street, Foch Avenue, and Little Heater Road, Lebanon. (TENTATIVE)
C. Discuss and approve lease agreement with SDC 49 Plainfield, LLC for lease of land within the Lebanon Airport Tech Park (TENTATIVE)

OCTOBER 20, 2021
NEW BUSINESS:
A. Presentation of 2020 Audit
B. Review and Discussion of 2021 3rd Quarter Budget Report and Release of Collected Public Schools Impact Fees
C. Review and adoption of City Council Policy CC-103, Purchasing
D. Review and Approval of City Manager Job Description

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

5. RECOGNITIONS:

- Resolution in honor and memory of Terri Dudley

<u>Included in this Section:</u>

1. Resolution Honoring and in Memory of Terri Dudley

RESOLUTION IN HONOR AND MEMORY OF TERRI DUDLEY

WHEREAS Terri Dudley served as a member of the City Council from 1991 to 2001; 2004 to 2006; and again from 2007 to 2009; serving as Mayor in 1997 and 1998; and

WHEREAS Terri Dudley served the City of Lebanon as a member of at least 15 different boards/committees/commissions between 1982 and 2009; and

WHEREAS Terri Dudley served the State of New Hampshire and the City of Lebanon as a State Representative from 1999 to 2005; and

WHEREAS Terri Dudley was the recipient of Lebanon's Citizen of the Year award in 1994; and

WHEREAS Terri Dudley served as a board member for organizations to include the Alice Peck Day Memorial Hospital Board of Trustees, United Way of the Upper Valley, Grafton County Senior Citizen Council, and LISTEN Center; and

WHEREAS Terri Dudley was the first woman president of the Lebanon Rotary, and the first woman president of the Lebanon Chamber of Commerce, serving for 20 years as a Chamber board member; and

WHEREAS Terri Dudley's many contributions and years of representation and service to the citizens of the City of Lebanon and State of New Hampshire were evident with the dedication of a bridge in her name in 2009 that physically and symbolically connects Lebanon and West Lebanon – one of Terri's lifetime goals.

NOW, THEREFORE BE IT RESOLVED, that the Lebanon City Council on behalf of the citizens of Lebanon extend their sincere appreciation and gratitude to the family of Terri Dudley in honor of her lifetime service to the Lebanon community and the State of New Hampshire as a whole.

BE IT FURTHER RESOLVED, that this resolution be written upon the minutes of the Lebanon City Council meeting.

Dated this 15th day of September 2021.

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Timothy J. McNamara, Mayor
on behalf of the Lebanon City Council

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

6. ACCEPTANCE OF MINUTES:

MINUTES TO BE ACCEPTED

- September 1, 2021 (Regular Meeting)

MOVED, to approve the minutes as presented in the September 15, 2021 agenda packet.

DRAFT

LEBANON CITY COUNCIL
MINUTES, SPECIAL SESSION
Monday, September 1, 2021
Remote Via Microsoft Teams: LebanonNH.gov/Live

MEMBERS PRESENT:	Mayor Tim McNamara, Assistant Mayor Clifton Below, Erling Heistad, Karen Liot Hill, George Sykes, Douglas Whittlesey, Devin Wilkie, Jim Winny and Karen Zook
MEMBERS ABSENT:	
STAFF PRESENT:	City Manager Shaun Mulholland, City Clerk Kristin Kenniston, Chief of Police Phillip Roberts, Fire Chief & Emergency Management Director Chris Christopoulos, Director of Planning & Development David Brooks, Public Works Assistant Director Jay Cairelli, City Engineer Christina Hall, HR Director Gloria Leskiewicz, Human Services Director Lynne Goodwin, Library Director Sean Fleming

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1. CALL TO ORDER: Mayor McNamara called the meeting to order at 7:00 p.m.

2. PLEDGE OF ALLEGIANCE: Assistant Mayor Below led the Council in the Pledge.

3. PUBLIC FORUM: Mayor McNamara made the Public Forum announcement.

4. OPEN TO PUBLIC: No one from the public came forth.

5. RECOGNITIONS: Fire Chief Chris Christopoulos and NH Senator Suzanne Prentiss came forth to recognize Fire Captain Jim Wheatley for his achievement in becoming 1 of only 2 Lebanon Fire Department Officers to receive the Executive Fire Officer's Certification from the National Fire Academy. Senator Prentiss read the resolution from the NH Senate honoring Captain Wheatley. Chief Christopoulos spoke about what is involved to achieve this national certification. Captain Wheatley, along with his wife, were present to accept this honor.

6. ACCEPTANCE OF MINUTES:

- (Joint Lebanon Energy Advisory Board and City Council Meeting)

Councilor Winny MOVED **to approve the August 18, 2021, Joint City Council/LEAC Public Hearing Session minutes as written and presented in the July 15, 2021 City Council agenda packet.**
Seconded by Councilor Whittlesey
****The Vote on the Motion was approved (9-0).***

- August 18, 2021 (Regular Meeting)

Amendments: Page 14, Line 7: change to read after semicolon: "the relative lack of buildable lots in the City of Lebanon: Page 21, line 13: Remove " ~~Lebanon was way below what the Medical Society was suggesting"~~ Change to read "Lebanon was below the threshold that the NH Medical Society established for mask mandates." Page 21, line 17: change 10% to 1%; Page 21, line 19: Insert "community" between substantial & transmission.

***Councilor Liot Hill MOVED* to approve the August 18, 2021 (Regular Meeting) minutes as amended and presented in the July 15, 2021 City Council agenda packet.**
Seconded by Councilor Heistad.
****The Vote on the Motion was approved (9-0).***

7. APPOINTMENTS:

- **Lebanon Airport-Tech Park TIF Advisory Board, Jason Archambeault (Reappointment Property Owner/ Occupant Member)**

***Councilor Heistad put forth the NOMINATION* of Jason Archambeault for Reappointment as a Property Owner/ Occupant Member to the Airport-Tech Park TIF Advisory Board. Three year Term (9/21-9/24).**
Seconded by Councilor Winny.
****The Vote on the NOMINATION was unanimously approved (9-0).***

- **Arts & Culture Commission, Joe Clifford (Reappointment Arts Representative)**

***Councilor Sykes put forth the NOMINATION* of Joe Clifford for Reappointment as an Arts & Culture Commission Representative for a one-year term. (9/21-9/22)**
Seconded by Councilor Wilkie.
****The Vote on the NOMINATION was unanimously approved (9-0).***

- **Zoning Board of Adjustment, William Koppenheffer (Reappointment Regular Member)**

***Councilor Heistad put forth the NOMINATION* of William Koppenheffer for Reappointment as a regular member to the Zoning Board of Adjustment. Three-year term (9/21-9/24)**
Seconded by Councilor Winny.
****The Vote on the NOMINATION was unanimously approved (9-0).***

- **Pedestrian & Bicyclist Advisory Committee, John Kelleher (Reappointment Regular Member)**

***Councilor Winny put forth the NOMINATION* of John Kelleher for Reappointment as a regular member of the of the Pedestrian & Bicyclist Advisory Committee. Three year Term (9/21-9/24).**
Seconded by Councilor Heistad.
****The Vote on the NOMINATION was unanimously approved (9-0).***

8. PUBLIC HEARING ITEMS:

A. APPROPRIATION FOR 20 SPENCER STREET CLEANUP PROJECT – Public hearing for the purpose of receiving public input and taking action on a request for a supplemental appropriation in the amount of Seven Hundred Thousand Dollars ($700,000) to be transferred from Unassigned Fund Balance to the Capital Improvement Fund for the 20 Spencer Street Cleanup Project.

Included in the agenda packet:
1. 07/28/2021 Memorandum from Department of Public Works Director Jim Donison, RE: 20 Spencer Street – Site Cleanup ***(pages 45-46)***
2. Excavation area diagram with estimated soil excavation volume dated 07/19/2021. ***(Page 47)***

City Manager Shaun Mulholland came before the Council to review the 20 Spencer Street Cleanup Project.

This location is the former Department of Public Works facilities site which the city is in the process of redeveloping for housing. The City is working with developer Ken Braverman to sell the property to him for $1.5 million. Mr. Braverman plans to develop an apartment building with 94 units. A percentage of these units will be leased at workforce housing rates.

Testing of the soils on the site indicate varied levels of PCB at different depths in the soil in one area. This material will need to be removed and trucked to a location in Michigan for disposal. The area will also have to be backfilled. This work needs to be completed as soon as possible to allow for the housing to be developed which will require a supplemental appropriation. The funding will be coming from the City's Unassigned Fund Balance. No additional tax dollars will need to be raised for this cleanup.

Failure to clean up the site will prohibit the housing development. The City would be required by the US EPA to either clean up the site or cap it and permanently monitor the site with test wells.

Mayor McNamara opened the Public Hearing. Hearing no comments from the public, the Public Hearing was closed.

In response to Councilor Liot Hill's question regarding what projects the city will not be able to do because of the unexpected costs of cleaning up 20 Spencer Street, the City Manager noted that paving on the Rail Trail from Spencer Street to the Bank Street extension and widening the sidewalk in front of the Senior Center to the parking lot would not be done.

ACTION:
Councilor Liot Hill MOVED the following Resolution:

FOR THE PURPOSE OF appropriating funds for the removal and disposal of contaminated soils at 20 Spencer Street, Lebanon.

NOW THEREFORE BE IT RESOLVED, by the City of Lebanon, that funds, in the amount of $700,000 (Seven Hundred Thousand Dollars) be appropriated for expenditure from the Capital Improvements Fund for the 20 Spencer Street Cleanup Project to be paid for through the use of Unassigned Fund Balance.

BE IT FURTHER RESOLVED, by the City of Lebanon, that funds, in an amount not to exceed $700,000 (Seven Hundred Thousand Dollars), be transferred from Unassigned Fund Balance to the Capital Improvements Fund, for the purpose of financing the removal and disposal of contaminated soils at 20 Spencer Street, Lebanon.

This Resolution shall be effective upon passage.

Seconded by Councilor Whittlesey.
****The Vote on the MOTION was approved (9-0).***

B. ORDINANCE 2021-05 – Public hearing for the purpose of receiving public input and taking action to amend City Code Chapter 68, Fees, Article III, Miscellaneous Fees, §68-15, Enumeration of Fees to correct the water rate charge approved as part of Ordinance #2020-

20 for a four inch water meter.

Included in the agenda packet: Proposed Ordinance 2021-05 ***(Page 53).***

On December 2, 2020, the Council authorized an 8.0% increase in water service rates through the passage of Ordinance 2020-20. As part of this ordinance, the rate for a four-inch water meter was inaccurately provided due to a transposition of numbers in the previously approved rate.

Four water accounts were affected by this error in the amounts of $457.20 each (total overcharge of $1,828.80). Each account holder was reimbursed accordingly.

Administration is requesting the Council approve an adjustment in the rate for a four-inch water meter from $2,629.90 to $2,532.70 to accurately reflect the 8.0% increase.

Mayor McNamara opened the Public Hearing. Hearing no comments from the public, the Public Hearing was closed.

ACTION:
***Councilor Wilkie MOVED*, that the Lebanon City Council hereby adopts Ordinance #2021-05 to amend City Code Chapter 68, Fees, §68-15, Enumeration of Fees to correct the water rate charge for a four-inch water meter.**
Seconded by Councilor Heistad.
****The Vote on the MOTION was approved (9-0).***

CITY OF LEBANON ORDINANCE #2021-05

AN ORDINANCE TO AMEND the Code of the City of Lebanon, Chapter 68 FEES, Article III, Miscellaneous Fees, Section 68-15 Enumeration of Fees, to amend the fixed meter charge for a Four-inch water meter.

BE IT ORDAINED, by the City Council of the City of Lebanon, as follows:

Section 1
The Code of the City of Lebanon is hereby amended to revise Chapter 68 FEES, Article III, Miscellaneous Fees, Section 68-15 Enumeration of Fees, for the purpose effecting a change to the fixed meter charge for a Four-inch water meter:

B. Public utilities (water/sewer) fees shall be as follows:

§68-15 B(1) Water service rates:

§68-15 B(1)(b) Fixed charge per quarter: [7] Four-inch: ~~$2,629.90~~ $2,532.70

Section 2. Severability
The provisions of this ordinance are declared to be severable, and if any section, subsection, sentence, clause or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, subsections, sentences,

clauses or part of this ordinance.

<u>Section 3. Effective Date</u>
This Ordinance shall become effective upon passage.

C. ORDINANCE 2021-08 – Public hearing for the purpose of receiving public input and taking action to amend City Code Chapter 168, Vehicles & Traffic, §168-12, Stop Signs.

Included in the agenda packet: Ordinance #2021-08

Upon review of the Code that currently regulates the placement of Stop signs (requiring City Council approval), City Administration was requesting City Council to consider transferring the authority for placement of Stop signs to the City Manager. Doing so will increase efficiency and give administration the ability to act more expeditiously when situations arise that need attention.

Mayor McNamara opened the Public Hearing. Hearing no comments from the public, the Public Hearing was closed.

ACTION:
***Councilor Liot Hill MOVED*, that the Lebanon City Council hereby adopts Ordinance #2021-08 to amend City Code Chapter 168, Vehicles and Traffic, §168-12, Stop Signs**
Seconded by Councilor Heistad.
****The Vote on the MOTION was approved (9-0).***

CITY OF LEBANON ORDINANCE #2021-08

AN ORDINANCE TO AMEND Chapter 168, Vehicles and Traffic, of the Code of the City of Lebanon, by amending § 168-12 Stop signs.

<u>Section 1</u>:
The Code of the City of Lebanon is hereby amended to revise Chapter 168, Vehicles and Traffic, Section 168-12, Stop Signs, for the purpose of transferring authority for placement of Stop signs from the City Council to the City Manager, to read as follows:

§168-12. Stop signs.

Stop signs may be located on City streets by approval of the City Manager or his/her designee. Date of approval and location shall be recorded in the office of the City Clerk.

<u>Section 2: Severability</u>
The provisions of this ordinance are declared to be severable, and if any section, subsection, sentence, clause, or part thereof is, for any reason, held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of any remaining sections, subsections, sentences, clauses, or part of this ordinance.

<u>Section 3: Effective Date</u>
This ordinance shall become effective upon passage

D. ORDINANCE 2021-09 – Public hearing for the purpose of receiving public input and taking action to adopt Ordinance 2021-09, requiring that persons wear face masks under certain circumstances.

Included in the agenda packet: Ordinance 2021-09 ***(Pages 57-59).***

The Delta Variant of COVID-19 has emerged as the predominant strain of the virus in the Nation and has been found to be more infectious and faster spreading with the ability to cause more than twice as many infections as earlier strains of the virus.

The CDC is recommending that, due to the high level of spread and how contagious the Delta Variant is proving to be, even amongst those fully vaccinated, all persons wear a face covering in indoor public environments regardless of their vaccination status in areas of substantial or high transmission, which currently includes all of New Hampshire.

For the Council's consideration, City Manager Shaun Mulholland noted he made a number of changes to the previous Mask Ordinance as follows:

- Changed the age of those who would be required to wear a face mask from age 10 and above to age 3 and above, noting it is difficult to get a child under 3 years old to wear a mask. The purpose of this age change is to protect this unvaccinated population.
- In areas where there are adequate physical barriers, employees will not be required to wear masks if they are not interacting with the public.
- The preamble is different because a lot of those circumstances have changed.

Mayor McNamara opened the Public Hearing and recognized the following who came forth to speak.

Mr. Dan Nash (Ward-1): He spoke about his reasons against implementing the Mask Ordinance and felt it was usurping personal responsibility. People should decide whether they need to wear a mask. The public would be better served if the City explained the hazards that might be out there and just strongly urge people to wear a mask.

Mr. John Kenyon (Ward-1): He spoke about his reasons against implementing the Mask Ordinance noting a study done by the University of Louisville that determined there is no distinguishable difference in transmission rates between communities that have mask mandates and those who did not.

Mr. Alan Schnur (Ward-3): He spoke in favor of reinstating the Mask Ordinance noting the three criteria established by the NH Medical Society have now been crossed and Lebanon is now above their threshold, and substantial transmission rates are now in every county of New Hampshire. Grafton County has the highest number of active cases since April. The CDC is clear that people can transmit the virus even if they do not have any symptoms and they can still transmit the disease. He questioned if Lebanon does contact tracing and spoke about the benefits contact tracing would have for the City.

Brian Horan (Ward-1): He spoke about his reasons against implementing the Mask Ordinance and questioned if the Council has researched trending to know where Lebanon is at. Mayor McNamara noted the criteria utilized by the Council to rescind the mandate before came from the NH Medical Society criteria. While Lebanon was below their criteria when the ordinance was rescinded in late June, that criteria has now been substantially exceeded. Mr. Horan then spoke about the harm the mask mandate would have socially, ecologically, and on children's mental health and felt the City should be following the CDC's recommendations.

Mr. Wesley Althusser (Ward-2): He spoke about his reasons against implementing the Mask Ordinance and questioned what the threshold for vaccines in the city should be in order to stop this mandate. If we enter into this mask mandate, we need to know how we are going to end it. He proposed businesses should make their own decisions around masks and that adults be allowed to make adult decisions.

Ms. Sarah Riley (Ward-2): She spoke about her reasons in favor of implementing the Mask Ordinance and having the Council follow the science. She appreciated the way the Council has handled this COVID crisis.

Mr. Lucas Seaver (VT resident): He manages a local business and spoke about his reason against implementing the mask mandate and how businesses have/will be affected in sustaining their day-to-day operations if this is implemented. He has seen a huge downturn in employees morale, noting a few businesses around the area who have mandated masks for their employees (100%), those employees are quitting their jobs. All the mandate would do is to create friction and anger between customers and employees.

Hearing no further comments from the public, the Public Hearing was closed.

Mayor McNamara thanked the public for their comments and noted this (mask mandate) would be very controversial one way or the other and the Council will be trying to make the best decision they can based on the information they have available.

Councilor Whittlesey noted that since the mask mandate was lifted, we went from 1 new case/day per 100K to 20.7 cases/day per 100K. We are actually on a trajectory that is eclipsing the holiday season of 2020. Directors and CEOs of Children's Hospitals across the county just issued a letter calling on leaders in the public/private sectors to stand with them to help protect children. The letter noted all the eligible population should be vaccinated, everyone should be wearing a mask responsibly, particularly during school and in large gatherings, and all should adhere to safe practices of social distancing and hand washing. We tried personal responsibility before, and he does not see it working. The mask mandate is another tool we need, unfortunately, to make sure everyone stays safe..

Council Heistad pointed out a study that was published in the Washington Post about a prepublication report being overseen by Yale/Stanford regarding a randomized study in Bangladesh that included 341K people. The study clearly reflects that masks are effective and are necessary in terms of being able to stop transmission (of COVID).

Councilor Wilkie pointed out he supports mask wearing and agreed masks are very important to saving lives. His concerns with the mask mandate was the slow process in removing the ordinance this spring and in then trying to reinstate the ordinance based on very clear numbers. Another concern were the numerous businesses and individuals who were not adhering to the ordinance and no action was being taken. In some cases, businesses decided on their own to enforce mask mandates and in other cases businesses blatantly decided to reject the mask mandate. If we are placing this into effect and not enforcing it, or not encouraging it to be followed in the way we are imposing it, this mask mandate will undermine the Council's enforcement ability and will lead to confusion when someone goes into a large business in West Lebanon and does not see anyone wearing a mask. This ordinance does not seem to follow the numbers as closely as it could and does not seem to help us if, in addition to being only one community in the region, it is not uniform in the community.

Assistant Mayor Below shared some of the data from the NH Medial Society. Back in May/June one of the criteria was when 1 in 50 cases, on a rolling 14 day average, was below 100K population. While Lebanon dropped well below this threshold toward the end of June, we have been climbing very steadily since. At this point in time, Grafton County is experiencing 287cases/per 100K population over the last 14 days. State-wide, only about 54% of the population is fully vaccinated, and while Lebanon is well above that level (close to 74%), we are a regional center that sees people pass through here from all parts of the State and the region for a variety of reasons. Part of the problem/concern we see is that the Delta variant is breaking through those who are vaccinated and is also breaking through to younger ages at a fairly active rate. Lebanon is now at a steeper curve upward than we have been at any point in this pandemic, particularly compared to where we were at this time last year. Where does this end? Week after week, we have been seeing double digit increases in the rate of new cases. This is why he leans on the side of taking action to protect public health, particularly because we know vaccinated individuals can asymptomatically spread the Delta variant without knowing they have the variant. The CDC does recommend that if you are in a substantial/high transmission area that even vaccinated people should wear face masks indoors to protect themselves and other people. Lebanon is now classified as a high transmission area.

There are provisions in the Mask Ordinance that state if a person(s) in a workplace are known to be vaccinated, then the person in charge of that workplace can dispense with the mask wearing. However, where people are interacting with the public and where the public is entering into public spaces and it is unknown whether they are vaccinated or not, that mask wearing be done.

In light of the fact that Lebanon has not ever issued a ticket, he felt the $100 fine (1st offense) was a high threshold and suggested the fine be dropped to $50 for the 1st offense and $100 for the 2nd offense in cases where people were not wearing masks and were asked to leave a premise. In cases where the police were called because businesses could not persuade people to act on their own, the typical resolution was that people agreed to leave that business. He is concerned the City will have an ordinance that is just on paper and people are not actually expected to comply with it. He also felt that the Council should be given some flexibility on changes (to the mask mandate) in order to either act on something in an emergency or repeal it if it is not necessary.

City Manager Mulholland noted there is a Statute under the NH Department of Health that allows the City Council to make changes on an emergency basis, but it is the City's Code that requires the hearing process. He suggested, absent a pandemic, there are good reasons for this. Most people did not anticipate there would be a pandemic (since 1918) when the Ordinance was created, and most people do not know the Public Health Statute even exists. He suggested changing Code 115 to allow those statutory provisions for emergencies that can be implemented/repealed without an extensive process.

In response to Councilor Liot Hill's question regarding the enforcement of the Mask Ordinance, City Manager Mulholland said it was the same as used before: Educating people about masking in the City; the option to have a police officer come to a business and ask a person(s) to wear a mask or leave the business and if they do not leave, they will be issued a fine. He also noted the City does not conduct any contact tracing and if the State is still doing this, they do not contact the City, only the people involved.

Councilor Liot Hill said she received letters from Shauni Goodwin (Ward-1) and Sarah & Nelson Rooker (Ward-3) supporting the reinstatement of the Mask Ordinance. She also spoke about Lebanon's 9 Guiding Principles, which were adopted to guide all the City Council's decision-making process, and highlighted the following:

#4. The City shall ensure that the safety of the public is maintained in a prudent manner.
#5. The City shall act predictably and transparently, shall be accountable for its actions, and shall regularly re-evaluate its policies and actions.
#6. The City shall make informed, evidence-based, data-driven decisions.

For these reasons, she supported the reinstatement of the Mask Mandate. The numbers that Councilor Below reviewed clearly indicate that we are in a state of substantial transmission and that our 2-week rate is increasing significantly over the level that the NH Medical Society has indicated mask wearing should occur. She felt it important that Council reinstate the mask mandate tonight and then re-evaluate our decision as the data indicates in the future.

Councilor Sykes supported the Mask Mandate. However, the Council needs to make a better effort in making people aware of the importance of wearing masks. Being able to respond to this crisis in a timely manner is also important, but can be done separately from the passing of this Ordinance. The bigger goal is to protect the public.

Councilor Winny noted no one really wants to wear masks. However, this is one instance where personal freedom butts heads with public health. We, as a society, make decisions in favor of public health vs. public freedom all the time (i.e., speed limits, toxic waste, clean drinking water, etc.). The argument is where you draw the line, rather than should personal freedom trump public health. We have talked a lot about the NH Medical Society thresholds and when the Mask Ordinance was rescinded in June, Lebanon was looking good. However, Lebanon is a lot worse now, and he thought the Mask Ordinance should be reinstated because of public health. In this instance, public health wins over personal freedom. He suggested putting a sunset provision into the ordinance that names specific criteria the Council could follow.

Councilor Wilkie was in favor of a sunset provision and asked that the motion include some very clear numbers, which will be used to guide the Council's decisions. He felt this would allow the Council to expedite the process of rescinding the mandate. This would also allow the Council to implement this ordinance and still retain authority yet provide a quick kill switch if it becomes clear by the numbers that the Mask Ordinance is not beneficial.

Mayor McNamara noted he has become increasingly worried about the transmissivity of the Delta variant and what comes beyond the Delta variant. While he would like to be done with masks, he felt it was appropriate for the Council to do something at this point in time and realizes Lebanon would be alone here, but this is not a reason for us not to do it. He agreed with Councilor Wilkie about putting a sunset provision in the Ordinance. The NH Medical Society has three criteria, one of which was vaccination rates and felt this could be dropped. He also felt the rolling 14-day new case rate of 50/per 100K population could be put in the Ordinance as part of a sunset provision and further suggested this number be sustained for some period of time (days, weeks). He also suggested the Ordinance, if passed, become effective on Tuesday, September 7th to allow businesses to prepare their staff, their customers, and would allow the City time to get posters out.

The Council further discussed the pros/cons of how long the Mask Ordinance should be effective; whether or not to put a sunset provision in place; at what age children should be required to wear face masks; under what set of criteria the Mask Ordinance could be suspended/rescinded; and. taking this topic up as a standard agenda item at each Council meeting that would include having a motion ready at each meeting to either rescind/keep the Ordinance.

ACTION:
***Councilor Liot Hill MOVED*, that the Lebanon City Council hereby adopts Ordinance #2021-09, requiring the wearing of face coverings in publicly occupied indoor spaces under certain circumstances.**

This ordinance shall be effective beginning September 1, 2021, and shall continue in effect until rescinded by action of the Council.
Seconded by Councilor Whittlesey.

Assistant Mayor Below Moved to amend the Motion to be effective September 7, 2021
Amendment FAILED due to lack of a second.

Assistant Mayor Below Moved to amend the original Motion to raise the age of children not required to wear face masks to 5-years of age.
Seconded by Councilor Sykes.

Councilor Sykes seconded the Motion only for the purposes of discussion. He questioned if there was more data available regarding the appropriate age children should be required to wear a face mask. City Manager Mulholland noted the CDC does not recommend masks for children under 2-years of age.

****The Vote on the amended MOTION FAILED (0-9).***

City Manager Shaun Mulholland strongly requested the Council give City Staff more than a 24-hour notice to allow people to be prepared.

***Councilor Liot Hill Moved to amend the main Motion* to make it effective Saturday, September 4th, 2021.**
Seconded by Assistant Mayor Below.
**** The Vote on the amended Motions was approved (9-0).***

***Councilor Wilkie MOVED* to amend the Main Motion to read: "This shall continue in effect until rescinded by action of the Council or once the rate of new cases over the prior 14-day average falls below 25 as reported by the Upper Valley Public Health district.**
****Amendment FAILED due to lack of a second.***

****The Vote on Main Motion passed (7-1-1).***

ORDINANCE 2021-09 FACE MASKS

FOR THE PURPOSE OF reducing the spread of the SARS-Co-V-2 (COVID-19) virus and all of its current variants, and potentially reducing the need for hospitalization and the number of fatalities, the City of Lebanon ordains as follows:

WHEREAS, a primary function of municipal government is the health and safety of those persons residing within or entering into it; and

WHEREAS, the provisions of RSA 47:17, XV provide authority to city councils to adopt By- Laws and Ordinances for the well-being of their cities. Further, RSA 147:1 allows towns to make regulations for the public health and safety of the people and RSA 47:12 vests the authority of towns to make such public health regulations to city councils; and

WHEREAS, COVID-19 is a viral infection that has the ability to be spread from person to person very easily through respiratory droplets, including:

- Through the air by coughing or sneezing;
- Through close personal contact, such as touching or shaking hands;
- Touching an object or surface with the virus on it, then touching mouth, nose, or eyes before washing of hands

And,

WHEREAS, viruses constantly change through mutation and new variants of a virus emerge as the virus continues to spread and infect; and

WHEREAS, the Delta Variant of COVID-19 has emerged as the predominant strain of the virus in the Nation, and has been found to be more infectious and faster spreading with the ability to cause more than twice as many infections as earlier strains of the virus; and

WHEREAS, more than 94 percent of counties in the Nation are experiencing a substantial or high level of community transmission of COVID-19; and all 10 counties in New Hampshire are experiencing a substantial or high level of community transmission; and

WHEREAS, it is clinically established that the best means of slowing the spread of a virus, other than vaccinations, is through minimizing close personal contact with individuals in a public environment, covering one's mouth and nose by wearing a face covering, and utilizing frequent and proper hand washing; and

WHEREAS, face coverings are most likely to reduce the spread of COVID-19 when they are widely used by people in public settings, particularly when combined with social/physical distancing and other sanitary measures such as washing hands or utilizing hand sanitizer; and

WHEREAS, the CDC is recommending that, due to the high level of spread and how contagious the Delta Variant is proving to be, even amongst those fully vaccinated, all persons wear a face covering in indoor public environments regardless of their vaccination status in areas of substantial or high transmission, which currently includes all of New Hampshire.

NOW, THEREFORE the Lebanon City Council adopts the following Emergency Public Health regulations:

1. Members of the public entering or queued to enter; remaining in or exiting from, any business, governmental, or non-profit owned premises, or utilizing any form of public transportation must wear a face covering as described in paragraph 2 below.
   - Policies regarding face coverings in governmental buildings within the geographical boundaries of the City of Lebanon adopted by the governmental entity having jurisdiction over such buildings are hereby recognized by this ordinance and shall control in such buildings.
   - Property owners shall have the authority to regulate the requirement to wear masks by any person, while on the premises of their property, by allowing persons to temporarily remove their masks while remaining on the premises when it is practical or becomes necessary to do so based upon the requirements of the services provided.

2. As used herein “face covering” means a covering made of cloth, fabric, or other soft or permeable material, without holes or exhalation air valves, that covers the nose, mouth, and surrounding areas of the lower face. A face covering may be factory made or homemade and improvised from ordinary household materials.

3. Employees of all businesses shall wear a face covering over their mouth and nose when interacting with the public except when adequate physical barriers are in place to protect the public and the employee. Building owners, operators, managers, lessees, employers, businesses, and non-profit organizations, as appropriate, shall have the authority to waive masking for employees and volunteers who are known to be fully vaccinated against Covid-19 while within the workplace or building space managed by them, provided however that mask requirements shall not be waived for employees and volunteers who are interacting in person with members of the public.

4. Members of the public dining indoors at a restaurant may remove face covering while seated at their table. Members of the public must wear a mask when entering, using, or leaving the restroom of a restaurant.

5. A person may temporarily remove their mask when in a business if obtaining a service or product that requires verification of the person’s identity or age.

6. Residents, visitors, and members of the public entering or present at a residential or commercial building complex of greater than two (2) units must wear a face covering over their nose and mouth while in common areas and communal spaces when social distancing of at least six feet is not practiced.

7. Notwithstanding the above, this order does not require children under 3 years of age to wear face covering (parents should make their own judgment). Face covering is not recommended for children less than 2 years of age.

8. A face covering is also not required to be worn by any person if said person can show a medical professional has advised that wearing a face covering may pose a risk to said person for health-related reasons.

Any person who violates this ordinance shall be subject to a fine for the first offense in the amount of $100, for a second offense or subsequent offense the fine shall be $250.

This ordinance shall be effective immediately upon passage and shall continue in effect until rescinded by action of the Council.

Effective date September 4, 2021.

9. OLD BUSINESS

A. Presentation of Second Reading: Amend Ordinance #18 Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Fulltime and Part-time Benefit Eligible Positions to add the position of Community Nurse, Grade 10

The City began funding the Community Nursing Program in 2019 with an allotment of $15,000. Funding continued in 2020 with an allotment of $23,260 which increased to $75,000 in 2021, pending approval of a Mobile Integrated Health (MIH) Agreement with Dartmouth Hitchcock Medical Center. The MIH Agreement was signed by the City and DHMC in December 2020 and is in effect until December 31, 2023. Funding is included in the agreement for the Community Nursing Program for up to 40 hours of nursing service each week. There are currently two to three nurses participating in the program sharing the 40-hour workload. The MIH Program will be assessed in 2023 to determine if the program will continue for an additional three-year term.

The Community Nurses will be regular part-time employees of the city which requires an amendment to Ordinance #18 to include the position in the wage and classification scale. After review of the job description and the completion of a local market analysis, the position is proposed to be classified as a Grade 10.

Process to Amend Ordinance No. 18

Amending Ordinance No. 18 requires three separate presentations (see City Charter subsections 419:22, 419:24, 419:25, 419:52) followed by a public hearing and the vote of at least two-thirds (2/3) of all members of the City Council – six (6) members - to adopt.

The first presentation was recognized by the Council on August 18, 2021. The Council is now asked to recognize the second of three presentations to amend the Ordinance. The third presentation will follow on September 15, along with a public hearing to adopt the amendments as proposed.

ACTION:

1. ACKNOWLEDGE SECOND PRESENTATION:

Assistant Mayor Below MOVED, that the Lebanon City Council acknowledges the second of three presentations to amend Ordinance No. 18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Full-time and Part-time Benefit Eligible Positions to include the position of Community Nurse, Grade 10, as shown in the chart on page 62 of the City Council agenda packet.

Changes in the table below shown in red.

REGULAR FULL-TIME/REGULAR PART-TIME NON-AFFILIATED & LPASE EMPLOYEES – 2021 SALARY & GRADES					
10	Assistant City Engineer**	$30.50	$41.18	-	-
	Cemetery Sexton**	-	-	-	-
	Financial Analyst	-	-	-	-
	Fleet Maintenance Supervisor**	-	-	-	-
	Community Nurse	-	-	-	-
	Maintenance Superintendent**	-	-	-	-
	Utilities Maintenance Superintendent**	-	-	-	-
	Police Communications Supervisor**	-	-	-	-
	Recreation Program Coordinator**	-	-	$1,220.15	$1,647.20

**denotes LPASE Positions.

Seconded by Councilor Winny.
****The Vote on the MOTION was unanimously approved (9-0).***

NOTE: The Council discussed **Item 10B from New Business**, which was taken out of the original order from the Council's agenda packet. Items below are presented in the order discussed. Also note the Council Chamber audio was accidentally muted for a few minutes of the presentation.

10 B. Status update by City Engineer Christina Hall re: Mechanic Street/ Mascoma Street/ High Street Roundabout

Included in the agenda packet: PowerPoint Presentation – City of Lebanon, High Street / Mascoma Street Intersection Project, Lebanon City Council, September 1, 2021, Lebanon, NH ***(pages 157-171)***.

City Engineer Christina Hall and a representative from Stantec presented the Council with an update regarding the status of the Mechanic Street / Mascoma Street / High Street Roundabout project that included the project history; map of the High Street /Mascoma Street intersection and their proposed improvements; what the project benefits and challenges were; traffic management during the project, along with potential detour routes; construction phases; scheduling for the project; the project's estimated costs; and, the potential final condition of this project once completed.

Ms. Sarah Riley (W-2) came forth and spoke about her concerns regarding the safety of the roundabout crossing for pedestrians and bicyclists and how adult cyclists will use the roundabout, noting it is illegal, as a bicyclist to use a sidewalk.

The Council discussed how the Rail Trail and the Mascoma River Greenway intersect with this project, noting they are not part of, nor were they meant to be, integrated into this project. They also discussed how, or if, this roundabout intersection could be safely used by bicyclists.

Mr. Dan Nash (Ward-1) came forth and spoke about his concerns regarding the expense of this project and felt the City should take a step back and review if this project is really needed. He felt it was not.

ACTION:
No action is required. Item was for informational purposes only.

OLD BUSINESS (continued).

9 B. Review and adoption of City Council Policy CC-107, Debt Management

Included in packet:
1. August 18, 2021 City Council Agenda Packet Item 10.E
2. PowerPoint Presentation – Debt Management Policy

The Council adopted the present debt management policy, 99-02-C in January of 1999. The policy needs to be revised to address the circumstances the City currently operates in. Since the inception of this policy, the City was issued an administrative order by the US Environmental Protection Agency regarding the separation of the City's sewer system from its stormwater system. This required the City to authorize long-term debt in the amount of approximately $71 million dollars. The cost of the debt service was apportioned to the General Fund, Sewer Fund and Water Fund. The present debt load regarding the General Fund is in compliance with the requirements of state statute; however, it is not in compliance with the previously approved policy.

The proposed revisions reformat and renumber the policy to comply with the new policy format and numbering system. The policy adopts a new structure and standards for the General Fund. The revised policy for the first time proposes the adoption of specific provisions for the Water, Sewer, and Solid Waste enterprise funds.

A review was conducted of similar policies in other cities in New Hampshire, as well as other states. The Government Finance Officers Association standards were also incorporated into the policy. The proposed policy complies with the provisions of state and federal law. City staff working with consultants Dave Fox of Raftelis and Doug Smith assisted in the development of the policy and analysis of the financial data.

The goal of the policy revisions are to assist the City in long-term financial planning to meet its infrastructure needs and ensure the City's financial health. The provisions of the plan would take effect immediately upon approval regarding debt management in the General Fund and Solid Waste Fund. The provisions relative to the Water and Sewer Funds would take effect in January of 2024 when the present rate plan developed by Raftelis ends at the end of 2023. The specific percentage rates for the Sewer Fund will need to be added in 2022 when the long-term sewer infrastructure plan is finalized.

Adoption of the policy would be used to develop the present 6 Year Capital Improvement Plan under consideration by the City Manager and the Planning Board this year. Adoption of this policy would not change the process which requires the Council to make appropriations on an annual basis, as well as the setting of water, sewer and solid waste rates. The appropriation of funds and the rate setting process will continue to occur on an annual basis while the CIP will continue to be re-adopted and projected out for the subsequent 6 years.

It is important to note that the projections for debt service are based upon the 6 Year CIP being proposed. The actual debt service will change for a number of reasons to include:

1. Some projects will come under budget while others will exceed their budget estimates.
2. The timing of when debt service is due changes based upon when the bonds are actually sold. Some project schedules change and the need to borrow the funds also changes depending upon the project.
3. We estimate what interest rates will be however the actual amount is not known until the bond sale actually occurs.

4. Some projects anticipate grant funding that may not actually be received while others are the recipients of grant funds that were not initially anticipated.

This policy focuses on the amount of debt principal that is owed, not the annual debt service payments which will fluctuate for the reasons indicated above.

City Manager Shaun Mulholland began his presentation where he left off at the last Council Meeting and included the following:

Water Enterprise Funds

Water Fund – Option 1: (see chart example of cost increases for residential/nonresident customers through 2030 on page 122, agenda packet.)

- WATER Fund-Long term Infrastructure improvement plan will cost an estimated $25 million not including a new water source.
- Option #1 would involve a 37% increase in rates for year one (2024). This would produce $1.5 million each year in additional revenue. Subsequent annual rate increases would only address increases in operating costs estimated to be approximately 3% per year. Time to complete plan would be 17 years. This is a pay-as-you-go option.

Water Fund – Option 2:

- Option #2 would set a structure where there would be a fixed component annual increase of 5% and a variable component added to that based upon the % increase of the CPI (starting in January of 2024).
- After accounting for the increase in operating expenses, the additional revenue generated would pay for increases in debt service which determines the amount that can be borrowed for infrastructure improvement projects

Option #2 - Fixed 5%+CPI Variable Max of 8% (Chart on page 124)
Option #2 - Quarterly Customer Water Bill through 2030 (page 125)

Projects for Revenue Generation (page 127)

Option 1- 37% & 3%	$38,063,811
Option 2- 5%+CPI Variable (6.5% est.)	$32,801,584

These numbers represent the potential total revenue generated from 2024-2030.

Sewer Fund Options: Not all data available at this time. Will hold off on discussions.

Solid Waste Fund:
1. Debt limits are based upon the present and future capacity of the Solid Waste Facility to accept waste and generate the revenue from that waste to pay for operating expenses and debt service payments for the ensuing year and beyond.
2. The period by which indebtedness may occur for any given project is limited to the useful life of the infrastructure asset.
3. Situations where the state or federal government mandate by administrative or court order that action must be taken by the City that requires long term debt may require borrowing funds for periods beyond the useful life of the asset.

ACTION:
No action taken at this time. Council will discuss in further detail at a later meeting.

10. NEW BUSINESS

A. Review and Action on Properties Qualified for Tax Deeding

Included in the agenda packet: August 23, 2021, Memo from Kristin M. Kenniston, City/Clerk Tax Collector, re: Tax Deeding ***(pages 134-155)***

City Clerk Kristin Kenniston came before the Council to review and explain the process for properties qualified for Tax Deeding.

Tax bills are mailed on or around June 1 and November 1 each year. Interest accrues at a rate of 8% per annum on bills outstanding for more than 30 days. Within 18 months of the date assessed (April 1), the Tax Collector places a lien on properties for all uncollected property taxes. The lien on these properties has priority over other liens and accrues interest at 12% per annum.

<u>According to State law, if property is not redeemed (including taxes, penalties and interest) within the 2-year redemption period, the Tax Collector is required to tax deed the property as a normal matter of course unless notified by the City's governing body (City Council) not to take a deed.</u>

When the City Council instructs the Tax Collector that it shall not accept a tax deed, the tax lien remains in effect indefinitely. The taxpayer's right of redemption (to pay what is outstanding including taxes, penalties and interest) is likewise extended indefinitely with interest at the rate of 12% per annum continuing to accrue. At any time, if in the judgment of the City Council, the reasons for refusing the tax deed no longer apply, and the tax lien has not been satisfied, the City Council may instruct the Tax Collector to commence the statutory deeding process.

<u>WAIVER OF TAX DEEDING:</u>
There is one property recommended to waive tax deeding on totaling $9,093.79. This property has an active payment plan in process (2018 outstanding taxes expected to be paid in full by the end of June 2022).

<u>AUTHORIZATION FOR TAX DEEDING:</u>
The properties recommended to commence the deeding process on total $38,153.27 consisting of a mobile home ($2,615.07); a restaurant ($31,754.43); and land with decaying structures ($8,891.23).

ACTION:
***Councilor Liot MOVED,* the following RESOLUTION:**

FOR THE PURPOSE, of complying with NH RSA 80:76.

NOW THEREFORE BE IT RESOLVED that the Lebanon City Council, in accordance with NH RSA 80:76, has reviewed the following compilation prepared by the Tax Collector of tax liens outstanding for tax years 2018-2020.

NOW THEREFORE BE IT FURTHER RESOLVED that the Lebanon City Council, hereby serves notice upon the Tax Collector to waive taking deeds on the immediately following property because of an existing payment plan between the owner and the City of Lebanon:

Billed Owner/Location	Map/Lot	Type

Maville, Sandra 19 Mason Street	91/59	Residence

Seconded by Councilor Winny.
****The Vote on the Motion was approved (9-0)***

Councilor Winny MOVED* the following RESOLUTION*:

FOR THE PURPOSE, of complying with NH RSA 80:76.

NOW THEREFORE BE IT RESOLVED that the Lebanon City Council, in accordance with NH RSA 80:76, has reviewed the following compilation prepared by the Tax Collector of tax liens outstanding for tax years 2018-2020.

NOW THEREFORE BE IT FURTHER RESOLVED that the Lebanon City Council, hereby serves notice upon the Tax Collector to commence the statutory tax deeding process immediately on the following properties:

Billed Owner/Location	Map/Lot	Type
Wright, Karen 22 Rudsboro Road #17	56/15/1700	Mobile Home
Vorachak LLC 70 Hanover Street	91/197	Restaurant

Seconded by Councilor Sykes.
****The Vote on the MOTION was unanimously approved (9-0).***

***Councilor Liot Hill MOVED* to extend the meeting until 10:15 PM.**
Seconded by Councilor Wilkie.
****The Vote on the Motion was approved (9-0)***

C. **Presentation of first reading and set public hearing for October 6, 2021:** Amendment to Ordinance No. 18, Salary Plan, Article III, C. Lebanon Police Benevolent Association (LPBA)/ New England Police Benevolent Association (NEPBA).

Included in the agenda packet: Excerpt of Ordinance No. 18, Salary Plan, as adopted December 16, 2020 – Article III, Bargaining Unit Employees, Section C, 2021 Wage Scale for Lebanon Police Benevolent Association (LPBA) / New England Police Benevolent Association (NEPBA). ***(Page 175).***

The City Council is not directly responsible for the negotiation of collective bargaining agreements; it is the City policy making body and the legislative body with authority to raise and appropriate tax revenues to fund labor agreements. Under the City Manager form of government, the City Manager is responsible for administering the affairs of the City, including the appointment of employees and the negotiation of labor agreements. The City Manager's statutory obligation is to bargain in "good faith." In the collective bargaining context, "good faith"negotiation "… involves meeting at reasonable times and places to reach agreement on the terms of employment, and to cooperate in mediation and fact-finding required by this chapter [RSA 273], but the obligation to negotiate in good faith shall not compel either party to agree to a proposal or to make a concession." Failure to bargain in good faith constitutes an unfair labor practice.

The City and the Lebanon Police Benevolent Association (LPBA) / New England Police Benevolent Association (NEPBA) have reached a tentative three-year (2022 - 2024) labor agreement.

Negotiations with LPBA/NEPBA included the provision of an independent Salary Market Analysis for positions to include Patrol Officers, Corporals, and Sergeants. Municipal ResourcesIncorporated (MRI) was contracted to perform the study which compared the salaries for ten (10) cities and towns that are comparable to the City of Lebanon. Results of the study showed that Lebanon is paying well below the market for these three positions. To bring salaries to a competitive level in the market and increase recruitment/retention of police personnel, management is proposing to raise wages over a two-year cycle (2021 and 2022). Action in 2021will bring positions to the 25th percentile with costs totaling $34,000. There will be no need for supplemental funding to cover these costs as vacancies and retirements in the PD will allow the 2021 budget to absorb the additional burden. Proposed increases in 2022 will bring positions to the 50th percentile with costs totaling $96,000. Funding for the increases will be included in the City Manager's proposed 2022 municipal budget.

State law requires that only cost items be submitted to the City Council for approval. Cost item means any benefit acquired through collective bargaining whose implementation requires an appropriation by the legislative body of the public employer (City of Lebanon) with which negotiations are being conducted. Cost items shall be submitted within 30 days to the City Council for approval. Within 30 days of the receipt of the submission, the City Council shall voteto accept or reject the cost items. If the City Council rejects any part of the submission, or while accepting the submission takes any action which would result in a modification of the terms of the cost items submitted to it, either party may reopen negotiations on all or part of the entire agreement. Please see attached memo from City Manager Mulholland for a summary of cost items associated with the tentative labor agreement. Legislative bodies may only raise and appropriate funds for the current fiscal year. Many collective bargaining agreements cover several fiscal years. The New Hampshire Supreme Court held (Appeal of Sanborn Regional School Board) that a public employer was not bound by a collective bargaining agreement where the legislative body, when approving and funding the cost items in the current year of the labor agreement, were not warned of the cost of the successive years.

According to the tentative three-year labor agreement, annual General Wage Increases (GWI's) for the life of the contract will be based on the % change in the Northeast Urban CPI for June from 12 months prior but shall be no less than 1% (floor) and no greater than 3% (ceiling). Based on a 4.6% increase in the CPI as of June 2021, the GWI for 2022 will be 3%. The estimated wage and statutory benefit costs for 2022 is $96,000. Costs for years two (2023) and three (2024) will include up to a 3% GWI in 2023 (no step increases) and up to a 3% GWI in 2024 with step increases for all eligible staff.

LEBANON POLICE BENEVOLENT ASSOCIATION - 2022 SALARY GRADES

	Minimum						Maximum
Position Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**
Patrol Officer	$27.87	$29.49	$30.51	$32.02	$33.63	$35.33	$36.84
Corporal	$37.90						
Sergeant	$37.90	$38.70	$39.69	$40.71	$41.70	$42.69	$43.74

Corresponding schedules for the subsequent two-years are not provided as the GWI for 2023 and 2024 will not be known until July of those years.

Amending Ordinance No. 18 requires three separate presentations (see City Charter subsections 419:22, 419:24, 419:25, 419:52) followed by a public hearing and the vote of at least two-thirds (2/3) of all members of the City Council – six (6) members - to adopt.

The Council was asked to recognize the first of three presentations on September 1, and to schedule a public hearing for October 6, 2021, to amend the Ordinance. The second and third presentations will follow on September 15, and October 6, respectively.

ACTION:

1. PRESENTATION:

***Assistant Mayor Below MOVED,* that the Lebanon City Council acknowledges the first of three presentations to amend Ordinance No. 18, Salary Plan, Article III, Bargaining Unit Employees, Section C, Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA) by replacing the current (2021) wage scale with the following:**

***C. LEBANON POLICE BENEVOLENT ASSOCIATION (LPBA)/NEW ENGLAND POLICE BENEFOLENT ASSOCIATION (NEPBA)* – Employees covered by the terms and conditions of the collective bargaining agreement between the City of Lebanon and the LPBA/NEPBA (effective January 1, 2022 to December 31, 2024) shall be paid in accordance with the accompanying pay plan covering all remaining pay periods in 2021 following adoption by the City Council as provided in that agreement, and as placed on file in the office of the City Clerk. (ref. Table page 174, agenda packet).**

LEBANON POLICE BENEVOLENT ASSOCIATION – 2021 REVISED SALARY THROUGH THE LAST PAY PERIOD OF 2021.

	Minimum						Maximum
Position Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**
Patrol Officer	$26.86	$28.20	$29.17	$30.38	$31.62	$32.93	$34.08
Corporal	$36.60						
Sergeant	$36.60	$37.32	$38.03	$38.76	$39.49	$40.20	$41.22

1. SCHEDULE PUBLIC HEARING:

***Assistant Mayor Below Further MOVED,* that the Lebanon City Council hereby schedules a public hearing for Wednesday, October 6, 2021, beginning at 7:00 pm, Council Chambers, City Hall, Lebanon, and Remote via City's Virtual Platform, for the purpose of receiving public input and taking action to amend Ordinance No. 18, Salary Plan, Article III, Bargaining Unit Employees, Section C, Lebanon Police Benevolent Association (LPBA)/New EnglandPolice Benevolent Association (NEPBA) by replacing the current (2021) wage scale with that approved as part of the tentative collective bargaining agreement to be effective from January 1, 2022 to December 31, 2024.**

Seconded by Councilor Liot Hill.
**The Vote on the MOTION was unanimously approved (9-0).*

D. Authorization of transfer of unspent bond proceeds totaling $40,000 from the Hillcrest Acres Reconstruction Project to the Kimball Street Reconstruction Project

The purpose of this agenda item is to request the City Council approve transferring unspent bond proceeds in the amount of $40,000 from the Hillcrest Infrastructure Project to the Kimball Street Infrastructure Project. These monies are to bring documents up to federal guidelines and complete an environmental review, as well as the NHDES coordination for plan review in advance of the beginning of the project (slated for funding as part of the 2022-2027 Capital Improvement Program).

ACTION:
Councilor Liot Hill MOVED the following RESOLUTION:

***FOR THE PURPOSE OF* authorizing the transfer of unspent bond proceeds from the Hillcrest Infrastructure Project to the Kimball Street Infrastructure Project.**

***NOW THEREFORE BE IT RESOLVED,* by the City of Lebanon, that New Hampshire RSA 33:3A of the Municipal Finance Act provides that if after notes or bonds have been issued and no expenditure of the proceeds has been made for the purpose or purposes for which the debt was incurred, or if a balance remains after the completion of the project or projects for which the debt was authorized, a city, by vote of 2/3 of the city council may authorize the expenditure of the sum or sums on hand, including any premiums received, for any purpose or purposes for which bonds or serial notes may be issued for an equal or longer period of time at any time which said sum or any portion thereof remains available; provided, however, that if the sum obtained by issuance of bonds or notes, as aforesaid, or any balance thereof, including any premium, is not appropriated as aforesaid, then the same shall be used to pay the principal of the loan as it matures.**

***NOW THEREFORE BE IT FURTHER RESOLVED,* that appropriation authority, and associated funding derived from the issuance of bonds, is authorized to be transferred as follows according to the table on page 176 of 193 of the Lebanon City Council agenda packet of September 1, 2021:**

Project	Bond Issue/Dated	Unspent Bond Proceeds BEFORE Transfer as of8/1/2021	Appropriation & Funded Transfer	Unspent Bond Proceeds AFTER Transfer	Project Useful Life
FROM					
Hillcrest Infrastructure Project	NHMBB20B/07/14/20	$653,383.23	$(40,000.00)	$613,383.23	20 years
TO					
Kimball Infrastructure Project	Unissued	$0	$40,000	$40,000	20 years

Seconded by Councilor Wilkie.
**The Vote on the MOTION was unanimously approved (9-0).*

E. Clarification of authorization to create a technical review committee originally authorized by the City Council on August 4, 2010

Included in the agenda packet: City Council meeting minutes of August 4, 2010 (excerpt) ***(Pages 179-180).***

Mr. David Brooks, Director of Planning and Development, came before the Council to review the clarification to create a technical review committee.

On August 4, 2010, the City Council adopted a resolution pursuant to RSA 674:43, III, authorizing the Planning Board to delegate its power to review minor site plans to an administrative technical review committee. RSA 674:43, III, provides that:

> The local legislative body of a municipality may by ordinance or resolution authorize the Planning Board to delegate its site review powers and duties in regard to minor site plans to a committee of technically qualified administrators chosen by the Planning Board from the Departments of Public Works, Engineering, Community Development, Planning, or other similar departments in the municipality. The local legislative body may further stipulate that the committee members be residents of the municipality. This special site review committee may have final authority to approve or disapprove site plans reviewed by it, unless the local legislative body deems that final approval shall rest with the Planning Board, provided that the decision of the committee may be appealed to the full Planning Board so long as notice of appeal is filed within 20 days of the committee's decision.

Efforts by the Planning Board and Planning Department to create a technical review committee pursuant to the Council's authorization were not previously finalized but have remained an important goal for the Department. Last year, the Planning Board, through its Development Regulations Subcommittee, revived the effort to create a technical review committee as part of its overall effort to clarify the development regulations and streamline the review process for smaller-scale projects.

Throughout the past year, the Planning Board, working through staff, prepared draft amendments to the Site Plan Review Regulations to (1) identify activities that will qualify for minor site plan review, and (2) to establish application and administrative procedures for the review of minor site plans by what is now proposed to be called the "Minor Site Review Committee". The Planning Board has scheduled a public hearing on the final draft amendments for Tuesday, September 13, 2021.

In reviewing the final draft of the amendments however, the City's legal counsel noted that the City Council's 2010 resolution is somewhat ambiguous as to precisely what the Council had authorized. The 2010 authorization provides as follows:

> **FOR THE PURPOSE OF** authorizing the Lebanon Planning Board to delegate its site review powers and duties in regard to minor site plans to an Administrative Technical Review Committee.
>
> **NOW THEREFORE BE IT RESOLVED**, that the Lebanon City Council, in accordance with NH RSA 674:43.III, hereby authorizes the Lebanon Planning Board to delegate its site review powers and duties in regard to minor site plans to a committee of technically qualified administrators, the members of which are to be selected by the Planning Board.

BE IT FURTHER RESOLVED, that the final approval of such minor site plans lie with the Planning Board, and that any decision made by the Committee, may, within 20 days of the decision, be appealed to the Planning Board for reconsideration.

The City's attorney noted that the third clause, beginning "Be It Further Resolved", is confusing as to whether the City Council's intent was to allow the Minor Site Review Committee to make final determinations on applications reviewed by it or whether that final approval power remained with the full Planning Board.

It is City staff's recommendation that the Minor Site Review Committee should have final authority to approve or disapprove site plans reviewed by it, subject to any appeal to the full Planning Board within 20 days of such decisions. Therefore, Planning Department staff request that the City Council clarify its prior authorization enabling the Planning Board to delegate its site review powers and duties in regard to minor site plans and offered the following revised resolution for the Council's consideration.

In response to Councilor Sykes' question on what is considered a minor site plan, Mr. Brooks noted that part of the work done over the last year was to create those thresholds and define what is going to be classified as a minor, and what will be classified as beyond a minor development. At present, the threshold for a Site Plan Review is roughly 1,000 sq. ft. of new building space or pervious coverage. The proposal before the Planning Board is to move the upper threshold to 2,500 sq. ft. and lower the bottom threshold to 500 sq. ft. The 2,500 sq. ft. and 500 sq. ft. would fall into this new minor site plan process. The Planning Board is trying to create a simplified process for smaller applications to go through a streamlined process with a lower amount of submission and design requirements. Mr. Brooks also explained the reasons behind lowering the lower threshold from 1,000 sq. ft. to 500 sq. ft. to Councilor Liot Hill.

ACTION
***Councilor Wilkie MOVED* the following RESOLUTION :**

FOR THE PURPOSE OF authorizing the Lebanon Planning Board to delegate its site review powers and duties in regard to minor site plans to an administrative technical review committee.

NOW THEREFORE BE IT RESOLVED, that the Lebanon City Council, in accordance with NH RSA 674:43.III, hereby authorizes the Lebanon Planning Board to delegate its site review powers and duties in regard to minor site plans to a committee of technically qualified administrators (the Minor Site Review Committee), the members of which are to be selected by the Planning Board.

BE IT FURTHER RESOLVED, that the Minor Site Review Committee shall have final authority to approve or disapprove site plans reviewed by it, provided that the decision of the committee may be appealed to the full Planning Board so long as notice of appeal is filed within 20 days of the committee's decision.

Seconded by Councilor Liot Hill.
****The Vote on the MOTION was unanimously approved (9-0).***

***Councilor Liot Hill MOVED* to extend the until 10:30 PM.**
Seconded by Councilor Winny.

***The Vote on the Motion was approved (9-0)**

F. Discussion of Potential Use of Narcan by Police Staff (Agenda Request Submitted by Councilor Sykes)

Included in the agenda packet: ***(Pages 182-193)***
1. August 5, 2021 Agenda Request – City Policy Referencing Narcan Use by the Police Department (Submitted by Councilor Sykes)
2. Lebanon Police Department Incident Response Times (January 2021 – July 2021) ***(pages 184-187)***
3. Lebanon Police Department Operational Procedure OP-127, Naloxone ***(pages 188-190)***
4. August 23, 2021 Memo from Fire Chief Chris Christopoulos re: 2020 and 2021 Year-to-Date Overdose Data. ***(pages 191-193)***

This agenda request was submitted by Councilor Sykes in response to the opiate overdoses and fatality that occurred in the City in July. He wanted to know what the policies might be in reference to the use of Narcan by various agencies in the City, specifically the Police Staff.

Lebanon Police Chief Phillip Roberts presented a history and reviewed the LPD's Policy on the use of Naloxone (Narcan) by Lebanon Police Officers as presented on pages 188-199 of the City Council Agenda packet. There was a discussion years ago between LFD Chief and the LPD Chief on whether there was a necessity for officers on the street to carry Narcan. At the time, the consensus was that it was not feasible due to the training and the logistics of carrying it. Storage temperatures need to be maintained at a certain room temperature so it does not freeze or become too hot, etc. Other factors came into this decision as well. It is not advisable to issue Narcan with just one emergency worker on scene because patients can become combative when they come to. An ambulance has two members. The LPD is usually the first one at the scene and goes into a life-saving CPR mode while waiting for EMS to arrive. Fire Chief Christopoulos stated the former LPD Chief and he monitored these incidents.

In another program we worked with the Canine Veterinarians to have intramuscular Narcan available for the canine cops should their dogs become affected with an opiate. Fire Chief Christopoulos referred to his cover memo (pages 191-193, agenda packet) that contained recent data relative to Narcan administration, noting they are seeing more non-opiate related overdoses (i.e., Xanax, Cocaine, Methamphetamine and THC) and of our suspected opiate-related overdoes, the minimum dose per patient in 2020 was 4.95 mg of Narcan and this year (2021) it is at almost 5.5 mg per person. The intranasal doses that staff carry are only 2 mg. Once the 2 mg. are given, you have to wait for a period of time before you give another dose. Paramedics have more latitude in this with the use of intramuscular and/or intravenously where they can give Narcan.

For suspected opiate-related deaths, the LPD/LFD never officially get a confirmation from the State that a person actually died from an overdose from any particular narcotic. Between this year and last year, bystander CPR was initiated in 4 cases but Narcan would not have been effective in those calls unless the person had a pulse. There were two deaths this year where no resuscitative measures were taken because the person had passed away, including one we had revived two days prior with Narcan.

Fire Chief Christopoulos felt we are not at a crisis point yet because of our new station alerting and pre-notification system for all EMS calls, our turnout and response times, and the availability of Narcan in all of our staff vehicles, even with the temperature control issues.

The Council discussed the drugs being seen in Lebanon and how Narcan would not revive someone who was overdosing from a non-opiate; how more potent opiates are being seen that are mixed with other narcotics (i.e., heroin being mixed with carfentanil, etc.); how overdoses related to Xanax, Cocaine, Methamphetamine and THC have increased over the last 2-years and with more potent combined opiate mixtures, more Narcan is necessary; the different factors that weigh into the use of Narcan; how the enhanced 911 system and emergency dispatch works (Note: Average EMS Response time = 4:13 minutes and as of August 23rd, 2021 this was reduced to 2:31 minutes).

Councilor Sykes' questioned if Narcan should be administered quickly to better the chances of a favorable outcome for an individual. Chief Christopoulos said it is not necessarily the initial dose, it is the total quantity of the dose that will bring someone back, noting there has been only 2 cases in the last year where someone was given <2 mg of Narcan –(1 was intravenous and 1 was intramuscular.) Anytime bystander CPR is given, the greater the survival rate is.

Councilor Sykes questioned if there was any data about early intervention programs for administration of Narcan, what agencies should be doing this, and what the public's access to Narcan is.

Chief Christopoulos said that, sadly, members of the public can get Narcan and use it without any of the training EMS/Law Enforcement are required to do. We had a person call the station asking for free Narcan, and 10-minutes later we get called to an overdose and it was the person who called us asking for the free Narcan. LFD/LPD looked at the data within their departments to see if the use of Narcan will have a measured impact on public safety. They reviewed the training, outfitting, and dealing with the storage issues of Narcan in police cruisers, and for all police officers, noting the data does not support this yet.

***Councilor Heistad MOVED* to extend the until 10:45 PM.**
Seconded by Councilor Wilkie.
****The Vote on the Motion was approved (9-0)***

The Council, LFD Chief Christopoulos, and LPD Chief Roberts discussed if other communities have police using Narcan and how they are managing these issues. (Enfield does but their EMS system is not quick in terms of response time. Hanover, Lebanon, and Claremont do not carry Narcan); the amount of Narcan that might be needed to bring a person back to consciousness; the reasons why LPD/EMTS (basic) are only authorized to give intranasal doses of Narcan; whether or not a lower dose of Narcan buys time for the patient; why the current LPD policy only allows LPD to administer Narcan in their station; and what the procedures are for giving Narcan in the police station.

Chief Roberts explained to Councilor Sykes that under former Chief Mello's policy those who are trained to carry Narcan are those officers within the Detective Division and Administration.

Councilor Heistad asked about the amount of time/training officers would need to carry Narcan and be able to administer it. Chief Roberts said it would take about 6-8 hours of training noting each officer has to be licensed under the Lebanon Fire Department's EMS license number, so with 35 officers it would be a significant cost for training, licensing, and for the cost of Narcan.

The Council continued to discuss preventing deaths from overdoses; how it may be a good idea for Lebanon Police to carry Narcan; why the arrival of police or EMS may not have make a difference in overdose deaths; inviting more citizens to become trained and equipped to carry Narcan within the communities of users; how Dartmouth-Hitchcock Medical Center and State programs and substance abuse facilities could help with substance abuse; the Lebanon Farmer's Market Community Training program; and, how much the City would need to set aside financially to provide individual officers the training they need to use Narcan.

***Councilor Hill MOVED* to extend the until 10:55 PM.**
Seconded by Councilor Wilkie.
****The Vote on the Motion was approved (9-0)***

Councilor Sykes believed that one of his jobs as City Councilor is to be responsive to residents of this city who have questions/concerns and are looking for information. He noted that he still does not have enough information to entertain a motion, or have the Council change. However, there is an opioid crisis in this State and in the City of Lebanon. Whether it is 1-3+/- people, the City must examine everything we can do to help protect people and increase their chances for survivability (from an overdose).

ACTION:
No action taken at this time.

11. CITY MANAGER REPORT:

City Shaun Mulholland briefly updated the Council on the following:

- Broadband: No response from Comcast to cover the 142 homes that are not presently covered. Hub 66 agreed to submit a grant on the city's behalf, which has now been submitted.
- Child Care Symposium dates: Behind housing, this is the #2 issue in our community that needs to be addressed. The dates are October 20th and November 3rd. He will send notices out to all Council members.
- Westboro Yard will be addressed at a future meeting.

12. COUNCIL REPRESENTATIVES TO OTHER BODIES: NONE

13. FUTURE AGENDA ITEMS: NONE

14. NON-PUBLIC SESSION: NONE

15. ADJOURNMENT:

Councilor Heistad MOVED for adjournment.
Seconded by Councilor Winny.
****The Vote on the MOTION was unanimously approved (9-0)***

The meeting was adjourned at 10:52 PM.

Respectfully submitted,
Dona E. Gibson, Recording Secretary

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

7. APPOINTMENTS:

APPOINTMENTS

Board/Committee Appointments as presented by City Clerk Kristin Kenniston

- Zoning Board of Adjustment, David Newlove (Regular Member)
- Board of Cemetery Trustees, Caitlyn Hauke (Reappointment as At-Large Representative)

Included in this Section:

1. Memo from City Clerk Kristin Kenniston dated September 7, 2021

OFFICE OF THE CITY CLERK

MEMORANDUM

DATE: September 7, 2021

TO: The Honorable Mayor & City Council

FROM: Kristin M. Kenniston, City Clerk

RE: **Appointments Proposed for Council Discussion/Action:**

If the Council wishes to proceed with action on the appointments below, a nomination should be made and voted on for each appointment. *Note: nominations do not need to be seconded.*

<u>Zoning Board of Adjustment</u>

- ***David Newlove –*** Appointment as regular member for a three-year term. Currently serving as an alternate.
  Interviewed by: Councilor Whittlesey
  Term (9/21-9/24)

<u>Board of Cemetery Trustees</u>

- ***Caitlyn Hauke –*** Reappointment as an At-large Representative for another three-year term.
  Interviewed by: Councilor Whittlesey
  Term (9/21-9/24)

From:	cityclerk
To:	Allard, Sandi
Subject:	FW: Online Form Submittal: Board Member Application
Date:	Monday, March 04, 2019 9:26:32 AM

Kristin M. Kenniston
Deputy City Clerk
City of Lebanon
(603)448-3054
(603)442-6148 (fax)

From: noreply@civicplus.com <noreply@civicplus.com>
Sent: Friday, March 01, 2019 4:19 PM
To: cityclerk <cityclerk@lebanonnh.gov>; webmaster <webmaster@lebanonnh.gov>
Subject: Online Form Submittal: Board Member Application

Board Member Application

Board Member Application
City of Lebanon board / committee member application.

Basic Requirements

- *Lebanon/West Lebanon resident (except for those boards whose membership makeup includes non-resident)*
- *Willingness to learn*
- *Commitment to attend meetings*
- *Treat people fairly*
- *Consider the best interest of the community as a whole when making decisions*
- *Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.*

(Section Break)

First Name	David
Last Name	Newlove
How long have you resided in Lebanon?	16 years
Current Address	10 Westview Lane

City	Lebanon
State	NH
Zip Code	03766
Is this your mailing address?	Yes
Home Phone Number	603 4485326
Work Number	6036462278
Email Address	david.j.newlove@dartmouth.edu
(Section Break)	
Is this an application for re-appointment?	This application is not for re-appointment.
For which board, committee, or commission are you applying?	Zoning Board of Adjustment
Other Committee	*Field not completed.*
Why would you like to serve?	I love living in Lebanon and would like to serve our fine city. Since I joined the Board of Directors for the Hanover Chamber of Commerce, I have really enjoyed town/business interactions and would like to include my services in Lebanon. I would prefer the Zoning Board as my 1st choice. Planning Board 2nd choice.
State a few of what you feel your qualifications are or why you wish to be appointed to this board / committee.	I oversee all of Dartmouth College's Auxiliary Services and manage many construction related projects. I have a fair amount of experience in dealing with local zoning and building codes. Tim McNamara said I would be a good fit for the zoning board.
Certification	I hereby certify that I meet the basic requirements for applying to a Lebanon board / committee.

Email not displaying correctly? View it in your browser.

Councilor Interview Report Form

Councilor Name: ______Doug Whittlesey___________ Date of Interview: __8/27/2021_____

Applicant Name: __David Newlove____

Board(s) to Which Applied: ___Zoning Board____

__X__ Regular Seat ____ Alternate Seat

Has Applicant Attended Meeting of Board to Which Applying? __X_ Yes ____ No

(If yes, indicate date of meeting.) Date: ______________

Recommend Appointment: __X___ Yes _____ No

___X___ Regular Seat _____ Alternate Seat

General Comments: __David currently serves as an alternate to the Zoning Board and is now seeking full-time appointment. Having served as an alternate for three years, David has strong experience and will make a solid addition to the Board.

____

(PLEASE NOTE: THIS FORM WILL BE INCLUDED IN THE AGENDA MATERIALS WHEN APPLICANT IS SCHEDULED TO APPEAR BEFORE THE CITY COUNCIL.)

Standard Questions for All Applicants:

1) What do you believe is the purpose of this Board/Committee?

The zoning works with residents to implement and navigate the zoning laws from the City and State

2) Are you familiar with the meeting dates and time commitments of this Board/Committee? Would you be available for additional meetings, site visits, or other official events when necessary?

Yes

3) Do you have any previous experience working with this type of Board/Committee, or in a related field, in this community or any other community?

EDC, Zoning Board. Previously served on Board for Hanover Chamber of Commerce (now UVBA)

4) Do you have any interest in attending educational presentations and seminars in order to further educate yourself relative to the work of this Board/Committee?

Yes

5) Do you anticipate that you would have to recuse yourself from more than an occasional meeting due to a conflict of interest (perceived or real) relating to your past or present employment, organizational membership, real estate holdings, family ties, or other reasons?

No – very occasionally if Dartmouth College related

6) What do you think are the key challenges for this Board/Committee?

Maintaining membership, having seen departures

7) What do you think are the key opportunities for this Board/Committee?

Getting back to full membership and getting more people involved, ensuring timely processing of zoning application

8) What would you like to see this Board/Committee accomplish in the next year?

Continue to meet monthly, making timely decisions, providing solid developmental recommendations to City Council

Specific Questions for Applicants to Land-Use Boards:

<u>Zoning Board of Adjustment:</u>

1) Have you ever appeared before a zoning board, personally or through a representative?

No, but David sits on the Zoning Board as an alternate

2) Do you have any personal or professional knowledge or background in the area of zoning law?

3 years on the ZBA

3) Do you believe you can set aside your personal opinions and make impartial decisions based on the City's adopted Zoning Ordinance?

Yes

4) Zoning Board decisions can be controversial. The Board is bound by law to work within the current zoning regulations. Do you believe you can tolerate possible criticism from your friends and neighbors as a result of how you may have voted?

Yes

From:	cityclerk
To:	Kristin Kenniston
Subject:	FW: [EXTERNAL]Online Form Submission #5287 for Board Member Application
Date:	Tuesday, August 10, 2021 9:22:42 AM

Lori Gould
Deputy City Clerk
603-448-3054

From: noreply@civicplus.com <noreply@civicplus.com>
Sent: Tuesday, August 10, 2021 9:09 AM
To: cityclerk <cityclerk@lebanonnh.gov>; webmaster <webmaster@lebcity.com>
Subject: [EXTERNAL]Online Form Submission #5287 for Board Member Application

Board Member Application

Board Member Application

City of Lebanon board / committee member application.

Basic Requirements

- *Lebanon/West Lebanon resident (except for those boards whose membership makeup includes non-resident)*
- *Willingness to learn*
- *Commitment to attend meetings*
- *Treat people fairly*
- *Consider the best interest of the community as a whole when making decisions*
- *Must have attended one meeting of the board that you wish to apply to within the last six months to observe the process and function of the board.*

(Section Break)

First Name	Caitlyn
Last Name	Hauke
Physical Address	168 Dartmouth College Hwy.
City	Lebanon
State	NH
Zip Code	03766

Is this your mailing address?	Yes
Home Phone Number	5185885461
Work Number	*Field not completed.*
Email Address	hauke.caitlyn@gmail.com
How long have you resided in Lebanon?	11 Years
(Section Break)	
Is this an application for re-appointment?	This application is for re-appointment.
For which board, committee, or commission are you applying?	Board of Cemetery Trustees
Other Committee	*Field not completed.*
Why would you like to serve?	Cemeteries and burial grounds are often forgotten, neglected, and sometimes avoided by much of the population at large. Yet, these places hold historic value and should be viewed as an important part of our community and an extension of green space for Lebanon citizens to appreciate. I believe we should take pride in preserving our city's history and public spaces. Public cemeteries can also provide unique opportunities for volunteerism and community involvement. I would like to continue to serve as a Board of Cemetery Trustees member because I believe our local cemeteries need our attention. I think it is important to preserve the historical significance of these places, and to promote Lebanon's cemeteries as locations to embrace, not avoid.
State a few of what you feel your qualifications are or why you wish to be appointed to this board / committee.	I am now the current Board President for the Green Burial Council International 501c3 non-profit, which educates and supports people interested in green burial. I also assist part-time at Life Forest conservation cemetery in Hillsborough, NH. In serving on the Board of Trustees for the last three years, I have actively participated in the green burial discussion with the City of Lebanon, and I would like to continue to see that conversation through. The death-care industry is evolving, and I want to lend my voice to the discussion so that the City continues to evolve as well.
Certification	I hereby certify that I meet the basic requirements for applying to

a Lebanon board / committee.

Email not displaying correctly? View it in your browser.

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognize the sender and know the content is safe.

Councilor Interview Report Form

Councilor Name: __Doug Whittlesey_____________ Date of Interview: __8/30/21_______

Applicant Name: ______Caitlyn Hauke____

Board(s) to Which Applied: _________Cemetery Board of Trustees_______________________________

_X__ Regular Seat ____ Alternate Seat

Has Applicant Attended Meeting of Board to Which Applying? _X___ Yes ____ No

(If yes, indicate date of meeting.) Date: _Reappointment_____________

Recommend Appointment: __X____ Yes _____ No

___X____ Regular Seat _____ Alternate Seat

General Comments: _____Caitlyn currently serves as a member of the Cemetery Board of Trustees. She is knowledgeable, experienced, and engaged in the community and the work of the Board of Trustees.
____

(PLEASE NOTE: THIS FORM WILL BE INCLUDED IN THE AGENDA MATERIALS WHEN APPLICANT IS SCHEDULED TO APPEAR BEFORE THE CITY COUNCIL.)

Standard Questions for All Applicants:

1) What do you believe is the purpose of this Board/Committee?

BoC has a community handle on the municipal cemeteries, ensuring we are doing the right thing in terms of maintaining the cemeteries and advancing with the times

2) Are you familiar with the meeting dates and time commitments of this Board/Committee? Would you be available for additional meetings, site visits, or other official events when necessary?

Yes

3) Do you have any previous experience working with this type of Board/Committee, or in a related field, in this community or any other community?

Yes – served on Board as regular member, work in cemetery in Hillsborough, President of the Board of Directors for Green Burial Council

4) Do you have any interest in attending educational presentations and seminars in order to further educate yourself relative to the work of this Board/Committee?

Yes

5) Do you anticipate that you would have to recuse yourself from more than an occasional meeting due to a conflict of interest (perceived or real) relating to your past or present employment, organizational membership, real estate holdings, family ties, or other reasons?

No

6) What do you think are the key challenges for this Board/Committee?

Green burials represent the current challenge, greenway access, coming to a consensus as a Board

7) What do you think are the key opportunities for this Board/Committee?

Coming to a consensus on current issues, such as green burials, to be ahead of the curve in trends

8) What would you like to see this Board/Committee accomplish in the next year?

Passing green burials

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

8. PUBLIC HEARING ITEM:

8.A – AMEND ORDINANCE NO. 18 TO INCLUDE THE POSITION OF COMMUNITY NURSE

A public hearing for the purpose of receiving public input and taking action to amend Ordinance #18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Full-time and Part-time Benefit Eligible Positions to include the position of Community Nurse, Grade 10.

The City Council scheduled this public hearing at their August 18, 2021 regular meeting. The public hearing was properly noticed in the *Valley News* on September 4, 2021 in accordance with City Code and State Law.

BACKGROUND

The City began funding the Community Nursing Program in 2019 with an allotment of $15,000. Funding continued in 2020 with an allotment of $23,260 which increased to $75,000 in 2021, pending approval of a Mobile Integrated Health (MIH) Agreement with Dartmouth Hitchcock Medical Center. The MIH Agreement was signed by the City and DHMC in December 2020 and is in effect until December 31, 2023. Funding is included in the agreement for the Community Nursing Program for up to 40 hours of nursing service each week. There are currently two to three nurses participating in the program sharing the 40-hour workload. The MIH Program will be assessed in 2023 to determine if the program will continue for an additional three-year term.

The Community Nurses will be regular part-time employees of the city which requires an amendment to Ordinance #18 to include the position in the wage and classification scale. After review of the job description and the completion of a local market analysis, the position is proposed to be classified as a Grade 10.

Process to Amend Ordinance No. 18

Amending Ordinance No. 18 requires three separate presentations (see City Charter subsections 419:22, 419:24, 419:25, 419:52) followed by a public hearing and the vote of at least two-thirds (2/3) of all members of the City Council – six (6) members - to adopt.

The first presentation was recognized by the Council on August 18, 2021; the second was September 1, 2021. The Council is asked to finalize the process by acknowledging the third presentation and acting to amend the Salary Plan at the close of the public hearing.

ACTION

The following motion is offered for consideration:

1. PRESENTATION:

MOVED, that the Lebanon City Council acknowledges the third of three presentations to amend Ordinance No. 18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Full-time and Part-time Benefit Eligible Positions to include the position of Community Nurse, Grade 10.

Changes in the table below shown in red.

REGULAR FULL-TIME/REGULAR PART-TIME NON-AFFILIATED & LPASE EMPLOYEES – 2021 SALARY & GRADES					
10	Assistant City Engineer**	$30.50	$41.18	-	-
	Cemetery Sexton**	-	-	-	-
	Financial Analyst	-	-	-	-
	Fleet Maintenance Supervisor**	-	-	-	-
	Community Nurse	-	-	-	-
	Maintenance Superintendent**	-	-	-	-
	Utilities Maintenance Superintendent**	-	-	-	-
	Police Communications Supervisor**	-	-	-	-
	Recreation Program Coordinator**	-	-	$1,220.15	$1,647.20

**denotes LPASE Positions.

2. RESOLUTION:

FOR THE PURPOSE OF amending Ordinance No. 18, Salary Plan.

NOW THEREFORE BE IT RESOLVED, that the Lebanon City Council amends Ordinance No. 18, Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Full-time and Part-time Benefit Eligible Positions to include the position of Community Nurse, Grade 10.

Included in this Section

1. Notice of Public Hearing as Published in the September 4, 2021 Edition of the *Valley News*

September 7, 2021

LEBANON CITY COUNCIL
NOTICE OF PUBLIC HEARING
Wednesday, September 15, 2021 - 7:00pm
Council Chambers, City Hall or
REMOTE VIA VIRTUAL PLATFORM
LebanonNH.gov/LIVE

The Lebanon City Council will hold a public hearing on September 15, 2021, beginning at 7:00pm for the following:

A. **AMEND ORDINANCE 18, SALARY PLAN:** Public hearing for the purpose of receiving public input and taking action to amend Ordinance #18 Salary Plan, Article II, Non-Affiliated & LPASE Employees, Section A – Regular Full-time and Part-time Benefit Eligible Positions to add the position of Community Nurse, Grade 10.

The September 15, 2021 City Council agenda package and documents pertaining to the above described public hearing will be available on the City's website beginning September 3, 2021: LebanonNH.gov/Agendas

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

The foregoing notice was published in the *Valley News*, a newspaper of general circulation in the City of Lebanon, in accordance with the Code of the City of Lebanon on Saturday, September 4, 2021.

Kristin M. Kenniston, City Clerk

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

9. OLD BUSINESS:

9.A – <u>SUPPLEMENTAL APPROPRIATION AND BOND ISSUANCE FOR THE PURCHASE OF 38 MAPLE STREET, WEST LEBANON</u>

<u>BACKGROUND</u>

The City Council reviewed the proposal to purchase this property at its meeting on July 21, 2021, and subsequently scheduled a public hearing to receive public input regarding a possible supplemental appropriation and bond issuance in the amount of Seven Hundred Seventy-Five Thousand Dollars ($775,000) for the purchase. Administration brought the proposal forward to the City Council for the purpose of purchasing property for the relocation of the West Lebanon Fire Station. When the Council acted to schedule the public hearing, they did so specifically removing the reference to the relocation of the fire station, focusing attention at the public hearing on the purchase of the land for a yet to be decided potential future use.

<u>ACTION</u>

For any proposed issuance of municipal bonds in excess of $100,000, NH RSA 33:8-a requires at least one public hearing be held at least 15 days, but not more than 60 days, prior to the meeting at which the bond issuance is to be voted upon. As such, the required public hearing was held and closed on August 18, 2021.

For appropriations requested after the budget is approved, City Charter Section C419:43 requires the affirmative vote of two-thirds majority of the Council.

Should the Council decide to authorize the purchase, the following is offered for consideration:

TO AUTHORIZE THE ISSUANCE OF BONDS OR NOTES to finance the purchase of 38 Maple Street property:

RESOLVED, by the City of Lebanon, that the City Treasurer, with the approval of the City Manager, is authorized to issue, in accordance with the Municipal Finance Act, RSA 33, a bond issue or bond issues in an amount not to exceed $775,000 (Seven Hundred Seventy-Five Thousand Dollars) as follows:

Project	Estimated Useful Life	Paid for By	Amount
38 Maple Street	20-Years	Property Taxes	$775,000

BE IT FURTHER RESOLVED, that, except as herein otherwise provided, discretion to fix the dates, maturities, denominations, interest rate, form, and other details of said note(s)/issue(s), is hereby delegated to the City Treasurer, with the approval of the City Manager; and

BE IT FURTHER RESOLVED, that, in accordance with the requirements of the Municipal Finance Act (RSA 33:2 Repayment of Loans), no loans issued to pay for public works or improvements shall exceed the expected useful life of said public works or improvements as determined by the City Council as designated in the foregoing table.

Included in this Section:

1. NH RSA 33:8-a, Procedure for Authorizing Bonds or Notes in Excess of $100,000
2. Notice of Public Hearing as Published in the August 6 and August 10, 2021 editions of the *Valley News*

NH RSA 33:8-a

Procedure for Authorizing Bonds or Notes in Excess of $100,000.

I. There shall be at least one public hearing concerning any proposed municipal bond or note issue in excess of $100,000 held before the governing board of any municipality. Said hearing shall be held at least 15 days, but not more than 60 days prior to the meeting, or adjourned session thereof, at which the bond or note issued is to be voted upon. Notice of the time, place and subject of such hearing shall be published in a newspaper of general circulation in the municipality at least 7 days before it is held. Whenever possible the governing board shall determine the form of the warrant article after the public hearing.

II. All articles appearing in the warrant which propose a bond or note issue exceeding $100,000 shall appear in consecutive numerical order and shall be acted upon prior to other business except the election of officers, action on the adoption, revision, or amendment of a municipal charter, and zoning matters or as otherwise determined by the voters at the meeting. Polls shall remain open and ballots shall be accepted by the moderator on each such article, for a period of not less than one hour following the completion of discussion on each respective article. A separate ballot box shall be provided for each bond article to be voted upon pursuant to this section.

III. The provisions of this section shall not apply to cities nor to any borrowing under the authority of RSA 33:7, relative to tax anticipation notes.

IV. Upon favorable approval on the motion to reconsider the vote on a bond or note issue under paragraphs I and II, actual reconsideration of the bond issue shall not take place until the expiration of at least 7 days from the date on which the original vote on the motion was taken. Notice of time and place where such reconsideration shall take place shall be published in a newspaper of general circulation in the municipality at least 2 days before the reconsideration vote. Wherever required, the provisions of RSA 33:8-a shall apply.

V. Bonding authority under this section may be limited or rescinded as provided in RSA 33:8-f.

Source. 1971, 270:1. 1973, 25:1; 543:1. 1979, 43:1. 1983, 160:3, eff. Aug. 9, 1983. 2009, 229:2, eff. Jan. 1, 2010. 2014, 292:3, eff. Sept. 30, 2014.

August 11, 2021

LEBANON CITY COUNCIL
NOTICE OF
PUBLIC HEARINGS
Wednesday, August 18, 2021
- 7:00pm
Council Chambers, City Hall or
REMOTE VIA
VIRTUAL PLATFORM
LebanonNH.gov/LIVE

The Lebanon City Council will hold public hearings on August 18, 2021, beginning at 7:00pm for the following:

A. BUILDING PERMIT ON CLASS VI ROAD – Public hearing for the purpose of receiving public input and taking action on a request by Joshua Patch/Patch Forest, LLC to construct a single-family dwelling on property identified as Tax Map 167, Lot 20, which is located on the Class VI portion of Barden Hill Road, Lebanon.

B. SUPPLEMENTAL APPROPRIATION & BOND ISSUANCE – Public hearing for the purpose of receiving public input and taking action to authorize a supplemental appropriation and the issuance of bonds or notes in the amount of Seven Hundred Seventy-Five Thousand Dollars ($775,000) for the purchase of 38 Maple Street, West Lebanon (Action on Public Hearing to take place September 15).

The August 18, 2021 City Council agenda package will be available on the City's website beginning August 13, 2021: LebanonNH.gov/Agendas

Meetings are open for in-person and remote attendance. Members of the public that wish to attend remotely may do so by going to LebanonNH.gov/Live where you will find instructions on how to enter the meeting. Members of the public will be able to participate and ask questions through the City's virtual platform or by phone. Please note: Should technical difficulties occur during the meeting that disrupts virtual or phone connection(s), the meeting will continue without remote access capabilities.

The foregoing notice was published in the *Valley News*, a newspaper of general circulation in the City of Lebanon, in accordance with the Code of the City of Lebanon on Friday, August 6, 2021.

Kristin M. Kenniston, City Clerk

August 11, 2021

LEBANON CITY COUNCIL
NOTICE OF PUBLIC HEARING
Wednesday, August 18, 2021 - 7:00pm
Council Chambers, City Hall or
REMOTE VIA VIRTUAL
PLATFORM LebanonNH.gov/LIVE

The Lebanon City Council will hold a public hearing on August 18, 2021, beginning at 7:00pm for the following:

SUPPLEMENTAL APPROPRIATION & BOND ISSUANCE – Public hearing for the purpose of receiving public input and taking action to authorize a supplemental appropriation and the issuance of bonds or notes in the amount of Seven Hundred Seventy-Five Thousand Dollars ($775,000) for the purchase of 38 Maple Street, West Lebanon (Action on Public Hearing to take place September 15).

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NE-366208

The foregoing notice was published in the *Valley News*, a newspaper of general circulation in the City of Lebanon, in accordance with the Code of the City of Lebanon on Tuesday, August 10, 2021.

Kristin M. Kenniston, City Clerk

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

9. OLD BUSINESS:

9.B – PRESENTATION OF SECOND READING: AMENDMENT TO ORDINANCE #18, SALARY PLAN, ARTICLE III, C. LEBANON POLICE BENEVOLENT ASSOCIATION (LBPA)/NEW ENGLAND POLICE BENEVOLENT ASSOCIATION (NEPBA)

BACKGROUND

The City Council is not directly responsible for the negotiation of collective bargaining agreements; it is the City policy making body and the legislative body with authority to raise and appropriate tax revenues to fund labor agreements. Under the City Manager form of government, the City Manager is responsible for administering the affairs of the City, including the appointment of employees and the negotiation of labor agreements. The City Manager's statutory obligation is to bargain in "good faith." In the collective bargaining context, "good faith" negotiation "… involves meeting at reasonable times and places to reach agreement on the terms of employment, and to cooperate in mediation and fact-finding required by this chapter [RSA 273], but the obligation to negotiate in good faith shall not compel either party to agree to a proposal or to make a concession." Failure to bargain in good faith constitutes an unfair labor practice.

The City and the Lebanon Police Benevolent Association (LPBA) / New England Police Benevolent Association (NEPBA) have reached a tentative three-year (2022 - 2024) labor agreement.

Negotiations with LPBA/NEPBA included the provision of an independent Salary Market Analysis for positions to include Patrol Officers, Corporals, and Sergeants. Municipal Resources Incorporated (MRI) was contracted to perform the study which compared the salaries for ten (10) cities and towns that are comparable to the City of Lebanon. Results of the study showed that Lebanon is paying well below the market for these three positions. To bring salaries to a competitive level in the market and increase recruitment/retention of police personnel, management is proposing to raise wages over a two-year cycle (2021 and 2022). Action in 2021 will bring positions to the 25th percentile with costs totaling $34,000. There will be no need for supplemental funding to cover these costs as vacancies and retirements in the PD will allow the 2021 budget to absorb the additional burden. Proposed increases in 2022 will bring positions to the 50th percentile with costs totaling $96,000. Funding for the increases will be included in the City Manager's proposed 2022 municipal budget.

State law requires that only cost items be submitted to the City Council for approval. Cost item means any benefit acquired through collective bargaining whose implementation requires an appropriation by the legislative body of the public employer (City of Lebanon) with which negotiations are being conducted. Cost items shall be submitted within 30 days to the City Council for approval. Within 30 days of the receipt of the submission, the City Council shall vote to accept or reject the cost items. If the City Council rejects any part of the submission, or while accepting the submission takes any action which would result in a modification of the terms of the cost items submitted to it, either party may reopen negotiations on all or part of the entire agreement. Please see attached memo from City Manager Mulholland for a summary of cost items associated with the tentative labor agreement.

Legislative bodies may only raise and appropriate funds for the current fiscal year. Many collective bargaining agreements cover several fiscal years. The New Hampshire Supreme Court held (Appeal of Sanborn Regional School Board) that a public employer was not bound by a collective bargaining agreement where the legislative body, when approving and funding the cost items in the current year of the labor agreement, were not warned of the cost of the successive years.

According to the tentative three-year labor agreement, annual General Wage Increases (GWI's) for the life of the contract will be based on the % change in the Northeast Urban CPI for June from 12 months prior but shall be no less than 1% (floor) and no greater than 3% (ceiling). Based on a 4.6% increase in the CPI as of June 2021, the GWI for 2022 will be 3%. The estimated wage and statutory benefit costs for 2022 is $96,000. Costs for years two (2023) and three (2024) will include up to a 3% GWI in 2023 (no step increases) and up to a 3% GWI in 2024 with step increases for all eligible staff.

LEBANON POLICE BENEVOLENT ASSOCIATION - 2022 SALARY GRADES
Minimum **Maximum**

Position Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**
Patrol Officer	$27.87	$29.49	$30.51	$32.02	$33.63	$35.33	$36.84
Corporal	$37.90						
Sergeant	$37.90	$38.70	$39.69	$40.71	$41.70	$42.69	$43.74

Corresponding schedules for the subsequent two-years are not provided as the GWI for 2023 and 2024 will not be known until July of those years.

Amending Ordinance No. 18 requires three separate presentations (see City Charter subsections 419:22, 419:24, 419:25, 419:52) followed by a public hearing and the vote of at least two-thirds (2/3) of all members of the City Council – six (6) members - to adopt.

The first presentation was recognized by the Council on September 1, 2021. The Council is now asked to recognize the second of three presentations to amend the Ordinance. The third presentation will follow on October 6, along with a public hearing to adopt the amendments as proposed.

ACTION

The Council is requested to consider the following motions:

1. ACKNOWLEDGE SECOND PRESENTATION:

MOVED, that the Lebanon City Council acknowledges the second of three presentations to amend Ordinance No. 18, Salary Plan, Article III, Bargaining Unit Employees, Section C, Lebanon Police Benevolent Association (LPBA)/New England Police Benevolent Association (NEPBA) by replacing the current (2021) wage scale with the following:

C. LEBANON POLICE BENEVOLENT ASSOCIATION (LPBA)/NEW ENGLAND POLICE BENEFOLENT ASSOCIATION (NEPBA) – Employees covered by the terms and conditions of the collective bargaining agreement between the City of Lebanon and the LPBA/NEPBA (effective January 1, 2022 to December 31, 2024) shall be paid in accordance with the accompanying pay plan covering all remaining pay periods in

2021 following adoption by the City Council as provided in that agreement, and as placed on file in the office of the City Clerk.

LEBANON POLICE BENEVOLENT ASSOCIATION – 2021 REVISED SALARY THROUGH THE LAST PAY PERIOD OF 2021.							
	Minimum						**Maximum**
Position Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**
Patrol Officer	$26.86	$28.20	$29.17	$30.38	$31.62	$32.93	$34.08
Corporal	$36.60						
Sergeant	$36.60	$37.32	$38.03	$38.76	$39.49	$40.20	$41.22

Included in this section:

1. Excerpt of Ordinance No. 18, Salary Plan, as adopted December 16, 2020 – Article III, Bargaining Unit Employees, Section C, 2021 Wage Scale for Lebanon Police Benevolent Association (LPBA) / New England Police Benevolent Association (NEPBA)

C. LEBANON POLICE BENEVOLENT ASSOCIATION (LPBA)/NEW ENGLAND POLICE BENEVOLENT ASSOCIATION (NEPBA) - Employees covered by the terms and conditions of the collective bargaining agreement between the City of Lebanon and the Lebanon Police Benevolent Association/New England Police Benevolent Association (effective January 1, 2019 to December 31, 2021) shall be paid in accordance with the accompanying pay plan covering the time period of the first pay period of 2021 through the last pay period of 2021, as provided in that agreement, and as placed on file in the office of the City Clerk. (Last Amended 12/19/18).

LEBANON POLICE BENEVOLENT ASSOCIATION - 2020 SALARY GRADES 1.5% GWI

Minimum							Maximum
Position Title	**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**
Patrol Officer	$26.86	$27.77	$28.72	$29.67	$30.59	$31.56	$32.39
Corporal	$33.10	$33.56	$34.04	$34.51	$34.98	$35.46	$35.90
Sergeant	$36.60	$37.07	$37.53	$38.00	$38.49	$38.95	$39.37

The January 1, 2021 GWI shall be based on the NE Urban CIP for June 2019 – June 2020, but in no case shall be less than one and one-half percent (1.5%) nor greater than three percent (3%).

This resolution shall be effective upon passage.

This amendment was adopted by the City Council on December 16, 2020 and is hereby authenticated by the undersigned as required by Section C419:22 of the City Charter.

CITY OF LEBANON

DocuSigned by:
By: Timothy McNamara
F08A405E81504ED...
Timothy J. McNamara, Mayor

DocuSigned by:
By: Kristin Kenniston
73ADF3C8F5594A7...
Kristin M. Kenniston, City Clerk

Effective Date: December 16, 2020
First Presentation: November 18, 2020
Second Presentation: December 2, 2020
Third Presentation: December 16, 2020
Date of Publication of notice of Public Hearing: December 5, 2020
Date of Public Hearing: December 16, 2020
Date of notice of adoption and effective date: December 29, 2020
Date of recording of the ordinance by the City Clerk: December 29, 2020

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AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

9. OLD BUSINESS:

9.C – REVIEW AND ADOPTION OF CITY COUNCIL POLICY CC-107 DEBT MANAGEMENT

BACKGROUND

The Council adopted the present debt management policy, 99-02-C in January of 1999. The policy needs to be revised to address the circumstances the City current operates in. Since the inception of this policy the City was issued an administrative order by the US Environmental Protection Agency regarding the separation of the City's sewer system from its stormwater system. This required the City to authorize long-term debt in the amount of approximately $71 million dollars. The cost of the debt service was apportioned to the General Fund, Sewer Fund and Water Fund. The present debt load regarding the General Fund is in compliance with the requirements of state statue however it is not in compliance with the previously approved policy.

The proposed revisions reformat and re-number the policy to comply with the new policy format and numbering system. The policy adopts a new structure and standards for the General Fund. The revised policy for the first time proposes the adoption of specific provisions for the Water, Sewer, and Solid Waste enterprise funds.

A review was conducted of similar policies in other cities in New Hampshire as well as other states. The Government Finance Officers Association standards were also incorporated into the policy. The proposed policy complies with the provisions of state and federal law. City staff working with consultants Dave Fox of Raftelis and Doug Smith assisted in the development of the policy and analysis of the financial data.

The goal of the policy revisions is to assist the City in long-term financial planning to meet its infrastructure needs and ensure the City's financial health. The provisions of the plan would take effect immediately upon approval regarding debt management in the General Fund and Solid Waste Fund. The provisions relative to the Water and Sewer Funds would take effect in January of 2024 when the present rate plan developed by Raftelis ends at the end of 2023. The specific percentage rates for the Sewer Fund will need to be added in 2022 when the long-term sewer infrastructure plan is finalized.

Adoption of the policy would be used to develop the present 6 Year Capital Improvement Plan under consideration by the City Manager and the Planning Board this year. Adoption of this policy would not change the process which requires the Council to make appropriations on an annual basis as well as the setting of water, sewer and solid waste rates. The appropriation of funds and the rate setting process will continue to occur on an annual basis while the CIP will continue to be re-adopted and projected out for the subsequent 6 years.

It is important to note that the projections for debt service are based upon the 6 Year CIP being proposed. The actual debt service will change for a number of reasons to include:

1. Some projects will come under budget while others will exceed their budget estimates.

2. The timing of when debt service is due changes based upon when the bonds are actually sold. Some project schedules change and the need to borrow the funds also changes depending upon the project.
3. We estimate what interest rates will be however the actual amount is not known until the bond sale actually occurs.
4. Some projects anticipate grant funding that may not actually be received while others are the recipients of grant funds that were not initially anticipated.

This policy focuses on the amount of debt principal that is owed, not the annual debt service payments which will fluctuate for the reasons indicated above.

City Manager Shaun Mulholland began review of proposed City Council Policy CC-107, Debt Management, at the August 18, 2021, City Council meeting. Review continued on September 1, 2021, with an overview of debt management principles for the City's enterprise funds. Review will be recapped during this meeting, at the close of which, Council will be asked to consider adopting the policy as proposed.

ACTION

The following motion is offered for consideration:

MOVED, that the Lebanon City Council adopts City Council Policy CC-107, Debt Management, as presented in the September 15, 2021, City Council Agenda packet, to be effective upon passage.

Included in this Section:

1. Proposed revised Council Policy CC-107 Debt Management
2. Existing Debt Policy, 99-02-C
3. City debt statistics
4. PowerPoint Presentation – Debt Management Policy
5. Examples of Debt Policies from Nashua, Keene, Concord, and Dover
6. GFOA Guidance regarding debt management

City of Lebanon
New Hampshire

COUNCIL POLICIES & PROCEDURES

DEBT MANAGEMENT POLICY

Policy Number	Effective Date	Last Revision	Page No.
CC-107			Page **1** of **7**
Approved by:			

Section 1.0: Purpose

The incurring of debt to fund public infrastructure is a key component of the City's strategy to spread the cost of significant long-term assets over their useful life. Further, by spreading the cost of the asset over a longer period of time ensures that future users will help to pay for the cost. This document outlines the City's policy regarding debt limits, debt structuring, debt issuance and debt management.

Section 2.0: Scope

This policy applies to debt issued for municipal purposes as defined and permitted by NH RSA Chapter 33 (Municipal Finance Act) and not for debt issued in connection with either the Lebanon School District or Grafton County.

This debt policy will be all-inclusive of debt issued by the City, but not be limited to general obligation debt, government purpose revenue debt, economic development related debt, lease obligations, and all forms of debt having an annual appropriation of City revenues.

This debt policy contains certain elements on procedures and practices to achieve the objectives of the policy and to ensure that professional standards are defined and met in the policy's implementation.

Authority for the issuance of debt is delegated to the City Manager and City Treasurer in accordance with RSA Chapters 33 and 33B and City Charter Section 419:41, 419:43 and 419:49. The City Treasurer shall be responsible for all transactions undertaken.

Section 3.0: Definitions

Debt Ceiling- the maximum amount of principal owed by the City in long term debt in each fund.

Debt Service- the combination of principal and interest payments

Financial Obligation- means a (i) debt obligation; (ii) derivative instrument entered into in connection with or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). Some examples of financial obligations include but are not limited to:

- Direct placements, loans, lines of credit or other credit arrangements with private lenders or commercial banks.
- Letters of credit issued in connection with variable rate debt issuance.
- Interest rate swaps entered into in connection with debt issuance.
- Vehicle or equipment leases whether they include a non-appropriation clause or not

Section 4.0: Policy Detail

4.1 Debt Limits

Legal Restrictions:

All debt legally permitted to be issued by the City is General Obligation Debt, supported by the full-faith-and-credit of the City. Debt is issued pursuant to NH RSA 33, the Municipal Finance Act, RSA 33-B, Municipal Revenue Bonds, Lebanon City Charter Section 419:49 Borrowing Procedure and resolutions of the City Council which must be passed by at least 2/3 of all the members present.

4.1.1 General Fund Debt Limits

This policy sets debt limits for the City's General Operating Fund that are in compliance with present statutes and meets the goals of the City. There are several factors that comprise this policy.

1. The initial debt ceiling will be set based upon the present amount of long-term debt that is owed by the City as of the 2021 Budget Year that is applicable to the General Fund. This does not include debt that is applicable to other funds such as the various enterprise funds.
2. The debt ceiling will be adjusted annually based upon the rate of increase/decrease of the Consumer Price Index for the Northeast Region for Urban Wage Earners. The period will be fixed looking back from June 30th to the previous June 30th. The average over this period of time will be the adjustment factor.
3. New projects that involve long term debt that either result in or are projected to generate revenue to substantially offset the dept service payments or substantially offset operating costs that would substantially

pay for the debt service payments are not included in the debt ceiling calculation.

4. The Capital Improvements Plan would be developed using a six-year rolling debt capacity for that period of time. To the extent that a large project, or projects, may require the need for appropriations exceeding the debt ceiling calculation, no additional debt shall be incurred until the debt levels drop below the debt ceiling.
5. Projects involving long term debt that are located within Tax Increment Finance Districts or Special Assessment Districts in which the debt service is paid for solely by TIF or SAD District Funds are not included in the debt ceiling calculation. The proportional debt service that is paid by TIF or SAD District Funds as it relates to the amount of principal for long term debt shall not be included in the debt ceiling. This relates to situations in which part of the debt service is paid for by TIF or SAD District Funds. There may be situations in which projects and their related debt service are partially attributed to these districts or start out being the responsibility of the General Fund and then transition to the appropriate district fund.

4.1.2 Water and Sewer Funds Debt Limits

This policy sets debt limits for the City's Water and Sewer Funds that are in compliance with present statutes and meets the goals of the City. There are several factors that comprise this policy.

1. Debt limits in the Water Fund and Sewer Fund are limited to the funds that can be raised to offset debt service payments and that would otherwise be needed for operating expenses within the Water Fund and Sewer Fund respectively.
2. The annual increase in rates in each fund shall be set by two components. A fixed percentage and a variable percentage. Water rates would increase by a fixed 5% (effective January 2024) and Sewer rates by a fixed **% (to be determined prior to January of 2024)[1] with a variable inflator added to those percentages based on the Consumer Price Index for the Northeast Region for Urban Wage Earners. The period will be fixed looking back from June 30th to the previous June 30th. The average CPI over this period of time will be the adjustment factor.

[1] An analysis of the infrastructure needs in the City's sewer system will not be completed until sometime in 2022.

3. In no event shall the calculations in section 2 result in an annual rate increase exceeding 8% in the Water Fund or **% in the Sewer Fund.
4. As stated in 1 above the amount of debt that could be incurred would be relative to the amount of revenue generated in 2 above to pay for debt service and the operating budget of the water and/or sewer funds.
5. New capital expenditures that either result in projects that are projected to generate revenue to substantially offset the dept service payments or substantially offset operating costs that would substantially pay for the debt service payments are not included in the debt ceiling calculation.

4.1.3 Solid Waste Fund Debt Limits

This policy sets debt limits for the City's Solid Waste Fund that are in compliance with present statutes and meets the goals of the City. There are several factors that comprise this policy.

1. Debt limits are based upon the present and future capacity of the Solid Waste Facility to accept waste and generate the revenue from that waste to pay for operating expenses and debt service payments for the ensuing year and beyond.
2. The period by which indebtedness may occur for any given project is limited to the useful life of the infrastructure asset.
3. Situations where the state or federal government mandate by administrative or court order that action must be taken by the City that requires long term debt may require borrowing funds for periods beyond the useful life of the asset.

4.1.4 Other Debt and Revenue Bonding

Revenue bonds authorized under the provisions of RSA 33-B shall not be included in the debt ceilings established in the various funds. Projects funded under the following statutory provisions shall not be included under the debt ceiling of any of the various funds.

1. The purchase and installation of parking meters and construction of parking facilities relative to RSA 33:6-a and RSA Chapter 249.
2. The construction, reconstruction and enlargement of energy projects related to light, heat, power or water for the public as defined in RSA 33:6-b and RSA 373-D:1

3. The cost of waste site cleanup projects as defined in RSA 147-B and for the closing of landfills and other solid waste facilities as defined by RSA 149-M, RSA 33:6-d.
4. The cost of Broadband Infrastructure as defined in RSA 33:6-f and RSA 38:38,I(e).
5. Equipment and vehicles that are leased in accordance with RSA 33:7-e.

4.2 Debt Structuring Practices

Specific guidelines regarding the debt structuring practices for each type of bond, include:

Maturity of Bonds. Generally, bonds cannot be issued for a longer maturity schedule than a conservative estimate of the useful life of the asset to be financed. The City will attempt to keep the average maturity of general obligation bonds at or below 20 years. The limit of the City's and School's general obligation debt is subject to parameters set by Charter §C419:49 and New Hampshire RSA 33:4-a.

Enterprise Fund Debt Coverage. It is City policy that each utility or enterprise fund should provide adequate debt coverage in its rate structure to ensure that sufficient revenues are generated to pay for the financing of capital projects crucial to the operation of the Enterprise Fund. Rates may be increased in phases to meet this standard, provided such increases are identified in rate studies and/or the capital improvement plan and clearly shown as part of an overall long-term strategy for the utility or enterprise.

Short Term Financing/Capital Lease Debt will be considered to finance certain equipment and rolling stock purchases when the aggregate cost of equipment to be purchased exceeds $25,000. Adequate funds for the repayment of principal and interest must be included in the requesting department's approved budget. The term of short-term financing will be limited to the usual life period of the vehicle or equipment, but in no case will exceed ten years.

Financial Restrictions or Planning Considerations:

- The City will maintain at any one time its Net Overall Bonded Indebtedness at a level not to exceed 3 percent of the assessed valuation of taxable property within the City as determined for debt limitation purposes by the New Hampshire Department of Revenue Administration.

- The City will strive to maintain its annual Direct Bonded Debt Service costs at a level not to exceed 15 percent of the General Fund Operating Budget.

Prior to the issuance of debt, the City will prepare revenue projections (financial forecast) to ensure that there is adequate revenue to make principal and interest payments.

The City will utilize long-term borrowing only for capital improvement projects or for projects that cannot be financed from current revenue sources.

4.3 Debt Issuance Practices

Debt may be issued through one or more of the following means depending upon what is in the best interest of the City.

1. NH Municipal Bond Bank
2. State revolving loan funds or other state loan programs
3. Federal revolving loan funds or other federal loan programs
4. Bonds, leases, or other types of short and long-term debt issued to the City by financial institutions
5. Partnerships with not for profit, for profit entities and other governmental entities involving structural arrangements that are not repugnant to federal or state law.

4.4 Debt Management Practices

Debt Issuance and Management. The primary tool used to plan for debt is the Capital Improvement Plan (CIP). The focus of the CIP process is planning for the City's future; the guiding principle of this planning effort is to advance the vision of the Master Plan (MP). The CIP is developed and updated annually for use by the City Council to review proposed budget expenditures relative to the capital needs of the community. The CIP is an essential component of the City's financial planning effort and provides the long-range perspective and framework for addressing its capital improvement needs. As a companion to the annual budget, the CIP provides the mechanism for anticipating future facility and infrastructure requirements and ensuring they are funded in a responsible and systematic fashion.

Acceptable Use of Bond Proceeds*.* Include any items that may be capitalized and are considered an acceptable use under New Hampshire State law. Refunding bond issues designed to restructure currently outstanding debt are also an acceptable use of bond proceeds.

Unacceptable Uses. The City will not use short-term borrowing to finance operating needs except in the case of an extreme financial emergency which is beyond its control or reasonable ability to forecast. Recognizing that bond issuance costs add to the total interest costs of financing, bond financing should not be used for projects under $100,000 unless the aggregate cost of multiple projects from different bond amortizations will exceed that amount at the time of a bond sale. In the event that there are no other projects to be financed by bonds, bond issuance will be considered only if the total interest and issuance costs will be less than the cost of any other available financing.

Section 5.0: Procedures

Section 6.0: References (Charter/Code/State Statues)

1. Government Finance Officers Association (GFOA) model policy guidance
2. NH RSA Chapter 33 Municipal Finance Act
3. NH RSA Chapter 33-B Municipal Revenue Bonds
4. City Charter provision C419:49 Borrowing Procedure
5. U.S. Dept. of Labor, Bureau of Labor Statistics annual CPI Report

Section 7.0: Policy & Procedure Revision History

	Section	**Revisions**	**Date**
Original Adoption	99-02-C	Original Policy Adopted	1/6/1999
Amendment	CC-107	Complete re-write and re-formatted	
Amendment			
Amendment			

City of Lebanon ~ City Council Policy

Debt Policy

Policy Number: **99-02-C** Effective Date: **January 6, 1999**

Approved By:

James A. McSweeney, City Manager

PURPOSE:

To protect both current and future taxpayers from the effects of excessive spending and assure that municipal affairs will be conducted economically and efficiently; prevent the City from incurring excessive debt except in extreme and exigent circumstances while striking an appropriate balance between establishing limits on the debt program and providing sufficient flexibility to enable the City to respond to unforeseen circumstances and new opportunities that may benefit the City.

POLICY:

General Application. This Debt Policy is applicable to debt issued for municipal purposes as defined and permitted by RSA Chapters 33 (Municipal Finance Act) and 33B (Municipal Revenue Bonds) and not for debt issued in connection with either School District, County or other overlapping debt. It is the intent of this Policy to be consistent with other financial policy goals of the City. In particular, provisions of this Policy are to be compatible with the City's goals pertaining to the capital program and budget, the financial plan and the operating budget.

Type of Debt. All debt legally permitted to be issued by the City, with the exception of debt issued in connection with revenue producing facilities, as enabled by RSA Chapter 33B, is general obligation debt, supported by the full-faith-and-credit of the City of Lebanon.

PROCEDURE:

Please refer to the Policy attached.

CITY OF LEBANON, NEW HAMPSHIRE

DEBT POLICY

TABLE OF CONTENTS

01 GENERAL PROVISIONS

01-101 PURPOSE

To protect both current and future taxpayers from the effects of excessive spending and assure that municipal affairs will be conducted economically and efficiently; prevent the City from incurring excessive debt except in extreme and exigent circumstances while striking an appropriate balance between establishing limits on the debt program and providing sufficient flexibility to enable the City to respond to unforeseen circumstances and new opportunities that may benefit the City.

01-102 APPLICATION OF THIS POLICY

01-102.01 **General Application.** This Debt Policy (herein after referred to as Policy) is applicable to debt issued for municipal purposes as defined and permitted by RSA Chapters 33[1] (Municipal Finance Act) and 33B[2] (Municipal Revenue Bonds) and not for debt issued in connection with either School District, County or other overlapping debt. It is the intent of this Policy to be consistent with other financial policy goals of the City. In particular, provisions of this Policy are to be compatible with the City's goals pertaining to the capital program and budget, the financial plan and the operating budget.

01-102.02 **Type of Debt.** All debt legally permitted to be issued by the City, with the exception of debt issued in connection with revenue producing facilities, as enabled by RSA Chapter 33B, is general obligation debt, supported by the full-faith-and-credit of the City of Lebanon.

01-103 DEFINITIONS

The words defined in this Section shall have the meanings set forth below whenever they appear in this Code unless:

(a) the context in which they are used clearly requires a different meaning; or
(b) a different definition is prescribed for a particular or provision.

1) *Annual Rate of Debt Retirement* is an indicator of ability to repay outstanding debt in a timely manner.
2) *Authorized Debt.* Authorization by City Council to the City Treasurer with the approval of the City Manager to borrow funds through the issuance of notes/bonds pursuant to the City's Debt Policy and applicable State Law. Debt may be issued (borrowing having taken place) or unissued (borrowing not having taken place). Both authorized issued and unissued debt are elements taken into consideration when determining debt burden and limitations. retirement) and measures of debt burden on the City (debt per capita and direct and statutory debt as percentage of equalized assessed property value).
3) *Call or Call Provision.* The conditions under which a debt obligation may be redeemed prior to its maturity date.
4) *Capital Budget.* A spending plan for capital outlays for the current or upcoming fiscal year. The capital budget is usually the first year of a multi-year capital improvement plan.
5) *Debt Capacity and Utilization Measures.* The goal of such measurements is to assure that

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[1]See appendix Section 10-101.

[2]See appendix Section 10-102.

the amount of debt is affordable and cost effective. Included are selected measurements and evaluations including: evaluation of trends relating to financial performance (Unreserved Fund Balance), analysis of debt service obligations (existing debt service requirements, debt service as a percentage of General Fund operating budget and annual rate of debt

6) *Direct Bonded Indebtedness per Capita.* Direct Bonded Indebtedness divided by population as employed by the New Hampshire Department of Revenue Administration in determining State revenue sharing and Business Profits Tax revenue allocation and distribution. (See Benchmark Direct and Overall Debt Ratios and Other Affordability Targets.)
7) *Debt Service.* Principal and interest payments.
8) *Direct Bonded Indebtedness.* Total authorized, issued and unissued debt to be paid out of general public revenue as opposed to debt paid by self-supporting funds -- i.e. Landfill, Water, Sewer and Airport Funds. This contrasts with Net Statutory Bond Indebtedness, the calculation of which being limited to certain statutory exclusions.
9) *Direct Bonded Debt Service.* Costs incurred for payment of principal and interest that are to be paid out of general public revenue as opposed to debt service costs paid by self-supporting funds -- i.e. Landfill, Water, Sewer and Airport Funds.
10) Equalized Valuation. Property valuations at 100% of market value as determined through sale ratio analysis by the New Hampshire Department of Revenue Administration (DRA) based on locally generated sales data. Total equalized valuation is adjusted by the DRA for debt limitation calculation purposes.
11) *General Fund Operating Budget.* Total budgeted expenditures supporting general municipal functions, activities, programs and services. Excluded are outlays associated with the collection and disbursement of tax receipts in connection with the School District and County assessments.
12) *General Obligation Bonds.* Bonds that are secured by the full-faith-and-credit of the City.
13) *Net Statutory Bonded Indebtedness.* Total authorized, issued and unissued debt adjusted by statutory exclusions (RSA 33, Municipal Finance Act). Cities may not incur net statutory indebtedness to an amount at any one time outstanding exceeding 3 percent of last applicable locally assessed valuation of the City as equalized for debt limitation purposes by the New Hampshire Department of Revenue Administration. See Direct Bond Indebtedness.
14) *Proceeds.* Includes premium, accrued interest and investment earnings as well as the principal amount borrowed.
15) *Refunding Bonds.* Debt issued to retire existing debt.
16) *Revenue-Producing Facilities* means water works, sewerage systems, sewage treatment or disposal facilities, solid waste disposal or resource recovery facilities, parking facilities and any other real or personal property or interests in a City owned or controlled by the City, from the operation of which revenues are or are expected to be derived by the City.
17) *Tax Anticipation Notes.* Short-term cash flow borrowing in anticipation of receipt of property tax proceeds. Term outstanding is limited by statute to one-year. (Property taxes are billed twice yearly with due dates of July 1 and December 1 allowing at least 30-days between time of billing and due date. Property taxes comprise approximately 83 percent of total revenues.)

01-104 SEVERABILITY

If any provision of this Policy or any application thereof to any person or circumstances is held invalid, such invalidity shall not affect other provisions or application of this Policy which can be given effect without the invalid provision or application, and to this end the provisions of this Policy are declared to be severable.

01-105 AMENDMENT AND REVIEW OF POLICY

Authority to implement changes to this Policy is delegated to the City Treasurer with the concurrence of the City Manager without prior notice if it is deemed to be in the best interest of the City. This Policy shall be reviewed and adopted at least annually by the City Council. This Policy is available for public review and inspection. A copy may be obtained by contacting the City Treasurer.

01-106 EFFECTIVE DATE

This Policy was adopted by the City Council on January 6, 1999 to become effective upon adoption.

02 OBJECTIVES

02-101 GENERAL

To enhance the quality of decisions by imposing order and discipline, and promoting consistency and continuity in decision making; to rationalize the decision-making process; and to demonstrate a commitment to long-term financial planning objectives.

02-201 SELECTED OBJECTIVES

02-201.01 **Purpose for Which Debt May be Issued.** The City of Lebanon will utilize long-term borrowing only for capital improvement projects or for such other purposes as permitted by this Policy and RSA Chapters 33 and 33B that cannot be financed from current revenue sources.

02-201.02 **Individual Fund Debt Service Support.** Debt incurred by or on behalf of any City fund -- other than the General Fund, which is supported by general City revenues -- shall be supported by that fund. For any City fund other than the General Fund that is supporting debt service an annual rate review will be performed to ensure that fees or rates are sufficient to meet the debt service requirements. For General Fund supported debt service an estimate of tax rate impact shall be conducted.

02-201.03 **Debt Capacity and Utilization Measurements.**

1) The City will maintain at any one time its Net Overall Bonded Indebtedness at a level not to exceed 3 percent of the assessed valuation of taxable property within the City as determined for debt limitation purposes by the New Hampshire Department of Revenue Administration.
2) The City will strive to maintain its annual Direct Bonded Debt Service costs at a level not to exceed 15 percent of the General Fund Operating Budget.
3) The City will strive to ensure that its Direct Bonded Indebtedness per Capita does not exceed $900.
4) The City will maintain its Annual Rate of Debt Retirement at a level not less than 25 percent of principal outstanding within five years of the year of issuance.

02-201.04 **Tax Anticipation Notes.** The City will strive to maintain non-reliance on the issuance of tax anticipation notes consistent with the City's Fund Balance and Capital Improvements Management Policies.

02-201.05 **Communications with Interested Parties.** The City will maintain good communications with all interested parties with respect to its financial condition and will follow a policy of full disclosure on every financial report.

03 RESPONSIBILITIES AND AUTHORITY

03-101 DELEGATION OF AUTHORITY

Authority for the issuance of debt is delegated to the City Manager and City Treasurer in accordance with RSA Chapters 33 and 33B and City Charter Sections[3] 419:41, 419:43 and 419:49. No person may engage in a debt issuance transaction except as provided under the terms of this Policy and RSA Chapters 33 and 33B and the procedures and internal controls established by the City Treasurer. The City Treasurer shall be responsible for all transactions undertaken and shall establish a system of controls to regulate the activities of subordinate employees. The investment of debt proceeds shall be governed in accordance with RSA 48:16[4] and City's Investment Policy.

03-101.01 **Tax Anticipation Notes.** Authorization for the issuance of Tax Anticipation Notes was provided by resolution of the City Council on December 17, 1996[5] with such authorization and empowerment to be indefinite until specific recision of such authority and empowerment by the City Council.

03-102 STANDARDS OF CARE

03-102.01 **Prudence.** The standard of prudence to be used by the City Treasurer and other authorized individuals in the debt issuance process shall be the "prudent person" standard.

03-102.02 **Ethics and Conflicts of Interest.** City employees, officials, and representatives and agents of the City involved in the debt issuance process shall refrain from personal business activity that could conflict (or appear to conflict) with the proper execution of the debt issuance program, or that could impair their ability to make impartial decisions. Employees and other officials shall disclose any material financial interests in financial institutions with which they conduct business.

03-103 INTERNAL CONTROLS

03-103.01 **Internal Controls.** The City Treasurer shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed annually with the City's independent auditors.

04 MUNICIPAL FINANCE ACT, RSA CHAPTER 33

04-101 REPAYMENT OF LOANS

04-101.01 **Repayment of Loans.** See RSA Chapter 33:2.

04-101.02 **Call Bonds.** See RSA Chapter 33:2-a

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[3]See appendix Sections 10-103,104 and 105.

[4]See appendix Section 10-106.

[5]See appendix Section 10-107.

04-201	**PURPOSE AND USE OF BOND AND NOTE PROCEEDS**
04-201.01	**Purpose of Issue of Bonds and Notes.** See RSA Chapter 33:3.
04-201.02	**Use of Bond Proceeds.** See RSA Chapter 33:3-a.
04-201.03	**Additional Purposes.** See RSA Chapter 33:3-b.
04-201.04	**Issue of Bonds for Preliminary Expenses.** See RSA Chapter 33:3-c.
04-201.05	**Refunding Bonds.** See RSA Chapter 33:3-d.
04-201.06	**Superfund Site Cleanup Bonds.** See RSA Chapter 33:3-e.
04-201.07	**State Guarantee.** See RSA Chapter 33:3-f.
04-301	**STATUTORY DEBT LIMIT**
04-301.01	**Debt Limit.** See RSA Chapter 33:4-a.
04-301.02	**Debt Limit Computation and Exclusions.** See RSA Chapters 33:4-b through 33:6-e.
04-401	**TEMPORARY NOTES**
04-401.01	**Tax Anticipation Notes.** See RSA Chapter 33:7.
04-401.02	**Temporary Loans.** See RSA Chapter 33:7-a.
04-401.03	**Anticipation of Federal or State Aid.** See RSA Chapter 33:7-b.
04-401.04	**Borrowing in Emergency Due to Bankruptcy.** See RSA Chapter 33:7-c.
04-401.05	**Tax Lien Redemption Notes.** See RSA Chapter 33:7-d.
04-501	**BOND/NOTE ISSUANCE AUTHORIZATION**
04-501.01	**City Bonds.** See RSA Chapter 33:9.
04-601	**OTHER STATUTORY PROVISIONS**
04-601.01	**Authentication of Bonds.** See RSA Chapter 33:11.
04-601.02	**Agreements Relating to Registered Bonds and Notes.** See RSA Chapter 33:11-a.
04-601.03	**Register.** See RSA Chapter 33:12.
04-601.04	**Report of Borrowing.** See RSA Chapter 33:14.
04-601.05	**Regularity Presumed.** See RSA Chapter 33:15.

04-601.06 **Tax Exemption.** See RSA Chapter 33:16.

04-601.07 **Construction of Other Legislation.** See RSA Chapter 33:17.

05 MUNICIPAL REVENUE BONDS, RSA CHAPTER 33B

05-101 PURPOSE, USE AND ISSUANCE OF REVENUE BONDS

05-101.01 **Issuance of Revenue Bonds.** See RSA Chapter 33-B:2.

05-101.02 **Project Costs.** See RSA Chapter 33-B:3.

05-101.03 **Trust or Security Agreement or Resolution.** See RSA Chapter 33-B:4.

05-101.04 **Credit Facilities and Insurance.** See RSA Chapter 33-B:5.

05-101.05 **Pledge of Revenue or Other Property.** See RSA Chapter 33-B:6.

05-101.06 **Enforcement of Rights.** See RSA Chapter 33-B:7.

05-101.07 **Refunding Bonds.** See RSA Chapter 33-B:8.

05-101.08 **Governmental Consents.** See RSA Chapter 33-B:9.

05-201 OTHER STATUTORY PROVISIONS

05-201.01 **Investment Securities.** See RSA Chapter 33-B:10.

05-201.02 **Separate Funds.** See RSA Chapter 33-B:11.

05-201.03 **Trust Funds.** See RSA Chapter 33-B:12.

05-201.04 **Tax Exemption.** See RSA Chapter 33-B:13.

05-201.05 **Eligible Investments.** See RSA Chapter 33-B:14.

05-201.06 **Construction and Effect of Other Laws.** See RSA Chapter 33-B:15.

10 APPENDIX

10-101 RSA CHAPTER 33, MUNICIPAL FINANCE ACT

§ 33:1 Definitions. – This chapter may be referred to as the "Municipal Finance Act." The following terms, when used in this chapter, shall have the meanings set forth below, except when the context in which they are used requires a different meaning:

I. "Municipality" or "municipal corporation," town, city, school district or village district;

II. "Governing board," the selectmen of a town, the commissioners or comparable officers of a village district, and the school board of a school district;

III. "Net indebtedness," all outstanding and authorized indebtedness, heretofore or hereafter incurred by a municipality, exclusive of the following: unmatured tax anticipation notes issued according to law; or notes issued in anticipation of grants of federal or state aid or both; debts incurred for supplying the inhabitants with water or for the construction, enlargement, improvement or maintenance of water works; debts incurred to finance the cost of sewerage systems or enlargements or improvements thereof, or sewage or waste disposal works when the cost thereof is to be financed by sewer rents or sewer assessment; debt incurred pursuant to RSA 31:10; debts incurred to finance energy production projects, the reconstruction or enlargement of a municipally owned utility, or the manufacture or furnishing of light, heat, power or water for the public, or the generation, transmission or sale of energy ultimately sold to the public; debts incurred to finance small scale power facilities under RSA 374-D; debts incurred outside the statutory debt limit of the municipality under any general law or special act heretofore or hereafter enacted (unless otherwise provided in such legislation); and sinking funds and cash applicable solely to the payment of the principal of debts incurred within the debt limit.

§ 33:2 Repayment of Loans. – Municipalities and counties shall not issue any bonds or notes payable on demand. They shall provide for the payment of all loans issued under authority of this chapter except notes issued under authority of RSA 33:7, in annual payments which shall be so arranged that the amount of the annual payment of principal and interest in any year on account of any loan shall not be less than the amount of principal and interest payable in any subsequent year by more than 2 percent of the principal of the entire loan. The total amount of such payments shall be sufficient to extinguish the entire loan on account of which they are made at maturity. The first payment of principal on any loan shall be made not later than 2 years and the last payment not later than 30 years after the date thereof, provided, however, that no loan issued to pay for public work or improvement shall exceed the expected useful life of said public work or improvement as determined by the governing board or the city councils in the case of cities, or the county commissioners in the case of counties. Each authorized issue of notes or bonds shall be a separate loan. The amount of each payment of principal and interest on all loans shall, without vote of the municipality or county, be annually assessed and collected. Sinking funds and debt retirement funds for the payment of debt shall not hereafter be established.

§ 33:2-a Call Bonds. – The issuance of bonds or notes hereunder which are subject to call, at the election of the municipality, before the date fixed for final payment thereof, is authorized. The bonds or notes, in such cases, shall contain provisions setting forth the method or methods by which the option to call may be exercised, the procedure for payment in the event of call, and the legal effect of the making of the call. If such call bonds or notes are payable to bearer, they may be called, at the election of the municipality, on any date when interest thereon shall become payable, written notice of such election first having been given to the bank, banks or other institutions, if any, at which they are stated on their face to be payable, and published for 4 consecutive weeks at least once a week in one or more newspapers printed and published in Boston, Massachusetts, and in one newspaper printed and published in the state of New Hampshire and circulating in said municipality, the last such publications being at least 14 days before the date specified for payment; and thereupon, after the date so specified, interest thereon shall cease. If such call bonds or notes are payable to the registered holder, they may be called, at the election of the municipality, on any date when interest thereon shall become payable, written notice of such election first having been given to the registered holder by registered mail, postage prepaid, to such holder at his last address, as registered in the books of the municipal treasurer; and thereupon, after the date so specified, interest thereon shall cease.

§ 33:3 Purpose of Issue of Bonds or Notes. – A municipality or county may issue its bonds or notes for the acquisition of land, for planning relative to public facilities, for the construction, reconstruction, alteration and enlargement or purchase of public buildings, for other public works or improvements of a permanent nature, for the purchase of departmental equipment of a lasting character, for the payment of judgments, and for purposes of economic development which shall include public-private partnerships involving capital improvements, loans, and guarantees. The public benefit in any public-private partnership must outweigh any benefit accruing to a private party. Bonds or notes for the purposes of economic development may be issued only after the governing body of the municipality or county has held hearings and presented the public benefit findings to the public and after such issuance has been approved by the legislative body. A municipality or county shall not issue bonds or notes to provide for the payment of expenses for current maintenance and operation except as otherwise specifically provided by law.

§ 33:3-a Use of Bond Proceeds. – I. The proceeds of any sale of bonds or notes shall be used only for the purposes for which the loan was incurred except as otherwise authorized by this section; provided, however, that any premium received shall not be used to increase the amount to be spent for the purpose for which the loan was originally incurred. The purposes for which the loan was incurred may include the payment of principal of and interest on any temporary indebtedness incurred under RSA 33:7-a and interest on any temporary indebtedness incurred under RSA 33:7-b.

II. If after notes or bonds have been issued and no expenditure of the proceeds has been made for the purpose or purposes for which the debt was incurred, or if a balance remains after the completion of the project or projects for which the debt was authorized, a city by a vote of 2/3 of the city council or a town, school district or village district by a vote of 2/3 of the voters present and voting at an annual meeting, and a county by a 2/3 vote of all the members of the county convention may authorize the expenditure of the sum or sums on hand, including any premiums received, for any purpose or purposes for which bonds or serial notes may be issued for an equal or longer period of time at any time which said sum or any portion thereof remains available; provided, however, that if the sum obtained by issuance of bonds or notes, as aforesaid, or any balance thereof, including any premium, is not appropriated as aforesaid, then the same shall be used to pay the principal of the loan as it matures.

III. Notwithstanding the provisions hereof, no appropriation for a loan or balance thereof shall be made which will increase the amount available from borrowed money for any purpose to an amount in excess of any limit imposed by general law or special act for such purpose.

§ 33:3-b Additional Purpose. – A city or town may issue its bonds or notes for the purpose of defraying the cost of a reappraisal by professional appraisers of the real estate in such city or town for tax assessment purposes, or for the acquisition of a tax map of said city or town; said bonds or notes to mature in a period of not more than 5 years from the date of issue.

§ 33:3-c Issue of Bonds for Preliminary Expenses. – A municipality or county may issue its bonds or notes for the purpose of defraying the cost of preliminary or final plans and specifications or other preliminary expenses incidental to or connected with any proposed public work or improvement of a permanent nature consisting of the construction, reconstruction, alteration or enlargement of a public building, or the construction, enlargement or improvement of water works, of a sewerage system or sewage or waste treatment facilities or of solid waste disposal or resource recovery facilities, said bonds or notes to mature over a period of not more than 5 years from the date of issue unless they are issued at the same time as bonds or notes for the public work or improvement for which such expenses were incurred, in which case said bonds or notes shall mature over a period not exceeding the expected useful life of such public work or improvement. A municipality or county may issue its bonds or notes in accordance with this section for planning and other preliminary expenses relating to solid waste disposal or resource recovery facilities to serve the municipality or county, notwithstanding that the facilities may later be owned by a private entity, but only for such expenses incurred prior to any binding contractual commitment to a proposed private owner, and only if such bonds or notes do not constitute "private activity bonds" as defined in section 103(n)(7) of the United States Internal Revenue Code (1954) as amended.

§ 33:3-d Refunding Bonds. – I. A municipality or county may authorize the issuance of refunding bonds in order to pay all or part of any issue of bonds called or to be called for redemption, including any redemption premium thereon, all or part of the interest coming due on or prior to the date on which the outstanding bonds are redeemed, and the costs of issuing and marketing the refunding bonds. The authorization and issuance of refunding bonds shall be subject to the same requirements and provisions of law as would then be applicable to the authorization and issuance of the bonds being redeemed, as far as apt. In a town, school district, or village district, but not in a city, such refunding bonds may be authorized by the governing body of such town, school district, or village district, notwithstanding the provisions of RSA 33:8. In this case, the authorization of refunding bonds shall not be subject to RSA 33:8-a, provided that there shall be at least one public hearing concerning any proposed refunding bond issue in excess of $100,000 held before the governing body of the town, school district, or village district. Notice of the time, place, and subject of such hearing shall be published in a newspaper of general circulation in the town, school district, or village district at least 7 days before the hearing is held.

II. Refunding bonds shall be payable in installments, the first of which shall be not later than the earliest stated principal maturity date of the bonds being refunded and the last of which shall be not later than the last date on which the bonds being refunded could have been made payable under that law applicable to the bonds being refunded. The installment payments of refunding bonds shall be arranged in accordance with RSA 33:2 except that any installment that is payable earlier than the date on which the first installment is required to be made payable may be in any amount. The proceeds of refunding bonds, exclusive of any premium and accrued interest and any proceeds used to pay issuing or marketing costs, shall, upon their receipt, be paid immediately to the paying agent for the bonds which are to be called and prepaid; and such paying agent shall hold such proceeds in trust until the bonds are redeemed. While such proceeds are held in trust, they may be invested for the benefit of the municipality or county in obligations issued or guaranteed by the United States of America or by any agency or instrumentality thereof, or as may be provided in any other applicable law of the state of New Hampshire relating to the investment or deposit of municipal or county funds; and the income derived from investment may be expended to pay the principal of and redemption premium, if any, on the refunded bonds and interest thereon until they are redeemed. Refunding bonds issued in accordance with this section shall be subject to the same statutory limit of indebtedness, if any, as the bonds refunded; provided, however, that upon the issuance of the refunding bonds, the bonds refunded shall no longer be counted in determining any limit of indebtedness of the municipality or county.

§ 33:3-e Superfund Site Cleanup Bonds Authorized. – A municipality may authorize the issuance of bonds, payable within 20 years from their dates of issuance, in order to pay all response costs associated with the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. section 9601 et seq. ("CERCLA"), national priorities list site ("superfund site") in which the municipality is a named potentially responsible party. Response costs shall include, but not be limited to, costs incurred for investigation, design, remedial action, legal fees and costs, consulting fees and costs, and other costs associated with the superfund site. Any debt incurred for this purpose shall be outside the debt limit prescribed in this chapter. Such debt shall at no time be included in the net indebtedness of any municipality for the purposes of determining its borrowing capacity. In the sole discretion of the municipality, it may extend the benefits of this bonding authority to one or more of the other potentially responsible parties at the superfund site. If a municipality elects to extend such benefits, its governing body shall enter into agreements with such other potentially responsible parties, in such form as it shall deem appropriate, to provide for payments to the municipality to pay principal and interest and other related costs of the bonded indebtedness incurred by the municipality on behalf of the other party or parties. For the purposes of this subdivision, "governing body" means the board of selectmen in a town, the board of aldermen or council in a city or town with a town council, the school board in a school district or the village district commissioners in a village district, or when used to refer to unincorporated towns or unorganized places, or both, the county commissioners.

§ 33:3-f State Guarantee. – I. The governor and council may award an unconditional state guarantee of the principal of and interest on bonds issued under RSA 33:3-e. The full faith and credit of the state shall be pledged for any such guarantees of principal and interest. The amount of the state guarantee available under this section shall not exceed the following principal amounts, plus interest:

(a) Effective upon passage $25 million

(b) For the fiscal year 1995, an additional 25 million

II. The total amount awarded under RSA 33:3-e and this section to any one superfund site, however, shall not exceed $20,000,000, plus interest. The governor, with the advice and consent of the council, is authorized to draw his warrant for such a sum out of any money in the treasury not otherwise appropriated, for the purpose of honoring any guarantee awarded under this section. The state's guarantee shall be evidenced on each guaranteed bond by an endorsement signed by the state treasurer in substantially the following form:

The state of New Hampshire hereby unconditionally guarantees the payment of the whole of the principal and interest thereon of the within bond and for the performance of such guarantee the full faith and credit of the state are pledged.

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State Treasurer

III. In connection with the award of a state guarantee, the governor and council may impose such terms and conditions as they may deem appropriate concerning the bonds and such terms and conditions as they may deem appropriate concerning reimbursement to the state if any state funds are used to honor the guarantee. Such terms and conditions may be contained in an agreement between the state and the municipality, to be executed on behalf of the state by the governor and the state treasurer and on behalf of the municipality by its governing body.

IV. Nothing in this subdivision shall be construed to affect in any way the ultimate liability of any party, under state or federal law, for hazardous waste cleanup costs.

§ 33:4 Debt Limit, Counties. – Counties shall not incur net indebtedness to an amount, at any one time outstanding, exceeding 2 percent of the last assessed valuation thereof.

§ 33:4-a Debt Limit, Municipalities. – I. Cities shall not incur net indebtedness, except for school purposes to an amount, at any one time outstanding, exceeding 3 percent of their valuation determined as hereinafter provided.

II. Cities shall not incur net indebtedness for school purposes to an amount at any one time outstanding, determined as hereinafter provided, exceeding 7 percent of said valuation. Any debt incurred for school purposes by a city under this or any special statute heretofore or hereafter enacted shall be excluded in determining the borrowing capacity of a city for other than school purposes under the 3 percent limitation in paragraph I.

III. Towns shall not incur net indebtedness to an amount at any one time outstanding exceeding 3 percent of their valuation determined as hereinafter provided.

IV. School districts shall not incur net indebtedness to an amount at any one time outstanding exceeding 7 percent determined as hereinafter provided.

V. Village districts shall not incur net indebtedness to an amount at any one time outstanding exceeding one percent of their valuation determined as hereinafter provided.

§ 33:4-b Debt Limit; Computation. – The debt limitations hereinbefore prescribed, except for counties, shall be based upon the applicable last locally assessed valuation of the municipality as last equalized by the commissioner of revenue administration under RSA 21-J:3, XIII and shall include the equalized value of property formerly taxed pursuant to the provisions of RSA 72:7; 72:15, I, V, VII, VIII, IX, X and XI; 72:16; 72:17; 73:26; 73:27 and 73:11 through 16 inclusive, all as amended, which was relieved from taxation by 1970, 5:3, 5:8 and 57:12, as determined under the provisions of RSA 71:11 as amended. Whenever several municipalities possessing the power to incur indebtedness cover or extend over identical territory, each such municipality shall so exercise the power to incur indebtedness under the foregoing limitations so that the aggregate net indebtedness of such municipalities shall not exceed 9.75 percent of the valuation of the taxable property as hereinbefore determined, except as provided for cooperative school districts under RSA 195:6. A written certificate signed by the commissioner of the department of revenue administration shall be conclusive evidence of the base valuation of municipalities for computing debt limits hereunder.

§ **33:5 Sewerage Systems and Sewage Treatment Works.** – Municipalities which have received orders from the department of environmental services to install sewage treatment works under the provisions of RSA 485-A, or to install a sewerage system or sewage treatment works under the provisions of RSA 485:27, or under RSA 147, or acts amending such statutes enacted in the future, may incur debt by the issue of bonds or notes for the construction of such sewerage systems and treatment works outside the limit of indebtedness prescribed by RSA 33:4. Such debt shall at no time be included in the net indebtedness of the municipality for the purpose of ascertaining its borrowing capacity.

§ **33:5-a Water Works.** – Municipalities may incur debt for supplying the inhabitants with water or for the construction, enlargement, or improvement of water works, by the issue of bonds or notes, for such purposes, as set forth in this chapter; provided, however, that such municipalities shall not incur debt for such purposes to an amount, at any one time outstanding, exceeding 10 percent of their last locally assessed valuation as last equalized by the commissioner of revenue administration determined as provided in RSA 33:4-b. Any municipality which shall have received orders from the department of environmental services under the provisions of RSA 485 requiring the alteration, enlargement, or application of any other improvement in such facilities as will ensure fitness and safety and adequate protection of the public health may incur debt thereof by the issue of bonds or notes outside the limit prescribed herein. All debt authorized by this section, inasmuch as it is all excluded from the definition of "net indebtedness" in RSA 33:1, shall at no time be included for the purpose of calculating the borrowing capacity of the municipality for other purposes. The debt limits established by this section may be exceeded by a municipality in accordance with the procedure prescribed in and subject to the provisions of RSA 33:6.

§ **33:5-b Voluntary Projects.** – Any city, town, village district, or other political subdivision may vote to incur debt for the purpose of installing a sewage disposal plant including treatment works or sewerage facilities or thereof, although at the time of such vote it has not received an order from the department of environmental services directing such installation under RSA 147, RSA 485, or RSA 485-A. Any such debt shall at no time be included in the net indebtedness of said city, town, village district, or other political subdivision for the purpose of ascertaining its borrowing capacity provided the approval of the governor and council hereinafter provided for is obtained.

§ **33:5-c Approval.** – Any such municipality which has voted to incur debt under the provisions of RSA 33:5-b shall submit a certified copy of the record of such action together with detailed plans of the proposed construction to the department of environmental services for review and approval, as hereinafter provided. After a review of the plans and such other independent investigation as is deemed necessary, if the department of environmental services determines that the proposed project is in the public interest, due consideration being given to the cost of said project in relation to the benefits which will accrue to public health or water pollution control, it shall furnish a report of its findings and recommendations including a recommendation concerning a state guarantee as provided for under RSA 485-A:7 to the governor and council for their approval.

§ **33:5-d State Revolving Loan Funds.** – The terms of repayment by a municipality of any loan from the loan fund established under RSA 486:14, or from any other state revolving loan fund established for water pollution control, solid waste disposal or treatment or other environmental improvement purposes, shall be governed by the statute and rules establishing the loan fund, notwithstanding any inconsistency with the provisions of this chapter relating to required annual installments, maximum period, or other such terms and conditions. In addition, a municipality may use proceeds of such a loan to pay interest on the loan during construction and for a period thereafter to the extent permitted by such statute or rules, and no authenticating certificate shall be required under RSA 33:11 on any bond, note or other document evidencing the loan.

§ 33:6 Emergency Borrowing. – Upon recommendation of the commissioner of revenue administration, approved by the governor and council, municipalities and counties may, within such limits as to amount, term and rate of interest as may be prescribed by the commissioner of revenue administration, incur debt outside the debt limit prescribed by RSA 33:4 for purposes made necessary by war or other national or local disaster or emergency. Such debt shall at no time be included in the net indebtedness of the municipality or county for the purpose of determining its borrowing capacity.

§ 33:6-a Exclusion from Debt Limit. – Any municipality which has authorized the purchase and installation of parking meters under the provisions of RSA 249, and acts in amendment thereof which has incurred indebtedness or may incur indebtedness for the purchase and installation of such meters and the acquisition, construction and improvement of public parking facilities may have such indebtedness to an amount not exceeding ½ of one percent of its last assessed valuation computed under the provisions of RSA 33:4 excluded from the debt limit prescribed in RSA 33:4 if upon application to the commissioner of revenue administration, after hearing, the commissioner of revenue administration finds that the revenues from such sources may reasonably be expected to be adequate to retire such indebtedness and the costs connected therewith in accordance with the terms by which said indebtedness was incurred. Every such municipality shall annually in April report to the commissioner of revenue administration such information as the commissioner may require relative to the revenues from such sources, the costs of operation of such parking facilities and the amount of outstanding indebtedness for such purposes. If, at any time, the commissioner of revenue administration shall find the revenues available for retiring the debt are insufficient for the purpose, then the remaining amount of outstanding indebtedness shall be included in the limit of indebtedness prescribed by RSA 33:4.

§ 33:6-b Exclusion From Debt Limit. – Municipalities, other than school districts and counties, may incur debt for energy production projects including the reconstruction or enlargement of a municipally owned utility; the manufacture or furnishing of light, heat, power or water for the public; the generation, transmission or sale of energy ultimately sold to the public; or the construction, enlargement, or improvement of small scale power facilities, as such facilities are defined in RSA 374-D:1; by the issue of bonds or notes authorized under this chapter, RSA 374-D, and as otherwise provided by law. Any debt incurred for this purpose shall be outside the debt limit prescribed in this chapter. Such debt shall at no time be included in the net indebtedness of any municipality for the purposes of determining its borrowing capacity.

§ 33:6-c Exclusion From Debt Limit. – Any municipality which has voted to acquire land from a United States military base may incur debt by the issuance of bonds or notes beyond the limit of indebtedness as set forth in RSA 33:4-a, provided that the purpose of the acquisition is to further the economic development of the municipality. Such debt shall at no time be included in the net indebtedness of the municipality for the purpose of ascertaining its borrowing capacity.

§ 33:6-d Exclusion From Debt Limit; Waste Site Cleanups. – Municipalities may incur debt for cleanup projects pursuant to RSA 147-B, excluding Superfund sites, and for the closing or cleanup of landfills and other solid waste facilities as defined in RSA 149-M by the issue of bonds or notes authorized under this chapter and RSA 149-M:30. Any debt incurred for this purpose shall be outside the debt limit prescribed in this chapter. Such debt shall at no time be included in the net indebtedness of any municipality for the purposes of determining its borrowing capacity.

§ 33:6-e Exclusion From Debt Limit; Solid Waste Management Districts. – The debt limit restrictions of this chapter shall not apply to a solid waste management district formed under RSA 53-B or to the debts or obligations incurred by such a district. Debts or obligations of a member municipality to such a district shall at no time be included in the net indebtedness of the municipality for the purposes of determining its borrowing capacity.

§ 33:7 Tax Anticipation Notes. – *I. Cities and Towns.* Cities and towns may incur debt in anticipation of the taxes of the financial year in which the debt is incurred, in order to pay current maintenance and operation expenses, and may issue notes therefor to an aggregate principal amount not exceeding the total tax levy during the preceding financial year, provided that after the tax levy of the current year has been determined any city or town may borrow an amount not exceeding in the aggregate the total tax levy of the city or town for the current financial year. In order to meet necessary expenses which may arise during the period from the beginning of the financial year to the date of the annual town meeting, the treasurer of any town, with the approval of the selectmen, may issue notes, without a vote of the town therefor, to an aggregate principal amount not exceeding 30 percent of the total receipts from taxes during the preceding financial year.

II. Village Districts. Village districts may incur debt in anticipation of taxes and other revenue of the financial year in which the debt is incurred, in order to pay current maintenance and operation expenses, and may issue notes therefor to an aggregate principal amount not exceeding the total tax levy of the district during the preceding financial year. In order to meet necessary expenses which may arise during the period from the beginning of the financial year to the date of the annual district meeting, the treasurer of any district with the approval of the governing board, may issue notes, without a vote of the district therefor, to an aggregate principal amount not exceeding 30 percent of the total tax levy during the preceding financial year.

III. All notes issued under authority of this section shall be general obligations. They may be sold at discount and shall be payable not later than one year from their date. Notes issued for a shorter period than one year may be refunded or renewed, pursuant to a vote or resolution of the governing board, or the city councils in the case of cities, by the issue of other notes maturing within the required period, provided, however, that the period from the date of issue of the original loan to the date of maturity of the refunding or renewal loan shall not be more than one year.

IV. A village district established pursuant to RSA 52:1 may apply to the town it is situated in for tax anticipation money before the tax rate has been established for the town if said district presents to the selectmen a district budget, approved at a properly constituted district meeting called for the purpose of approving a budget. Towns may advance to any village district a share of any money borrowed by the town in anticipation of taxes, not exceeding the total approved budget amount to be paid to such district. The town may charge the district a proportionate share of the interest due on that town's tax anticipation notes.

V. For tax anticipation notes only, any town or village district at an annual meeting may adopt an article authorizing indefinitely until specific rescission of such authority the issuance of tax anticipation notes. The following shall apply:

(a) Such warrant article to be voted on shall read: "Shall the town (or village district) accept the provision of RSA 33:7 providing that any town (or village district) at an annual meeting may adopt an article authorizing indefinitely, until specific rescission of such authority, the selectmen (or commissioners) to issue tax anticipation notes?"

(b) If a majority of voters voting on the question vote in the affirmative, the proposed warrant article shall be in effect in accordance with the terms of the article until such time as the town (or village district) meeting votes to rescind its vote.

§ 33:7-a Temporary Loans. – If a municipality votes to issue bonds or serial notes in accordance with this chapter, or when bonds have been authorized by a county convention, and such action was in accordance with the provisions of law in all respects, the officers authorized to issue the same may, in the name of the municipality, or county, make a temporary loan or loans in anticipation of the money to be derived from the sale of such bonds or notes and may issue temporary notes therefor from time to time which are payable not later than 5 years from their respective dates of issue. Temporary notes issued for a period of less than 5 years may be renewed or paid from time to time by the issue of other notes, provided that the period from the date of an original note to the maturity of any note issued to renew or pay the same debt shall not exceed 5 years. When a temporary loan is made in anticipation of an issue of bonds or serial notes, the periods within which annual payments of an equivalent amount of the principal of such bonds or serial notes must commence and end under this chapter shall be measured from the date of the original note or notes representing such temporary loan, except that such annual payments need not commence less than one year after the date of such bonds or serial notes. No such notes shall be renewed beyond the third anniversary date of the original notes unless an amount of such notes, at least equal to the first legally payable installment of the bonds in anticipation of which said notes are issued, is paid and retired on or before said third anniversary date and, if such notes are renewed beyond the fourth anniversary date of the original notes, a like amount is paid or retired on or before said fourth anniversary date from funds other than proceeds of the obligation.

§ 33:7-b Anticipation of Federal or State Aid. – A municipality may contract for or accept grants of federal or state aid or both in connection with any project for which the municipality may incur indebtedness under this chapter; and, after their receipt, such grants shall be expended according to the terms under which they are received or used to pay indebtedness incurred under this chapter. Any municipality which has contracted for or accepted an offer of a grant of federal or state aid or both, and any municipality which has not contracted for or accepted such aid but which has authorized such action and which has received a certificate from the department of environmental services stating that the department of environmental services has determined that such municipality may reasonably expect to receive an amount of federal aid with respect to a sewer project, may incur indebtedness in anticipation of the receipt of such aid by issuing its note or notes payable not more than 5 years from their dates, except that notes issued for a shorter period than 5 years may be funded and refunded from time to time by the issue of other notes which shall be payable no later than 5 years after the date of issue of the original note or notes creating the indebtedness being funded or refunded. In the case of a city the authority to contract for or accept grants of federal or state aid or both shall be given by a resolution passed in the manner provided in RSA 33:9, and in the case of a town, school district or village district the authority shall be given by a vote by ballot of 2/3 of all the voters present and voting at an annual or special meeting of such corporation; and the giving of such authority shall be sufficient to authorize the appropriate officers as specified in RSA 33:8 and 9 to issue notes as provided in this section without further proceedings by the municipality. Nothing contained in this section shall be construed to authorize the appropriation of any money in a manner which is inconsistent with laws relating to appropriations of money by municipalities.

§ 33:7-c Borrowing in Emergency Due to Bankruptcy. – Whenever any person, firm or corporation, who or which owns property subject to taxation under any provision of RSA 72, files a petition in bankruptcy, or is adjudicated bankrupt under any chapter of the federal bankruptcy laws, thus causing a substantial delay in or impediment to the payment or collection of property taxes assessed thereon by the city or town in which such property is located, such city or town, if the locally assessed value of such property of the bankrupt taxpayer exceeds 5 percent of the total locally assessed value of all taxable property within the city or town, may borrow money from time to time to meet any such deficit by issuance of its notes in such amount as may be approved by majority vote of its legislative body if a city, or of those present and voting at any annual or duly called special meeting, if a town. The discretion of fixing the date, maturities and denominations, interest or discount rate, the form and other details of said notes and of providing for the issuance and place of payment thereof shall be deemed delegated to the selectmen or the treasurer, unless otherwise voted by said legislative body or town meeting. The issuance of such notes and the provisions thereof shall also be subject to the approval of the commissioner of revenue administration, who may approve the same upon a finding that the proposed borrowing complies with the provisions of this section and is in the best interests of the municipality. The provisions of RSA 31:5 shall not apply to action by special town meetings under this section. Such notes may be renewed subject to the provisions of this section and subject to the approval of the commissioner of revenue administration. Indebtedness incurred under this section shall not be subject to the debt limit prescribed by RSA 33:4-a and shall be excluded from the definition of net indebtedness in RSA 33:1. All taxes recovered from the bankrupt or through the bankruptcy proceedings shall be promptly applied toward the reduction of notes issued under this section. The commissioner may, from time to time, require reports from any such municipality as to progress in retirement of such indebtedness. All notes issued under this section shall be general obligations.

§ 33:7-d Tax Lien Redemption Notes. – I. Any city or town in which the provisions of RSA 80:58-86 are in effect may incur debt in anticipation of redemption of real estate tax liens held by the city or town, in order to pay current maintenance and operation expenses or to fund cash deficits, and may issue notes therefor that are secured and made payable in accordance with this section, notwithstanding the provisions of RSA 33:7.

II. Notes issued under this section shall be general obligations but may also be secured, pursuant to a vote or a resolution of the local legislative body of the city or town, by a pledge of all or a portion of the proceeds of payments in redemption made under RSA 80:69 and RSA 80:71. Any such proceeds so pledged shall be deposited upon receipt in a segregated account to be held by the treasurer, or a corporate trustee designated by the treasurer, shall be applied without appropriation to the payment of such notes, and shall not be used for any other purpose until the notes and the interest on such notes are paid in full; provided that any earnings derived from investment of moneys in the account shall be credited to the general fund of the city or town and shall be available for appropriation for any lawful purpose. Any resolution adopted under this section may contain such covenants or restrictions with respect to maintenance, investment and disposition of the account, and any other provisions for protecting and enforcing the rights, security and remedies of the noteholders as may be, in the discretion of the city council or board of selectmen, reasonable and proper and not in violation of law. Any pledge made under this section shall be valid and binding and deemed continuously perfected from the time the pledge is made; and any proceeds so pledged and then held or thereafter acquired shall immediately be subject to the lien of that pledge. The resolution authorizing or creating the pledge need not be recorded other than in the records of the city or town clerk and no filing of the resolution need be made under RSA 382-A.

III. Notes issued under this section may be sold at a discount and shall be payable not later than 3 years from their dates. Notes issued for a shorter period may be refunded by the issue of other notes, provided that the period from the date of issue of the original notes to the date of maturity of the refunding notes shall not exceed 3 years. No notes may be issued or refunded under this section in a principal amount that would cause the total aggregate principal amount of notes outstanding under this section to exceed the total amount of real estate tax liens then held by the city or town.

§ 33:8 Town or District Bonds or Notes. – Except as otherwise specifically provided by law, the issue of bonds or notes by any municipal corporation, except a city or a town which has adopted a charter pursuant to RSA 49-B, without a budgetary town meeting, shall be authorized by a vote by ballot of 2/3, and the issue of tax anticipation notes, by a vote of a majority, of all the voters present and voting at an annual or special meeting of such corporation, called for the purpose. No such action taken at any special meeting shall be valid unless a majority of all the legal voters are present and vote at such special meeting, unless the governing board of any municipality shall petition the superior court for permission to hold an emergency special meeting, which, if granted, shall give said special meeting the same authority as an annual meeting. The warrant for a special meeting shall be published once in a newspaper having a general circulation in the municipality within one week after the posting of such special meeting. The warrant for any such annual or special meeting shall be served or posted at least 14 days before the date of such special meeting. Every warrant shall be deemed to have been duly served or posted, if the return on the warrant shall so state, and it shall be certified by the officer or officers required to serve or post the same. All bonds or notes, authorized in accordance with this chapter, shall be signed by the governing board, or a majority of the governing board, and countersigned by the treasurer of the municipality, and shall have the corporate seal, if any, affixed to it. The discretion of fixing the date, maturities, denominations, the interest rate, or discount rate in the cases of notes, the place of payment, the form and other details of said bonds or notes and of providing for the sale of such bonds or notes, may be delegated to the governing board or to the treasurer and shall, to the extent provision therefor shall not have been made in the vote authorizing the same, be deemed to have been delegated to the governing board.

§ 33:8-a Procedure for Authorizing Bonds or Notes in Excess of $100,000. – I. There shall be at least one public hearing concerning any proposed municipal bond or note issue in excess of $100,000 held before the governing board of any municipality. Said hearing shall be held at least 15 days, but not more than 60 days prior to the meeting, or adjourned session thereof, at which the bond or note issued is to be voted upon. Notice of the time, place and subject of such hearing shall be published in a newspaper of general circulation in the municipality at least 7 days before it is held. Whenever possible the governing board shall determine the form of the warrant article after the public hearing.

II. All articles appearing in the warrant which propose a bond or note issue exceeding $100,000 shall appear in consecutive numerical order and shall be acted upon prior to other business except the election of officers and zoning matters or as otherwise determined by the voters at the meeting. Polls shall remain open and ballots shall be accepted by the moderator on each such article, for a period of not less than one hour following the completion of discussion on each respective article. A separate ballot box shall be provided for each bond article to be voted upon pursuant to this section.

III. The provisions of this section shall not apply to cities nor to any borrowing under the authority of RSA 33:7, relative to tax anticipation notes.

IV. Upon favorable approval on the motion to reconsider the vote on a bond or note issue under paragraphs I and II, actual reconsideration of the bond issue shall not take place until the expiration of at least 7 days from the date on which the original vote on the motion was taken. Notice of time and place where such reconsideration shall take place shall be published in a newspaper of general circulation in the municipality at least 2 days before the reconsideration vote. Wherever required, the provisions of RSA 33:8-a shall apply.

§ 33:8-c Alternate Procedure for Authorizing Town or Village District Bonds or Notes for Municipal Small Scale Power Facilities. – I. By a 2/3 vote, the governing board of a town or village district may call a special meeting for the purpose of authorizing the issuance of bonds or notes for the municipal financing of small scale power facilities, as such facilities are defined in RSA 374-D:1. A special meeting held under this section shall have the same authority as that of an annual town meeting. The issuance of such bonds or notes shall be authorized by a vote of 2/3 of all the voters present and voting at the special meeting.

II. The warrant for such special meeting shall be published in a newspaper of general circulation in the municipality at least once a week for 2 consecutive weeks after the posting of such warrant. The warrant for such special meeting shall be served or posted at least 14 days before the date of the meeting. Every warrant shall be deemed to have been duly served or posted, if the return on the warrant shall so state, and it shall be certified by the officer or officers required to serve or post the warrant.

III. There shall be at least one public hearing concerning any such proposed municipal bond issue held before the governing board of the municipality, before a special meeting held to vote on such issue. Said hearing shall be held at least 15 days, but not more than 60 days before the special meeting at which the bonds or notes to be issued are to be voted on. Notice of the time, place, and subject of such hearing shall be published in a newspaper of general circulation in the municipality at least 7 days before it is held. If a hearing is held under RSA 35:8-a or RSA 32, said hearing shall be sufficient for this purpose.

IV. All bonds or notes authorized in accordance with this section shall be signed by the governing board, or a majority of the board, and countersigned by the treasurer of the issuing municipality, and shall have the corporate seal, if any, affixed to such bonds or notes. The discretion of fixing the date, maturities, denominations, the interest rate, or discount rate in the case of notes, the place of payment, the form and other details of said bonds or notes and of providing for their sale, may be delegated to the governing board or to the treasurer and shall, to the extent provision for such delegation shall not have been made in the authorizing vote, be deemed to have been delegated to the governing board.

§ 33:8-d Procedures for Authorizing Bonds or Notes in Municipalities Adopting Charters Pursuant to RSA 49-B, Without a Budgetary Town Meeting. – I. The town council of any town which has adopted a charter pursuant to RSA 49-B, and which has chosen the procedures as set forth in this section, shall have the authority to issue bonds or notes, as follows:

(a) At least one public hearing shall be held at least 15 days, but not more than 60 days, prior to the vote on the bond issue or note. Notice of the time, place and subject matter of such hearings shall be published in a newspaper of general circulation in the municipality at least 7 days before the hearing is held and posted in at least 2 public places in the municipality.

(b) The issuance of any bonds or notes shall appear as an agenda item on the public agenda of the town council meeting at which any vote is scheduled to be taken and any action taken on such item shall be by a recorded roll call vote.

(c) A 2/3 majority vote of the town council shall be required to authorize the issuance of bonds or notes.

(d) The authority of the town council to issue bonds or notes pursuant to this paragraph is limited to an amount not in excess of 10 percent of the town's operating budget for the most recently concluded fiscal year.

II. In the event that a proposed bond issue or note is in excess of 10 percent of the town's operating budget for the most recently concluded fiscal year, a referendum shall be held on said issuance, as follows:

(a) The town council shall, after notice and public hearing at a regularly scheduled council meeting, order a referendum on the issuance to be held on the Tuesday not less than 60 nor more than 67 days from the regular meeting at which the order is passed.

(b) The town council shall hold at least one additional public hearing on the proposed bond or note after the issuance of its order for a referendum. The hearing shall be held at least 30 days, but not more than 60 days, prior to the referendum.

(c) The same notice requirements for public hearings on issuance of bonds or notes by vote of the town council shall apply to public hearings on bonds or notes to be authorized by referendum.

(d) An additional public hearing shall be held if the proposed bond or note issue is substantively altered by the town council after public hearing. Subsequent public hearings shall be held at least 14 days after the prior public hearing and shall comply with the same notice requirements.

(e) An official copy of the final bond or note proposal shall be placed on file with the town clerk and made available to the public 7 days before the referendum and displayed at the voting place on the day of the referendum.

(f) The town clerk shall prepare an official ballot which shall include the following question:

"Are you in favor of appropriating the sum of $______ for the purpose of__________, with said sum to be in addition to any federal, state or private funds made available therefor, and of authorizing the issuance of not more than $______ of bonds or notes in accordance with the provisions of the municipal finance act, RSA Chapter 33?"

When submitting the question under this section to the voters, there shall be 2 squares printed after the question, one with the word "yes" beside it and another with the word "no" beside it.

(g) If a 2/3 majority of the voters present and voting on the issuance of bonds or notes shall vote in the affirmative, the appropriation and issuance of bonds or notes in the amounts so stated in the question shall be declared to have been adopted.

III. The issuance of tax anticipation notes shall be authorized by a majority vote of the town council.

IV. This section shall not apply to towns which have adopted a charter calling for a budgetary town meeting pursuant to RSA 49-D:3, III. The issuance of bonds or notes in such towns shall be governed by RSA 33:7, 33:8 and 33:8-a.

§ 33:8-e Town Council Authority to Issue Bonds and Notes. – Any town which has adopted a charter pursuant to RSA 49-B and which does not have a budgetary town meeting, may choose in its charter to allow the town council to follow the procedures set out in RSA 33:8-d or RSA 33:9 for the issuance of bonds and notes.

§ 33:9 City Bonds. – The issue of bonds or tax anticipation notes by a city shall be authorized by a resolution of the city councils, passed by at least 2/3 of all the members of each branch thereof. All such bonds and notes shall be signed by the mayor and countersigned by the city treasurer, and shall have the city seal affixed thereto. The discretion of fixing the date, maturities, denominations, place of payment, interest rate, or discount rate in the case of notes, the form and other details of said bonds or notes, and of providing for the sale thereof, may be delegated to the city treasurer and shall, to the extent provision therefor shall not have been made in the vote authorizing the same, be deemed to have been delegated to the treasurer with approval of the mayor.

§ 33:10 County Bonds. – County bonds shall be authorized and issued as provided in RSA 25 and 28, provided that a public hearing is held which shall be advertised at least 7 days before said public hearing, in some daily newspaper having a wide circulation in the county, giving the time and place of the hearing; and provided that not more than 14 days after said public hearing the county convention shall approve such bond issue by at least 2/3 of the county convention present and voting and provided further that a majority of the whole convention shall be present.

§ 33:11 Authentication of Bonds. – All bonds issued under authority of this chapter shall bear an authenticating certificate signed by an authorized officer of a bank or trust company doing business in the state of New Hampshire or in the commonwealth of Massachusetts, or by the commissioner of revenue administration, or by a notary public or justice of the peace. The authenticating certificate endorsed upon such bond shall identify such bond as being one of the particular issues described therein, shall certify the genuineness of the signatures and the seal, if any, thereto affixed and shall state the name of the attorney or attorneys who rendered an opinion approving the legality of such issue. A signed copy of such legal opinion shall be furnished to the commissioner of revenue administration within 10 days after the bonds are delivered to the purchaser thereof. The provisions of this section shall not apply to bonds or notes issued to secure a principal sum of $17,000 or less when the bonds or notes are payable over a period not exceeding 5 years from the date of issue.

§ 33:11-a Agreements Relating to Registered Bonds and Notes. – In connection with the issuance by a municipality or county of original or replacement bonds or notes in registered form, the treasurer of the municipality or county, with the approval of the officer or officers authorized to sign such bonds or notes, is authorized to contract for and engage the services of any bank, trust company, banking institution or financial institution within or without the state to perform authentication, registration, transfer, exchange, record and paying agent functions, including, without limitation, the preparation, signing and issuance of checks in payment of such bonds or notes, the preparation and maintenance of records, reports and accounts and the performance of such related duties as may be necessary or desirable in connection with such bonds or notes. The treasurer, with such approval, may also enter into agreements with banks, trust companies, banking institutions and financial institutions to act as custodian or financial intermediary in connection with the establishment and maintenance by others of a central depository system for the transfer of interests in such bonds or notes. Any agreement entered into under this section shall include provisions for indemnifying the municipality or county for losses sustained by it on account of the negligence of a designated bank, trust company, banking institution or financial institution or on account of the failure of such designated bank, trust company, banking institution or financial institution to perform faithfully its duties and obligations under the agreement. Such agreement may include additional provisions necessary or desirable to protect the municipality or county and may provide for the limitation of liabilities of the parties, indemnification or payment of liquidated damages.

§ 33:12 Register. – The treasurer of every municipal corporation shall keep a register, in such form as may be prescribed by the commissioner of revenue administration, which shall state the denomination, number and date of every bond or note issued by the municipality, the time when and the place where the principal thereof and interest, if any, thereon are payable and such other information as the commissioner of revenue administration may prescribe. The commissioner of revenue administration shall inspect the register provided for herein whenever it shall make any audit of the accounts of a municipal corporation.

§ 33:14 Report of Borrowing. – The treasurer of any municipal corporation, within 10 days after the delivery of an issue of bonds or notes authorized by this chapter to the purchaser thereof, shall submit to the commissioner of revenue administration a report setting forth the details of the issue in such form as the commissioner may prescribe. Failure to make said report, however, shall not affect the validity of any issue of bonds or notes.

§ 33:15 Regularity Presumed. – All bonds or notes purporting to be issued under authority of this chapter, and executed as hereinbefore provided, shall, in favor of bona fide holders, be conclusively presumed to have been duly and regularly authorized and issued in accordance with the provisions herein contained, and no such holder thereof shall be obliged to see to the propriety of the purpose of the issue, to the regularity of any of the proceedings relating thereto, or to the application of the proceeds thereof. Said bonds or notes shall be negotiable in all respects and to the same extent as other securities negotiable by the law merchant except as herein otherwise provided. Any of such bonds or notes, if properly executed by officers of the municipality in office on the date of execution, shall be valid and binding according to their terms notwithstanding that before the delivery thereof and payment therefor such officers shall have ceased to be officers of the municipality.

§ 33:16 Tax Exemption. – All bonds and notes, and the interest thereon, heretofore or hereafter issued by municipal corporations and counties under the provisions of this chapter or of any general or special act, heretofore or hereafter enacted, shall be exempt from taxation in the state of New Hampshire. For the purpose of this section the amount of the discount on any notes which are sold at discount shall be deemed to be interest paid in advance.

§ 33:17 Construction of Other Legislation. – Any special act, heretofore or hereafter enacted shall be construed so as not to lessen the amount of indebtedness which the municipality affected would be authorized to incur under the terms of this chapter, unless such act expressly provides for such limitation.

§ 33:18 Saving Clause. – I. Nothing contained herein shall impair the validity of any debt properly issued by a municipality or county under authority of any general or special act so repealed hereby.

II. Chapter 9, Laws of 1953, [RSA ch. 204], shall not be deemed repealed by this act.

10-102 RSA CHAPTER 33B, MUNICIPAL REVENUE BONDS

§ 33-B:1 Definitions. – This chapter may be referred to as the "Municipal Revenue Bond Act". For purposes of this chapter, unless a different meaning clearly appears from the context, the following words shall have the following meanings:

I. "Authorized officers" means the treasurer of a municipality and the mayor or city manager of a city, the selectmen of a town, and the commissioners or comparable officers of a village district.

II. "Bonds" means any bonds, notes or other evidences of indebtedness issued under this chapter.

III. "Construction" means acquisition, construction, reconstruction, equipping, enlargement or other capital improvement.

IV. "Legislative body" means the city council of a city, and the voters present and voting at an annual or special meeting of a town or village district.

V. "Municipality" means a city, town or village district.

VI. "Revenue-producing facilities" means water works, sewerage systems, sewage treatment or disposal facilities, solid waste disposal or resource recovery facilities, parking facilities, facilities for the production, generation, transmission, or distribution of electricity or gas and any other real or personal property or interests in a municipality owned or controlled by the municipality, from the operation of which revenues are or are expected to be derived by the municipality.

VII. "Revenues" means any rates, rents, fees, charges and other receipts and moneys held or to be received by or on behalf of a municipality from or with respect to the construction, financing, operation and disposition of a revenue-producing facility and all rights to receive the same including, without limitation, rates, rents, fees, charges and other moneys received for the use or occupancy of the facility or any part thereof or any service provided thereby, repayments of loans made in respect of the cost of the facility, grants, loans and other contributions from any governmental unit or any other person for or in respect of proceeds of the lease, sale or other disposition of the facility or any interest therein; revenues shall not include any ad valorem taxes on the real estate and personal property comprising any revenue-producing facility.

§ 33-B:2 Issuance of Revenue Bonds. – A municipality may issue bonds or notes under this chapter for construction of revenue-producing facilities. Bonds issued by a municipality under this chapter shall not be deemed to be a pledge of the faith and credit of the state or of the municipality. Except as otherwise provided in this chapter, the principal of, premium, if any, and interest on all bonds shall be payable solely from the particular funds provided therefor under this chapter. The bonds shall be issued in such amounts as the legislative body may authorize by a 2/3 vote as required under RSA 33:8 or 33:9, as applicable. Bonds of each issue shall be dated, shall bear interest at such rate or rates, including rates variable from time to time as determined by such index, banker's loan rate or other method as may be determined by the authorized officers, and shall mature at such time or times as may be determined by the authorized officers, except that no bond shall mature more than 40 years from the date of its issue or beyond the expiration of the expected useful life of the facilities being financed by the bonds as determined by the authorized officers. Bonds may be made redeemable before maturity at the option of the municipality at such price or prices and under such terms and conditions as may be fixed by the authorized officers prior to the issue of bonds. The authorized officers shall determine the form and details and the manner of execution of bonds. The municipality may sell its bonds in such manner, either at public or private sale, for such price, at such rate or rates of interest, or at such discount in lieu of interest, as the authorized officers may determine. The provisions of RSA 33:11-a, 14 and 15 shall apply to bonds issued under this chapter.

§ 33-B:3 Project Costs. – In addition to other lawful items, the costs to be financed by the issuance of bonds under this chapter may include interest during construction and for up to one year after completion of the revenue-producing facilities being financed as estimated by the authorized officers, the cost of architectural, engineering, financial and legal services, plans, specifications, studies, expenses as may be necessary or incident to determining the feasibility or practicability of constructing the revenue-producing facilities, the funding of reserves for debt service or other expenses, and such other expenses as may be necessary or incident to the construction of the revenue-producing facilities, the financing of such construction and the placing of the facilities in operation.

§ 33-B:4 Trust or Security Agreement or Resolution. – Any bonds issued under this chapter may be secured by a resolution or by a trust or security agreement between the municipality and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state, or by a trust or security agreement directly between the municipality and the purchasers of the bonds, and such resolution or trust or security agreement shall be in such form and executed in such manner as may be determined by the authorized officers. Such trust or security agreement or resolution may pledge or assign, in whole or in part, the revenues held or to be received by the municipality from or on account of the revenue-producing facilities, and any contract or other rights to receive the same, whether then existing or thereafter coming into existence and whether then held or thereafter acquired by the municipality, and the proceeds thereof. Such trust or security agreement or resolution may contain such provisions for protecting and enforcing the rights, security and remedies of the bondholders as may, in the discretion of the authorized officers, be reasonable and proper and not in violation of law. Without limiting the generality of the foregoing, such agreement or resolution may include provisions defining defaults and providing for remedies in the event of default, which may include the acceleration of maturities, and covenants setting forth the duties of, and limitations on, the municipality in relation to the custody, safeguarding, investment and application of moneys, the issue of additional or refunding bonds, the fixing, revision and collection of fees, charges and other revenues, the use of any surplus bond proceeds, the establishment of reserves, the construction and operation of the revenue-producing facilities, and the making and amending of contracts relating to the bonds. It shall be lawful for any bank or trust company described in RSA 41:29 or RSA 48:16 to act as a depository or trustee of the proceeds of bonds, revenues or other moneys under a trust or security agreement or resolution and to furnish such indemnification or to pledge such securities and issue such letters or lines of credit or other credit facilities as may be required by a municipality acting under this chapter. Any such trust or security agreement or resolution may set forth the rights and remedies of bondholders and of the trustee and may restrict the individual right of action by bondholders.

§ 33-B:5 Credit Facilities and Insurance. – Any bonds issued under authority of this chapter may be issued by a municipality pursuant to lines of credit or other banking arrangements under such terms and conditions not inconsistent with this chapter, and under such agreements as the authorized officers may determine to be in the best interests of the municipality. In addition to other security provided herein or otherwise by law, bonds issued by a municipality under this chapter may be secured, in whole or in part, by insurance or by letters or lines of credit or other credit facilities issued to the municipality by any bank, trust company or other financial institution, within or without the state, and the municipality may pledge or assign any of the revenues from its revenue-producing facilities as security for the reimbursement by the municipality to the issuers of such letters or lines of credit, insurance or credit facilities of any payments made thereunder.

§ 33-B:6 Pledge of Revenues or Other Property. – Any pledge of revenues, contract or other rights to receive revenues, or the proceeds thereof made by a municipality under this chapter shall be valid and binding and shall be deemed continuously perfected for the purposes of the Uniform Commercial Code and other laws from the time when the pledge is made; the revenues, moneys, rights and proceeds so pledged and then held or thereafter acquired or received by the municipality shall immediately be subject to the lien of such pledge without any physical delivery or segregation thereof or further act; and the lien of such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the municipality, irrespective of whether such parties have notice thereof. Neither the resolution, any trust or security agreement nor any other agreement by which a pledge is created need be filed or recorded except in the records of the municipality and no filing need be made under the Uniform Commercial Code.

§ 33-B:7 Enforcement of Rights. – Any owner of a bond issued by a municipality under the provisions of this chapter and any trustee under a trust or security agreement or resolution securing the same, except to the extent the rights herein given may be restricted by such agreement or resolution, may bring suit upon the bonds and may, either at law or in equity, by suit, action, mandamus, or other proceeding for legal or equitable relief, protect and enforce any and all rights under the laws of the state or granted hereunder or under such trust or security agreement or resolution and may enforce and compel the performance of all duties required by this chapter or by such agreement or resolution to be performed by the municipality or by any officer of a municipality.

§ 33-B:8 Refunding Bonds. – A municipality, when authorized by its legislative body, may issue refunding bonds for the purpose of paying any of its bonds issued pursuant to this chapter at or prior to maturity or upon acceleration or redemption. Refunding bonds may be issued at such times prior to the maturity or redemption of the refunding bonds as the authorized officers may determine. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium on the bonds, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded, and such reserves for debt service or other expenses from the proceeds of such refunding bonds as may be required by a trust or security agreement or resolution securing the bonds. The authorization and issue of refunding bonds, the maturities and other details of such bonds, the security for the bonds, the rights of the holders of the bonds, and the rights, duties and obligations of the municipality in respect to the same shall be governed by the provisions of this chapter relating to the issue of the bonds other than refunding bonds insofar as the same may be applicable.

§ 33-B:9 Governmental Consents. – I. Bonds may be issued under this chapter without obtaining the consent of any department, division, commission, board, or agency of the state except as provided in paragraph II, and without any other proceedings or the happening of any condition or things other than those proceedings, conditions or things which are specifically required therefor by this chapter, and the validity of and security for any bonds issued by a municipality pursuant to this chapter shall not be affected by the existence or nonexistence of any such consent or other proceedings, condition or things.

II. If in the opinion of either the authorized officers or the state treasurer more than ½ of the revenues derived or expected to be derived from a revenue-producing facility will be in the form of rents, fees, grants or other moneys paid by the state, no bonds may be issued for the revenue-producing facility in excess of an amount approved for the purpose by the governor and council.

§ 33-B:10 Investment Securities. – Notwithstanding any of the provisions of this chapter or any recitals in any bonds issued under this chapter, all such bonds shall be deemed to be investment securities under the Uniform Commercial Code.

§ 33-B:11 Separate Funds. – Any debt service fund, construction fund, debt service reserve fund, depreciation reserve fund or other fund established in connection with the issuance of bonds under this chapter shall be kept separate from other moneys of the municipality. The moneys deposited in any such funds, together with income derived from any investments held as part of such funds, shall be expended without further authorization or appropriation as provided for in the trust or security agreement or resolution establishing such funds.

§ 33-B:12 Trust Funds. – All moneys received pursuant to the provisions of this chapter, whether as proceeds from the issue of bonds, as revenues, or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this chapter.

§ 33-B:13 Tax Exemption. – Bonds issued under this chapter, their transfer and income from them, including any profit made on their sale, shall at all times be exempt from taxation within the state.

§ 33-B:14 Eligible Investments. – Bonds issued under this chapter are hereby made securities in which all public officers, agencies and authorities of the state and of its political subdivisions, insurance companies, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds are hereby made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency, authority or political subdivision of the state for any purpose for which the deposit of bonds or obligations of the state or of any political subdivision is now or may hereafter be authorized by law.

§ 33-B:15 Construction and Effect of Other Laws. – I. The provisions of this chapter shall be deemed to provide an additional and alternative method for the effectuation of the purposes of this chapter and shall be construed to be supplemental to, and not in derogation of, powers otherwise conferred by law on municipalities, provided, however, that insofar as the provisions of this chapter are inconsistent with the provisions of any general or special law, administrative order or rule or any limitation imposed by a municipality's charter, the provisions of this chapter shall be controlling.

II. If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of the chapter which can be given effect without the invalid provisions or application, and to this end the provisions of this chapter are severable.

III. This chapter shall be construed in all respects so as to meet all constitutional requirements. In carrying out the purposes and provisions of this chapter, all steps shall be taken which are necessary to meet constitutional requirements.

IV. This chapter shall be interpreted liberally to effect the purposes set forth in this chapter.

10-103 CITY CHARTER SECTION 419:41, BUDGET HEARING

A public hearing on the budget shall be held before its final adoption by the council, at such time and place as the council shall direct, and notice of such public hearing together with a summary of the budget as submitted shall be printed in a newspaper published or circulated locally, once a week in two successive calendar weeks, the last publication being at least seven days, including the day of publication, before the public hearing.

10-104 CITY CHARTER SECTION 419:43, APPROPRIATIONS AFTER BUDGET IS ADOPTED

No appropriations shall be made for any purpose not included in the annual budget as adopted unless voted by two-thirds majority of the council after a public hearing held to discuss said appropriation, and notice of such public hearing shall be printed in a newspaper published or circulated locally, once a week in two successive calendar weeks, the last publication being at least seven days including the day of publication before the public hearing. The council shall by resolution designate the source of any money so appropriated.

10-105 CITY CHARTER SECTION 419:49, BORROWING PROCEDURE

Subject to the applicable provisions of state law and the rules and regulations provided by ordinance in the administrative code, the council, by resolution, may authorize the borrowing of money for any purpose within the scope of the powers vested in the city and the issuance of bonds of the city or other evidence of indebtedness therefor, and may pledge the full faith, credit and resources of the city for the payment of the obligations created thereby. Except in the case of borrowing in anticipation of taxes, borrowing for a term exceeding one year or in an amount of twenty thousand dollars or more shall be authorized by the council only after a public hearing held to discuss such borrowing, and notice of such public hearing shall be printed in a newspaper published or circulated locally, once a week in two successive calendar weeks, the last publication being at least seven days including the day of publication before the public hearing. In no event shall the term of such bonds exceed the limitations imposed by state law.

10-106 RSA CHAPTER 48, CITY OFFICERS, CITY TREASURER

§ 48:16 City Treasurer; Duties. – I. The city treasurer shall have custody of all moneys belonging to the city. The treasurer shall deposit the same in participation units in the public deposit investment pool established pursuant to RSA 383:22, or in solvent banks in the state, except that funds may be deposited in banks outside the state if such banks pledge and deliver to a third party custodial bank or the regional federal reserve bank collateral security for such deposits, United States government obligations, United States government agency obligations, or obligations of the state of New Hampshire in value at least equal to the amount of the deposit in each case. The amount of collected funds on deposit in any one bank shall not at any time exceed the sum of its paid-up capital and surplus, except that a city with a population in excess of 50,000 is authorized to deposit funds in a solvent bank in excess of the paid-up capital surplus of said bank.

II. The city treasurer shall keep in suitable books provided for the purpose a fair and correct account of all sums received into and paid from the city treasury, and of all notes given by the city, with the particulars thereof. At the close of each fiscal year, he shall make a report to the city giving a particular account of all his financial transactions during the year. He shall furnish to the mayor and council statements from his books, and submit his books and vouchers to them and to the city auditors for examination, whenever so requested.

III. Whenever the city treasurer has in custody an excess of funds which are not immediately needed for the purpose of expenditure, the city treasurer shall, with the approval of the mayor and a majority of the city council, invest the same in obligations of the United States government, in participation units in the public deposit investment pool established pursuant to RSA 383:22, in savings bank deposits of banks incorporated under the laws of the state of New Hampshire or in certificates of deposits and repurchase agreements of banks incorporated under the laws of the state of New Hampshire or in banks recognized by the state treasurer. At least yearly, the city council or board of aldermen shall review and adopt an investment policy for the investment of public funds in conformance with the provisions of applicable statutes.

IV. The city treasurer shall pay out fees held pursuant to RSA 673:16, II upon the order of the local land use board or its designated agent or in the case of moneys held pursuant to RSA 674:44-a upon order of the heritage commission.

V. Any person who directly or indirectly receives any such funds or moneys for deposit or for investment in securities of any kind shall, prior to acceptance of such funds, make available at the time of such deposit or investment an option to have such funds secured by collateral having a value at least equal to the amount of such funds. Such collateral shall be segregated for the exclusive benefit of the city. Only securities defined by the bank commissioner as provided by rules adopted pursuant to RSA 386:57 shall be eligible to be pledged as collateral.

10-107 AUTHORIZATION TO ISSUE TAX ANTICIPATION NOTES

TO AUTHORIZE ISSUANCE OF TAX ANTICIPATION NOTES

FOR THE PURPOSE OF paying current maintenance and operation expenses for the financial year ending December 31, 1997 in anticipation of taxes.

NOW THEREFORE BE IT RESOLVED, by the City of Lebanon, that the City Treasurer, with the approval of the City Manager, be and hereby is authorized and empowered, under and pursuant to the Municipal Finance Act (RSA 33), to borrow in increments as the need arises, a sum or sums of money from time to time during the current financial year, to issue and sell with interest at maturity, temporary notes of the City of Lebanon in an amount sufficient to cover expenses and to refund such note expenses. All such notes shall be signed by the City Manager and countersigned by the City Treasurer, shall have the City seal affixed thereto, and shall mature not later than one year from their respective dates. Except as herein or otherwise provided, discretion to fix the dates, maturities, denominations, interest rate, form and other details of said notes and the sale thereof, be and hereby is delegated to the City Treasurer with the approval of the City Manager. [RSA 33:9 requires passage by 2/3 of City Council.]

NOW THEREFORE BE IT FURTHER RESOLVED, by the City of Lebanon, that, pursuant to the provisions of RSA 33:7, Tax Anticipation Notes, as amended, that such authorization and empowerment shall be indefinite until specific recision of such authority and empowerment by the City Council.

Effective December 17, 1996.

02-201.03 - 2: The City will strive to maintain its annual Direct Bonded Debt Service costs at a level not to exceed 15 percent of the General Fund Operating Budget

	GENERAL FUND				
FISCAL YEAR	2017	2018	2019	2020	2021
DEBT SERVICE PAYMENTS	$ 3,666,970	$ 3,672,420	$ 3,801,470	$ 3,654,800	$ 5,000,290
TOTAL BUDGET	$ 29,338,760	$ 30,738,370	$ 32,508,264	$ 33,636,895	$ 34,511,300
DEBT SERVICE/TOTAL BUDGET	12.50%	11.95%	11.69%	10.87%	14.49%

02-201.03 - 3: The City will strive to ensure that its Direct Bonded Indebtedness per Capita does not exceed $900

	2018	2019	2020	2021
AUTHORIZED/ISSUED	$ 26,024,948	$ 23,982,135	$ 39,657,516	$ 36,235,551
AUTHORIZED/UNISSUED	$ 13,019,000	$ 22,320,717	$ 8,411,026	$ 10,422,780
TOTAL DIRECT BONDED INDEBETNESS	$ 39,045,966	$ 46,304,871	$ 48,070,562	$ 46,660,352
POPULATION (1)	13,829	14,079	14,150	14,300

DIRECT BONDED INDEBTEDNESS PER CAPITA

	2018	2019	2020	2021
GENERAL FUND	$ 2,823.48	$ 3,288.93	$ 3,397.21	$ 3,262.96

(1) 2018-2019 PER NH OFFICE OF STRATEGIC INITIATIVES, 2020-2021 NOT LISTED

02-201.03 - 4: The City will maintain its Annual Rate of Debt Retirement at a level not less than 25 percent of principal outstanding within five years of issuance

TOTAL DEBT - PRINCIPAL PAYMENTS - EXISTING DEBT

FUND/FY	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
General Fund	$ 3,801,470	$ 3,654,800	$ 5,000,290	$ 3,500,767	$ 3,371,124	$ 3,310,776	$ 3,068,626	$ 2,803,626	$ 2,576,626	$ 2,278,026	$ 2,203,496	$ 2,034,496	$ 1,802,126

FIVE YEAR PERIOD	2020-2024	2021-2025	2022-2026	2023-2027	2024-2028	2025-2029	2026-2030	2027-2031
25% OF FIVE YEAR PERIOD	$ 4,709,439	$ 4,562,896	$ 4,013,730	$ 3,782,695	$ 3,509,420	$ 3,232,600	$ 2,974,068	$ 2,723,693
OVER/(UNDER) 25%	$ (907,969)	$ (908,096)	$ 986,560	$ (281,928)	$ (138,296)	$ 78,176	$ 94,559	$ 79,934

DEBT MANAGEMENT POLICY

City of Lebanon, NH

PRESENT POLICY-GEN. FUND

The present Council policy was approved in 1999.

- Complies with statutory restrictions (3% of Assessed Valuation)
- Per Capita Indebtedness not to exceed $900 ($3,962 in 2021)
- 25% of principal outstanding retired within five years of issuance
  - Not in Compliance
- Debt Service = 15% or less of General Fund Operating Budget

POLICY-ENTERPRISE FUNDS

- Sewer-No Policy - No Statutory Limits
- Water- No Policy- Statutory Limit - 10% of Assessed Valuation
- Other Debt without Statutory Limits-Landfill Closure/Clean Up, Broadband, Energy Projects, Parking Garages/Facilities
  - We do no have any policy related to our Solid Waste or Airport funds

POST CSO STRATEGY

- Transition from CSO capital spending to the backlog of infrastructure needs
- Implementation of immediate plan to control the level of debt(2020)
- Move to a long-term debt management plan in the General Fund and development of plans for the enterprise funds

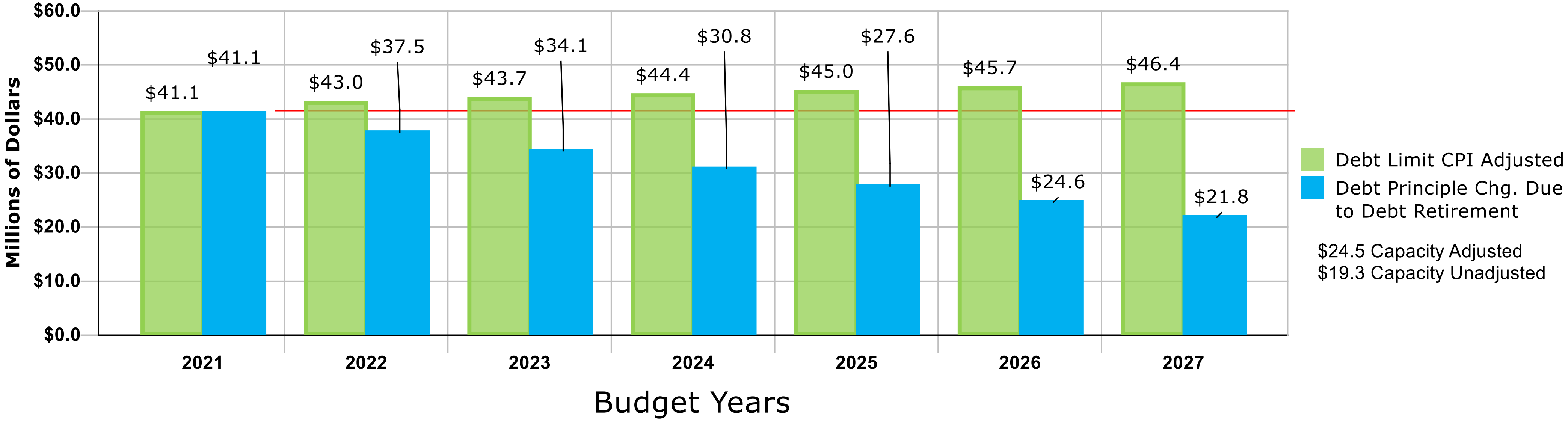
REVISED POLICY-GEN. FUND

- Base line debt ceiling set at the 2021 amount $41,159,000

General Fund			
FY	**Principle**	**Interest**	**Total**
2016	$48,192,630	$14,634,472	$62,827,102
2017	$47,110,673	$13,672,130	$60,782,803
2018	$45,323,622	$12,676,115	$57,999,737
2019	$43,550,175	$11,694,827	$55,245,001
2020	$41,651,172	$10,698,317	$52,349,489
2021	$41,159,000	$9,959,992	$51,118,992

- Adjusted annually by growth in the economy based on the CPI year over year from June to June

General Fund Debt Management Plan



*NOTE: The Debt Limit CPI Adjusted will be adjusted by the actual average CPI ending on June 30th of each year with a 12 month look back. This chart uses a CPI of 4.6% for 2021 and an average CPI of 1.5% for the subsequent years which is the average CPI change from year over year from 2016 to 2020..

COST RECOVERY PROJECTS

Projects that result in revenues that substantially offset debt service or that substantially offset operating costs to offset debt service are not included in the debt ceiling.

- EXAMPLE: LED Street Light Project

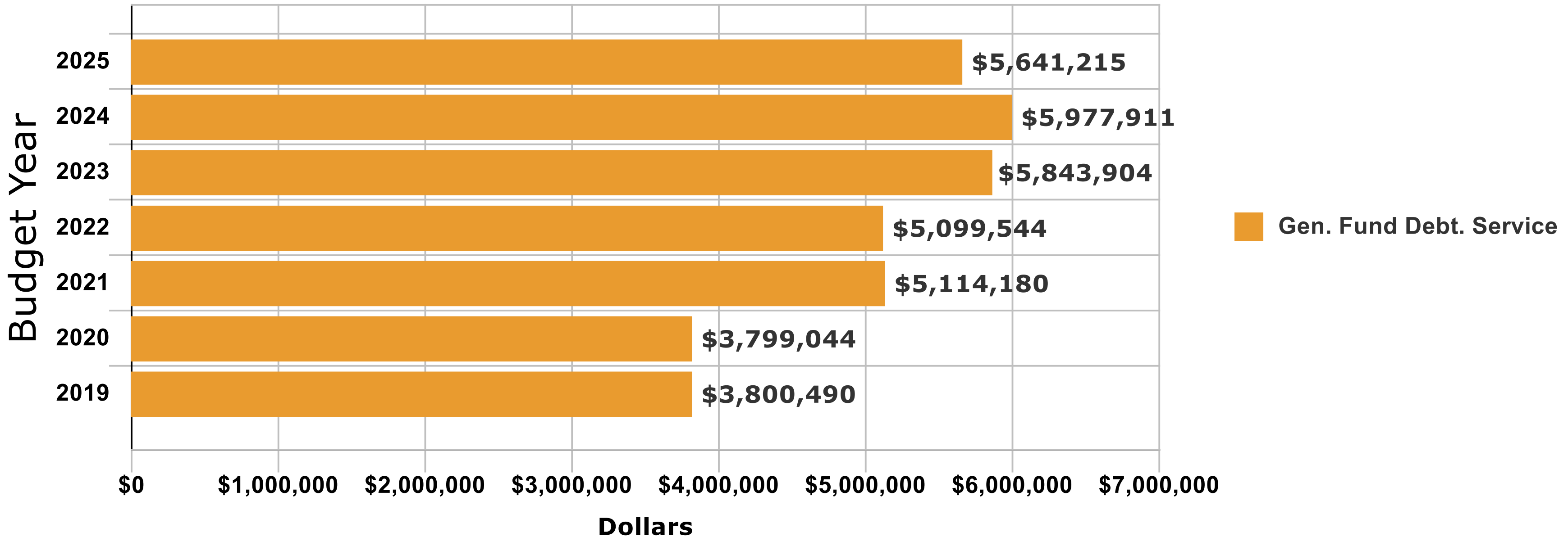
- Debt principal would be bifurcated as it relates to the Debt Ceiling amounts.

ROLLING 6 -YEAR PERIOD

- The debt ceiling is calculated on a rolling six-year period based upon the CIP.

- Debt attributable and paid by Tax Increment Finance Districts or Special Assessment Districts is not included in the debt ceiling
- Large projects that cause exceedance of the debt ceiling would freeze incurring debt until the amount owed was below the ceiling.

General Fund Debt Service



WATER & SEWER

ENTERPRISE FUNDS

WATER FUND-OPTION 1

- WATER Fund- Long term Infrastructure improvement plan will cost an estimated $25 million not including a new water source.

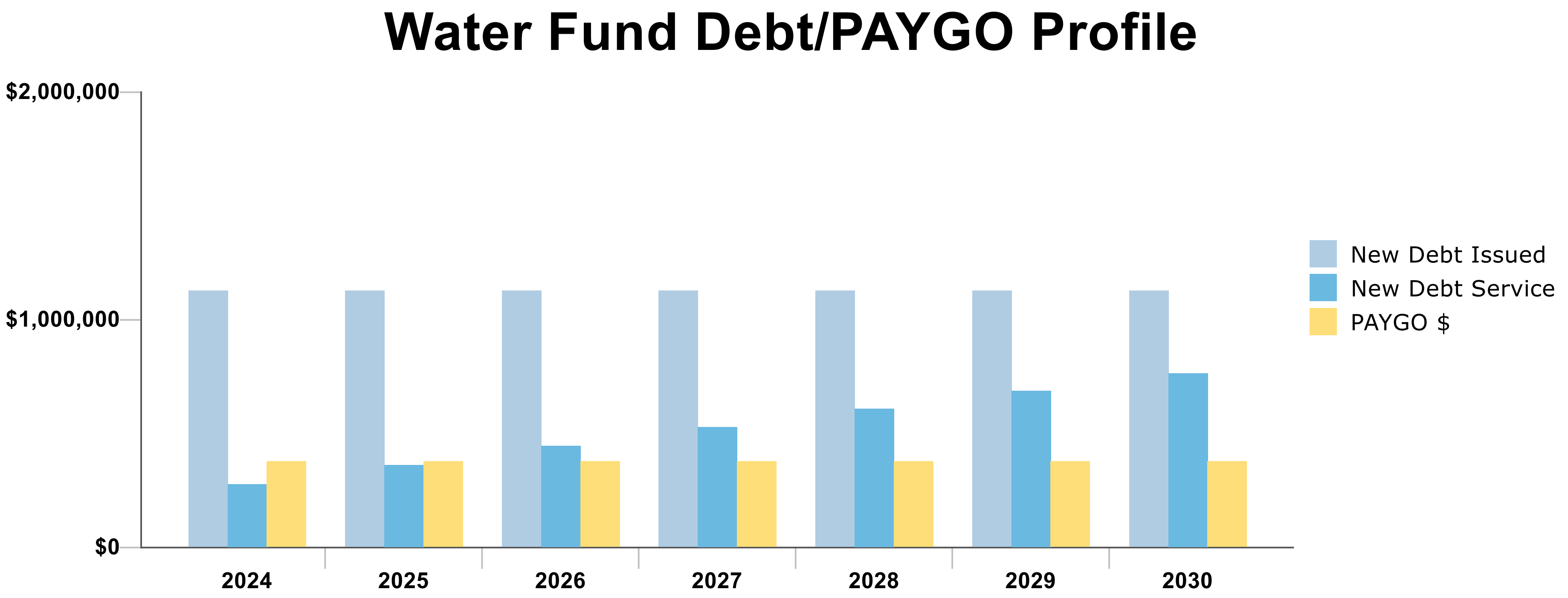
- Option #1 would involve a 37% increase in rates for year one (2024). This would produce $1.5 million each year in additional revenue. Subsequent annual rate increases would only address increases in operating costs estimated to be approximately 3% per year. Time to complete plan would be 17 years. This is a pay-as-you-go option.

Option 1 -Customer Class Quarterly Water Bills-8% increase in 2022 and 2023, 37% in 2024, 3% in 2025-2030												
	Ccf	*Meter*	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
	Residential											
	0	5/8"	$18.32	$19.79	$21.37	$29.28	$30.16	$31.06	$31.99	$32.95	$33.94	$34.96
	7	5/8"	$42.75	$46.18	$49.86	$68.34	$70.41	$72.50	$74.69	$76.91	$79.23	$81.58
	9	5/8"	$49.73	$53.72	$58.00	$79.50	$81.91	$84.34	$86.89	$89.47	$92.17	$94.90
	12	5/8"	$60.20	$65.03	$70.21	$96.24	$99.16	$102.10	$105.19	$108.31	$111.58	$114.88
	18	5/8"	$102.08	$110.27	$119.05	$163.14	$168.04	$173.02	$178.21	$183.55	$189.10	$194.74
	Non-Residential											
	12	5/8"	$81.20	$87.71	$94.69	$129.72	$133.60	$137.62	$141.79	$145.99	$150.94	$154.84
	25	3/4"	$189.55	$204.73	$221.04	$302.81	$311.87	$321.26	$330.99	$340.81	$350.97	$361.47
	200	2"	$1,301.59	$1,405.66	$1,517.55	$2,078.90	$2,141.05	$2,205.56	$2,272.45	$2,339.72	$2,409.39	$2,481.47
	1000	4"	$7,772.70	$8,500.29	$9,177.51	$12,572.49	$12,572.49	$13,338.42	$13,742.17	$14,149.94	$14,571.84	$15,008.00

WATER FUND-OPTION 2

- Option #2 would set a structure where there would be a fixed component annual increase of 5% and a variable component added to that based upon the % increase of the CPI (starting in January of 2024)
- After accounting for the increase in operating expenses, the additional revenue generated would pay for increases in debt service which determines the amount that can be borrowed for infrastructure improvement projects

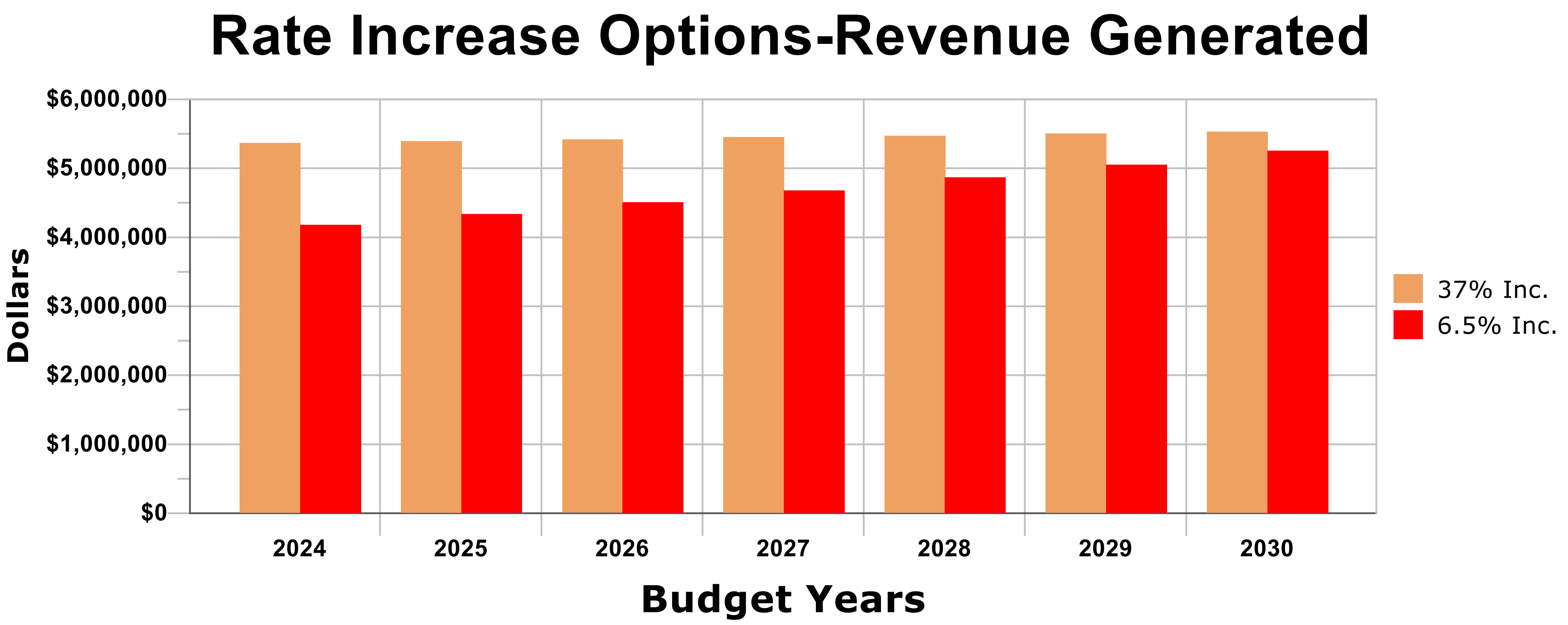
OPTION 2-FIXED 5%+CPI VARIABLE MAX OF 8%



Option 2-Quartely Customer Class Water Bills

	Ccf	Meter	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
	Residential											
	0	5/8"	$18.32	$19.79	$21.37	$22.76	$24.24	$25.82	$27.50	$29.29	$31.19	$33.22
	7	5/8"	$42.75	$46.18	$49.86	$53.07	$56.51	$60.19	$64.11	$68.28	$72.70	$77.46
	9	5/8"	$49.73	$53.72	$58.00	$61.73	$65.73	$70.01	$74.57	$79.42	$84.56	$90.10
	12	5/8"	$60.20	$65.03	$70.21	$74.72	$79.56	$84.74	$90.26	$96.13	$102.35	$109.06
	18	5/8"	$102.08	$110.27	$119.05	$126.74	$134.94	$143.72	$153.08	$163.03	$173.57	$184.90
	Non-Residential											
	12	5/8"	$81.20	$87.71	$94.69	$100.88	$107.40	$114.38	$121.82	$129.73	$138.11	$147.10
	25	3/4"	$189.55	$204.73	$221.04	$235.48	$250.71	$266.99	$284.35	$302.81	$322.39	$373.37
	200	2"	$1,301.59	$1,405.66	$1,517.55	$1,616.76	$1,721.22	$1,833.01	$1,952.22	$2,078.95	$2,213.25	$2,357.28
	1000	4"	$7,772.70	$8,500.29	$9,177.51	$9,776.90	$10,409.25	$11,085.40	$11,806.25	$12,572.76	$13,385.94	$14,256.88

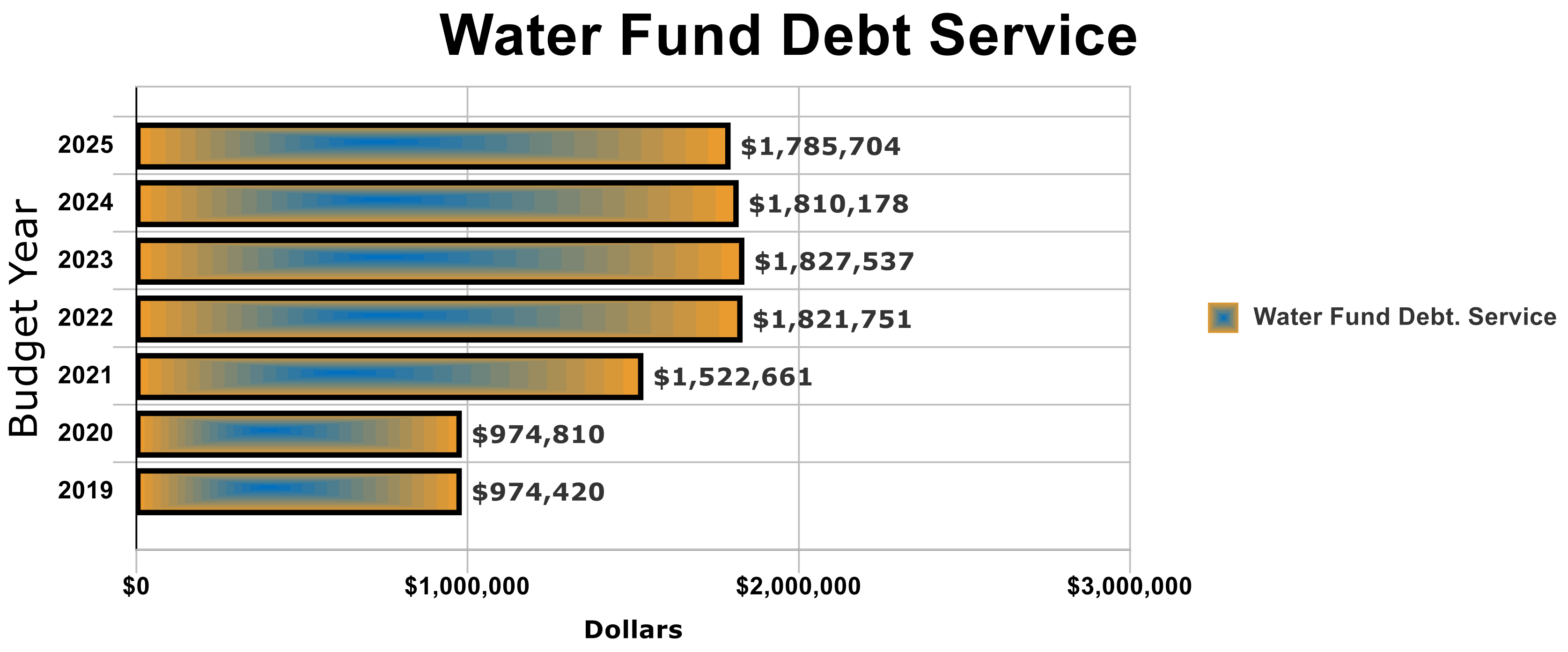
OPTIONS-REVENUE GENERATION



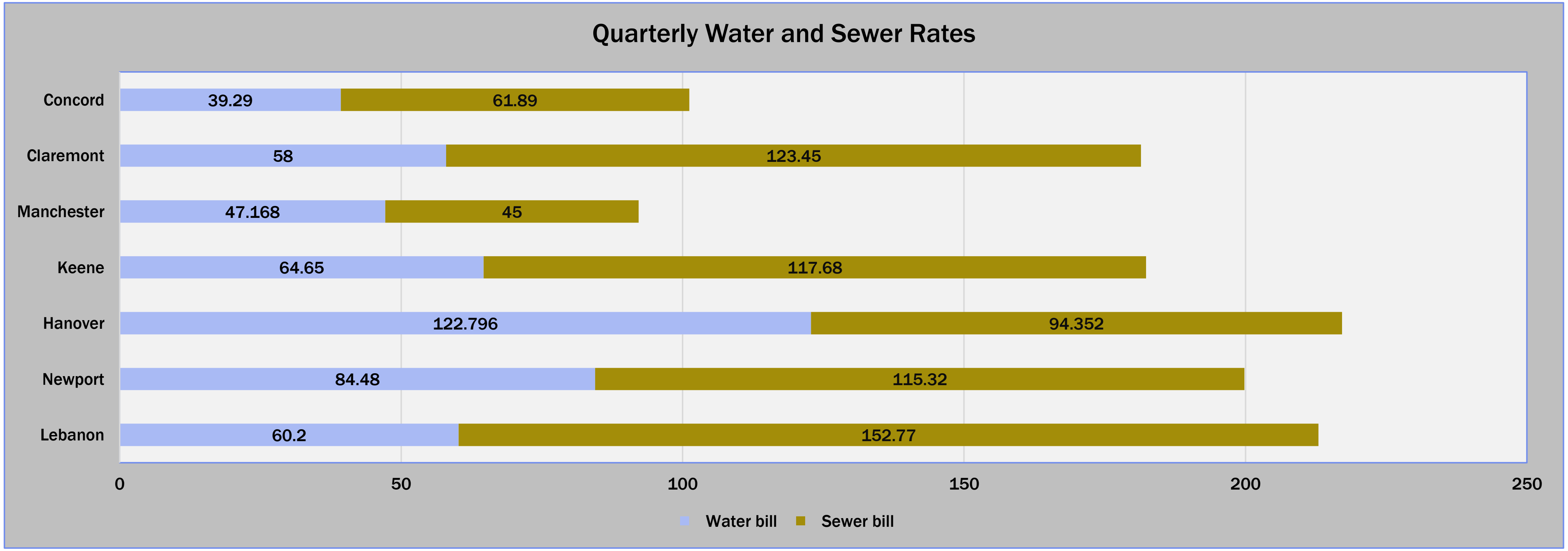
OPTIONS-REVENUE GENERATION

Option 1- 37% & 3%	$38,063,811
Option 2- 5%+CPI Variable (6.5% est.)	$32,801,584

These numbers represent the total revenue generated from 2024-2030.


Water Fund Debt Service
Budget Year
2025
2024
2023
2022
2021
2020
2019
$1,785,704
$1,810,178
$1,827,537
$1,821,751
$1,522,661
$974,810
$974,420
$0
$1,000,000
$2,000,000
$3,000,000
Dollars
Water Fund Debt. Service

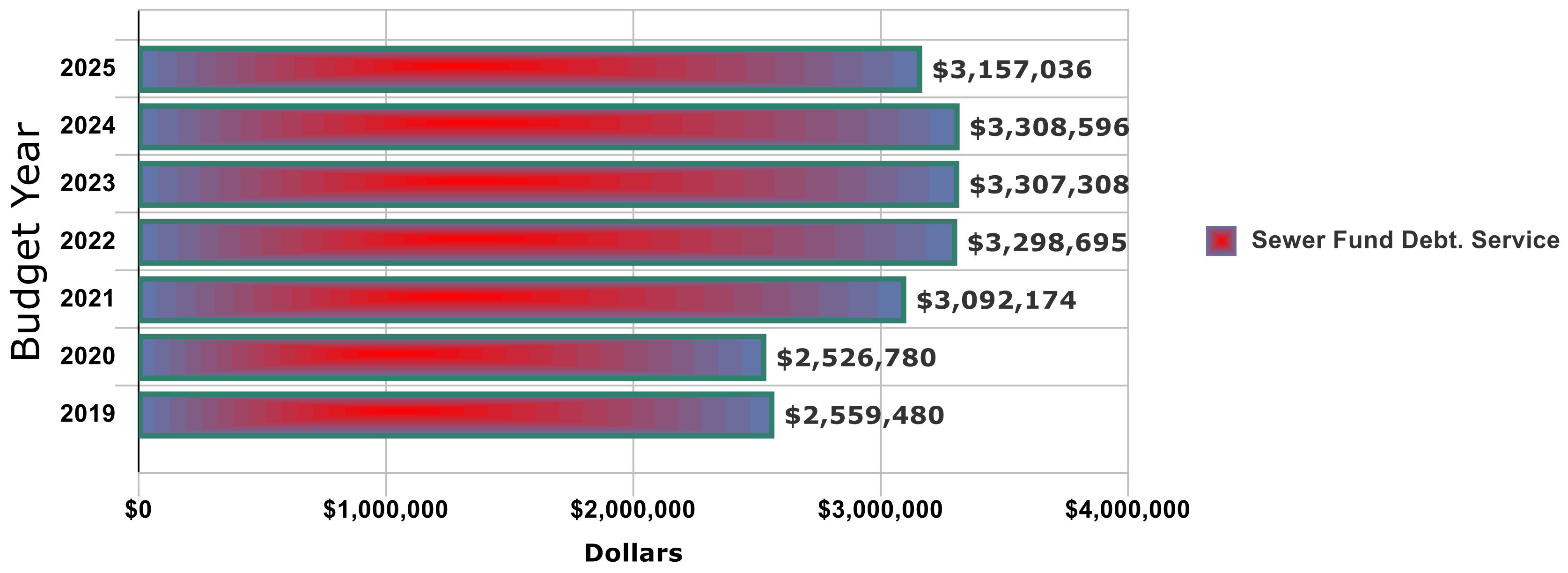
WATER & SEWER RATES-OTHER COMMUNITIES



SEWER FUND-OPTIONS

- The options for the sewer fund follow the same structure.
- Unlike the water system project analysis that was recently completed the long-term sewer system infrastructure plan is under development and will not be ready until later in 2022.
- The Council would need to revise the policy to include the rates of increase next year which would begin 2024.

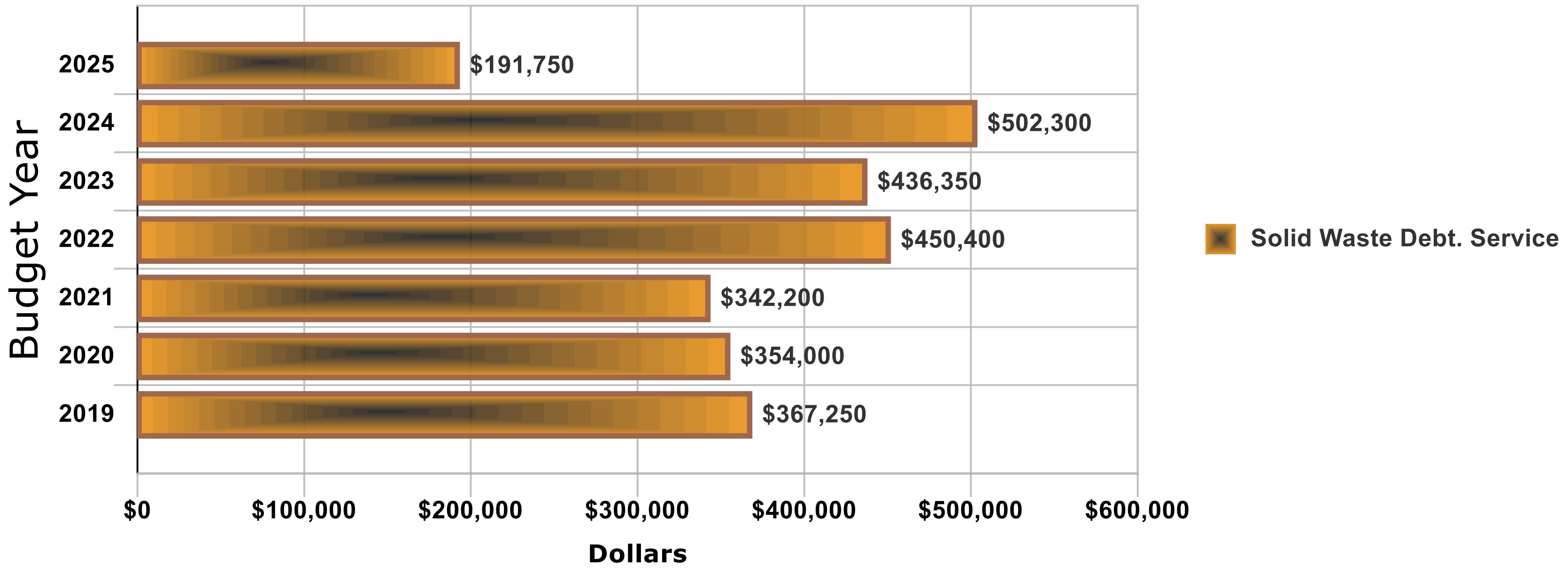
Sewer Fund Debt Service



SOLID WASTE FUND

1. Debt limits are based upon the present and future capacity of the Solid Waste Facility to accept waste and generate the revenue from that waste to pay for operating expenses and debt service payments for the ensuing year and beyond.
2. The period by which indebtedness may occur for any given project is limited to the useful life of the infrastructure asset.
3. Situations where the state or federal government mandate by administrative or court order that action must be taken by the City that requires long term debt may require borrowing funds for periods beyond the useful life of the asset.

Solid Waste Fund Debt Service



Nashua

CHAPTER 5. FINANCES

SUBCHAPTER 1. MUNICIPAL INDEBTEDNESS

§ A-441. Amount of debt authorized[92]

Notwithstanding the provisions of RSA 33:4-a, the city of Nashua shall not incur net indebtedness at any one time outstanding for school purposes to an amount exceeding in the aggregate 6 percent of its last assessed valuation as computed under RSA 33:4-b and for all other purposes, to an amount exceeding the aggregate of 2 percent of its last assessed valuation as computed under RSA 33:4-b, provided, however, that in ascertaining the amount of such debt so it be compared with said 6 percent and 2 percent, indebtedness lawfully incurred outside of said debt limit shall not be considered.

§ A-442. City to be single corporation; school district [93]

Said city shall constitute a single municipal corporation with powers for municipal and school purposes, including all the powers of a school district. All provisions of law or of the charter of said city affecting school districts or schools shall, so far as to inconsistent herewith, continue to apply to said city.

§ A-442a. (Repealed. 1978, ch. 8:2, eff. June 13, 1978)
See, now, § A-441 of this chapter.

§ A-443. Advances to be reimbursed[94]

All indebtedness of any governmental subdivision territorially coextensive with said city hitherto incurred for school purposes, in whatever form or however incurred, and all orders and votes authorizing the incurring of indebtedness or the issuance of bonds or notes or other obligations for school purposes by any such subdivision are hereby confirmed, ratified and validated. The city treasurer is hereby authorized to reimburse the city treasury for any sums advanced therefrom temporarily to pay any portion of such indebtedness pending the receipts of process of school bonds or notes which may be issued within said aggregate debt limit.

§ A-444. Debt time limitation for discharge not applicable[95]

Notwithstanding the provisions of RSA 31:94-d, the city of Nashua may exceed the nine-year time limitation for the discharge of any debt incurred pursuant to the transition period resulting from the change of dates of its fiscal year.

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[92] **Source:** 1923, ch. 227:1; 1978, ch. 8:1, eff. June 13, 1978.
[93] **Source:** 1923, ch. 227:2.
[94] **Source:** 1923, ch. 227.3.
[95] **Source:** 1971, ch. 447:1.

Keene

The CIP reflects the continuation of the philosophy of seeking opportunity for strategic investments that leverage other resources and partnerships to advance the goals of the CMP as reflected in the recent ice rink, Library Campus Development, proposed skateboard park project and proposed Arts and Culture Corridor. Through engagement with employers, the Chamber of Commerce, College/City Commission, social service agencies, other governmental partners and community groups, our organization, community, and City Council priorities advance.

FISCAL POLICY IMPACT

In the fall of 2019, the City Council participated in a Fiscal Policies Workshop designed to review and update the City's fiscal practices. Subsequently, the Council adopted revised Fiscal Policies that provided greater budgetary flexibility and removed the incentive to use bonded debt when funding capital outlay with current resources and alternative financing sources. In addition, debt policy parameters were modified, the capital threshold was increased to $35,000, and a biannual, seven-year long-range CIP planning was adopted.

A. **Unassigned Fund Balance** - General Fund unassigned fund balance will be maintained at between seven (7%) and ten (10%) percent of the sum of the total of the General Fund annual operating budget and the property tax commitment for the school (both local and state) and the county.

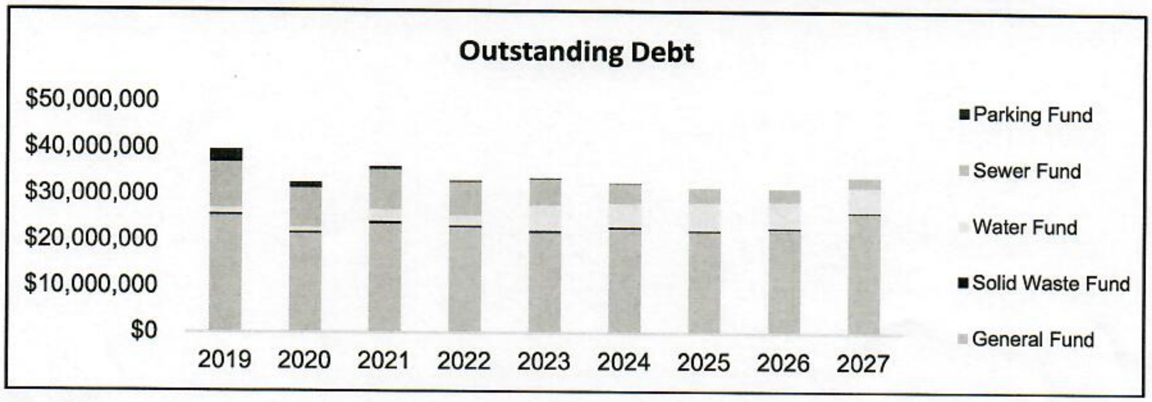
2021	2022	2023	2024	2025	2026	2027
8.37%	7.79%	7.92%	7.50%	7.95%	8.54%	9.09%

B. **Debt** - The City of Keene will contain its General Fund debt service, on a five (5) year average, at or less than twelve (12%) of the General Fund operating budget.

The proposed Capital Improvement Program is within the 12% cap established in the new fiscal policy.

2021	2022	2023	2024	2025	2026	2027
10.28%	10.32%	9.73%	8.85%	8.95%	9.04%	9.02%

Over the course of this CIP total outstanding debt for all funds decreases $5.7 million. Below is a summary of the total outstanding debt by Fund, for each year presented in this book:



	2019	2020	2021	2022	2023	2024	2025	2026	2027
Parking	$2,665,000	$1,105,000	$665,000	$225,000	$150,000	$75,000	$0	$0	$0
Sewer	9,905,256	8,485,623	8,592,400	7,090,311	5,598,722	4,221,632	3,097,486	2,630,132	2,255,039
Water	1,273,568	1,084,986	2,620,788	2,340,579	5,598,300	5,273,133	6,180,967	5,794,150	5,407,333
SW	400,500	342,000	451,500	381,800	335,600	289,400	243,200	197,000	150,800
General	25,449,828	21,489,083	23,712,928	22,884,330	21,890,649	22,738,552	22,079,293	22,701,577	26,176,667
	$39,694,152	$32,506,692	$36,042,616	$32,922,020	$33,573,271	$32,597,717	$31,600,946	$31,322,859	$33,989,840

Appendix D

Concord

GOALS & POLICIES

Concord City Council Adopted Fiscal Goals for 2015-2016 (revised 11/9/15 – FY 2016)

A. ACCOUNTING, AUDITING AND FINANCIAL REPORTING

Goal A1 Complete Consolidated Annual Financial Report (CAFR) and apply for Government Finance Officers Association (GFOA) award for excellence in achievement by December 31.

B. BUDGETARY AND FINANCIAL MANAGEMENT

Goal B1 Comply with GFOA best practices where applicable.

Goal B2 Develop annual budget document to meet the GFOA criteria for the Budget Award and, annually, apply for the GFOA Budget Award within 90 days of budget adoption.

C. CAPITAL IMPROVEMENTS

Goal C1 Fund and utilize capital reserve funds when available and appropriate to help provide a stable programmed approach to funding high priority capital needs.

Goal C2 Commit 3% of General Fund Appropriations towards Capital Improvement Plan.

Goal C3 Annually, prepare a ten year Capital Improvement Plan and consider future operation and maintenance costs as part of the projection.

Goal C4: By Fiscal Year 2019, commit funds equal to 2% of the tax rate to support a neighborhood street paving, restoration and repair program. Annually, these funds will be transferred to the Highway Capital Reserve trust. In order to reach the 2% goal, the final tax rate would be increased by .5% in Fiscal Years 2017, 2018, 2019, and 2020.

D. CASH MANAGEMENT

Goal D1 Aggressively pursue collection of property taxes and all other receivables due the City.

E. DEBT MANAGEMENT

Goal E1 Limit General Fund debt service expenditures to no more than 10% of total appropriations.

Goal E2 Manage debt burden to 70% payoff within 10 years.

F. EMPLOYEE COMPENSATION AND BENEFITS

Goal F1 Historically, the biggest factors forcing budget growth are increases in employee compensation and increased benefits costs. The City should have a compensation and benefit program that: (a) reflects the value of work performed by our employees; (b) includes incentives for superior job performance; (c) compares favorably with the compensation and benefits paid for similar work in the private and public sectors, and (d) considers the ability of the community to pay. Both our employees and the public must understand the mutual respect that such a policy warrants. Review compensation plan every 3-5 years for comparability to other municipalities and the private sector.

Concord

Appendix D

4. Assigned – Amounts that are constrained with the intent to use for specific purposes but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself, (b) a committee, budget or finance, or (c) an official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

5. Unassigned – This is the residual classification for the General Fund. This represents amounts that have not been restricted, committed, or assigned to a specific purpose. The General Fund should be the only fund that reports a positive unassigned fund balance.

IV. POLICY

A. Requirements –

1. General Fund

a. Unassigned fund balance – It is the policy of the City to achieve and maintain a general operating fund unassigned fund balance level of 18.5% of operating expenses by June 30, 2017.
b. Assigned fund balance – Upon adoption of this policy, the City Council authorizes the City Manager to assign fund balance for a specific purpose; so long that said purpose is in keeping with this policy, the wishes of the City Council and its Fiscal Policy Advisory Committee, and is in the best interest of the City.
   i. Utilization of Assigned fund balance will be presented to the City Council for action during the fiscal year immediately following the fiscal year of assignment.
   ii. Any assigned fund balance not acted upon and/or utilized for the specific purpose for which the City Manager assigned will lapse to unassigned fund balance on June 30 of the fiscal year immediately following the fiscal year of assignment.
c. Balanced Budget – It is the policy of the City Council to annually adopt a General fund operating budget such that current revenues equal or exceed current appropriations, overlay and war service credits.

2. Water and Sewer enterprise funds

a. Operating fund reserves – It is the desire of the City to maintain financially self-supporting Water and Sewer Funds with rate stability and to avoid large rate increases. Therefore, it is the policy of the City to, over time, achieve and maintain operating, capital and rate stabilization reserves of:
   i. Operating – 25% of operating expenses less debt service and pay as you go capital.
   ii. Capital – 25% of debt service or no less than $500,000.
   iii. Rate Stabilization – 10% of operating revenue or no less than $500,000.

3. Other enterprise and Special revenue funds

a. Operating fund reserves – It is the desire of the City to maintain financially self-supporting Other Enterprise and Special Revenue Funds with healthy financial positions. Therefore, it is the policy of the City to, over time, achieve and maintain working capital reserves of:
   i. Golf fund – a minimum of 10% of operating expenses including debt service and capital expenditures.
   ii. Arena fund – a minimum of 10% of operating expenses including debt service and capital expenditures.
   iii. Parking fund – a minimum of 10% of operating expenses including debt service and capital expenditures.
   iv. Airport fund – a minimum of 10% of operating expenses including debt service and capital expenditures.
   v. Solid Waste fund – a minimum of 10% of operating expenses including debt service and capital expenditures.

Dover

Capital Improvements Program

Legal and Policy Debt Limits

The State of New Hampshire, through RSAs 33:4-a and 33:5-a, sets the legal amount of debt a City may have outstanding at any one time. There are three such limits covering municipalities, schools and water utilities.

The limits are based on the locally assessed valuation for property taxation purposes as equalized to market value by the N.H. Department of Revenue Administration. The equalized value for debt purposes is then multiplied by the statutory percentages to achieve the legal debt limits. The percentages used for each limit are 3% for municipalities, 7% for schools and 10% for water utilities. Bonds for sewer projects are exempt from any debt limit.

The CIP assumes bonds to be issued for Tolend Road Landfill Closure will be exempt from the City's debt limit and will be State guaranteed, upon approval by Governor and Council (RSA 33:3-e & f). A fourth limit applies to existing and authorized debt of the Dover Business and Industrial Development Authority (DBIDA) and was set by special legislation at $5 million. Any newly authorized debt of DIBDA will be covered by RSA 162 which was adopted by the City Council in 2004. The debt limit for projects authorized under this RSA is 8% of the most recent assessed valuation.

In addition to the statutory limits, the policy goals of the City recommend additional restrictions based on the statutory limits. The City policies recommend a limit for each area to a percent of their statutory limit as follows: City 65%, School 28%, Water 5%. In addition, the City's policies restrict the Sewer Fund to 1.5% of equalized assessed value.

City debt remains within the statutory limit, reaching a maximum level of 63.6% of the limit in FY14. School debt remains within the statutory limit, reaching a maximum level of 25.7% of the limit in FY17. Based on the proposed CIP, it is estimated that City debt will be at 98.1% of the policy limit in FY13. This is mostly due to the Police Facility project. It is estimated the School debt will be at 91.7% of the recommended policy limit in FY17 based upon the proposed CIP. These estimates are based on projecting an equalized value for the City.

The Water Fund is within the statutory policy debt limit based upon the proposed CIP. Based on the proposed CIP, it is estimated that the Water Fund will be at 100% of the recommended policy limit in FY14. This is mostly due to the North End Pressure Zone project debt and water system facilities upgrades. The Sewer Fund has plenty of bonding capacity remaining, due to the large state aid payments on its current outstanding debt. Both funds are able to finance some projects through the use of capital reserve funds, thus avoiding bonding.

GFOA GUIDANCE ON DEBT MANAGEMENT

Utilizing municipal bonds to fund public infrastructure is a valuable strategy for governments to spread the cost of significant long term assets over their useful life. It is important to involve all stakeholders in the decision to issue debt and to make sure resources are identified to prepare for the issuance, address all disclosure requirements and maintain the accounting through the life of the bonds. GFOA Best Practices provide a comprehensive overview of the requirements associated with a debt issuance. It is also recommended that any government or authority considering entering the bond market consult the expertise of bond counsel, disclosure counsel, and municipal advisor to determine the best course of action for their specific project and to assist with the development of debt management policies.

Debt management policies are written guidelines, allowances, and requirements that guide the debt issuance practices of state or local governments, including the issuance process, management of a debt portfolio, adherence to various laws and regulations, post issuance compliance for IRS purposes, and post issuance compliance for continuing disclosure purposes. A debt management policy should improve the quality of decisions, articulate policy goals, provide guidelines for the structure of debt issuance, and demonstrate a commitment to long-term capital and financial planning. Adherence to a debt management policy signals to rating agencies and the capital markets that a government is well managed and therefore is likely to meet its debt obligations in a timely manner. Debt management policies should be written with attention to the issuer's specific needs and available financing options and are typically implemented through more specific operating procedures. Finally, debt management policies should be approved by the issuer's governing body to provide credibility, transparency and to ensure that there is a common understanding among elected officials and staff regarding the issuer's approach to debt financing.

"Financial obligation" means a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii). Some examples of financial obligations include but are not limited to:

- Direct placements, loans, lines of credit or other credit arrangements with private lenders or commercial banks;
- Letters of credit issued in connection with variable rate debt issuance;
- Interest rate swaps entered into in connection with debt issuance.

GFOA recommends that state and local governments adopt comprehensive written debt management policies. These policies should reflect local, state, and federal laws and regulations. To assist with the development of these policies GFOA recommends that a government's Debt Management

Policy (Policy) should be reviewed periodically (and updated if necessary) and should address at least the following:

1. ***Debt Limits***. The Policy should consider setting specific limits or acceptable ranges for each type of debt. Limits generally are set for legal, public policy, and financial restrictions and planning considerations.
    a. *Legal restrictions* may be determined by:
        - State constitution or law,
        - Local charter, by-laws, resolution, or ordinance,
        - Bond indenture, resolution, trust agreement, lease, or other similar document, and
        - Bond referenda approved by voters.

    b. *Public Policies* will address the internal standards and considerations within a government and can include:
        - Purposes for which debt proceeds may be used or prohibited,
        - Types of debt that may be issued or prohibited,
        - Relationship to and integration with the Capital Improvement Program, and
        - Policy goals related to economic development, including use of tax increment financing and public-private partnerships.

    c. *Financial restrictions or planning considerations* generally reflect public policy or other financial resources constraints, such as reduced use of a particular type of debt due to changing financial conditions. Appropriate debt limits can have a positive impact on bond ratings, particularly if the government demonstrates adherence to such policies over time. Financial limits often are expressed as ratios customarily used by credit analysts. Different financial limits are used for different types of debt. Examples include:
        - *Direct Debt, including general obligation bonds*, are subject to legal requirements and may be able to be measured or limited by the following ratios:
            - Debt per capita,
            - Debt to personal income,
            - Debt to taxable property value, and
            - Debt service payments as a percentage of general fund revenues or expenditures.
        - *Revenue Debt* levels often are limited by debt service coverage ratios (e.g., annual net pledged revenues to annual debt service), additional bond provisions contained in bond covenants, and potential credit rating impacts.

- *Conduit Debt* limitations may reflect the right of the issuing government to approve the borrower's creditworthiness, including a minimum credit rating, and the purpose of the borrowing issue. Such limitations reflect sound public policy, particularly if there is a contingent impact on the general revenues of the government or marketability of the government's own direct debt.
- *Short-Term Debt Issuance* should describe the specific purposes and circumstances under which it can be used, as well as limitations in term or size of borrowing.
- *Variable Rate Debt* should include information about when using non-fixed rate debt is acceptable to the entity either due to the term of the project, market conditions, or debt portfolio structuring purposes.

2. ***Debt Structuring Practices***. The Policy should include specific guidelines regarding the debt structuring practices for each type of bond, including:
    - Maximum term (often stated in absolute terms or based on the useful life of the asset(s)),
    - Average maturity,
    - Debt service pattern such as equal payments or equal principal amortization,
    - Use of optional redemption features that reflect market conditions and/or needs of the government,
    - Use of variable or fixed-rate debt, credit/liquidity enhancements, derivatives, short-term debt, and limitations as to when, and to what extent, each can be used, and
    - Other structuring practices should be considered, such as capitalizing interest during the construction of the project and deferral of principal, and/or other internal credit support, including general obligation pledges.

Debt Issuance Practices. The Policy should provide guidance regarding the issuance process, which may differ for each type of debt. These practices include:

- Selection and use of professional service providers, including an independent municipal advisor, to assist with determining the method of sale and the selection of other financing team members,
- Criteria for determining the sale method (competitive, negotiated, private placement, bank loan) and investment of proceeds,
- Use of comparative bond pricing services or market indices as a benchmark in negotiated transactions, as well as to evaluate final bond pricing results,
- Criteria for issuance of advance refunding, current refunding, and taxable bonds, and

- Use of credit ratings, minimum bond ratings, determination of the number of ratings, and selection of rating services.

Debt Management Practices. The Policy should provide guidance for ongoing administrative activities including:

- Investment of bond proceeds,
- Primary market disclosure practices and procedures, including annual certifications as required,
- Continuing disclosure procedures; including those related to ensure compliance with any continuing disclosure undertaking (CDA),
- Arbitrage rebate monitoring and filing,
- Monitoring use of tax-exempt bond financed facilities for private use,
- Federal and state law compliance practices, and
- Ongoing market and investor relations efforts.

Use of Derivatives. The Debt Management Policy should clearly state whether or not the entity can or should use derivatives. If the policy allows for the use of derivatives, a separate and comprehensive derivatives policy should be developed (see GFOA's Advisory, Developing a Derivatives Policy and Derivatives Checklist).

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

10. NEW BUSINESS:

10.A – PRESENTATION AND ADOPTION OF LEBANON COMMUNITY POWER AGGREGATION PLAN

BACKGROUND

Purpose of this Electric Aggregation Plan

On October 5, 2016, the Lebanon City Council voted unanimously to designate LEAC, the Lebanon Energy Advisory Committee, as the City's Electric Aggregation Committee pursuant to RSA 53-E and tasked LEAC to prepare this Electric Aggregation Plan, which sets forth Lebanon's policy goals for our Community Power program, summarizes program governance and implementation processes, and commits Lebanon Community Power to comply with applicable statutes and regulations in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

This plan does not otherwise commit Lebanon to any defined course of action, including participation in the Coalition for the purposes of launching the program, and does not impose any financial commitment on the City.

The City Council retains the power to contract for all required program services and electricity supplies, to set rates, and to pursue related projects independently of the Coalition.

Approval Process for Lebanon Community Power

This Electric Aggregation Plan was developed by LEAC with due input from the public, as required under RSA 53-E. Public hearings were held on July 15, 2021 and August 18, 2021. Refer to attached, updated, proposed Electric Aggregation Plan for additional information.

LEAC has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of the City and its residents, businesses, and other ratepayers. At its August 19, 2021 meeting LEAC voted unanimously to recommend the City Council adopt the Plan, with minor updating edits, including the recommended logo for Lebanon Community Power, updating the list of other jurisdictions where the governing body has voted to join the Community Power Coalition, an added paragraph on p. 23 providing clarifying details on how group net metering may be handled, and adding the last two paragraphs on p. XXIII, completing the description of the City's public planning process.

Adoption of this Plan by the City Council, by majority approval of those present and voting, establishes Lebanon Community Power as an approved aggregation with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein), and authorizes the City Council to arrange and contract for the necessary professional services and power supplies to launch Lebanon Community Power.

A summary slide deck and the original May 25, 2021 draft of the plan can be found on the City's website here.

The updated version of the proposed Electric Aggregation Plan is attached.

ACTION

MOVED, that the Lebanon City Council hereby approves the Lebanon Community Power Electric Aggregation Plan as presented in the September 15, 2021 City Council agenda packet.

Included in this Section:

1. September 15, 2021 Lebanon Community Power proposed Electric Aggregation Plan

Lebanon Community Power

Electric Aggregation Plan

September 15, 2021

Table of Contents

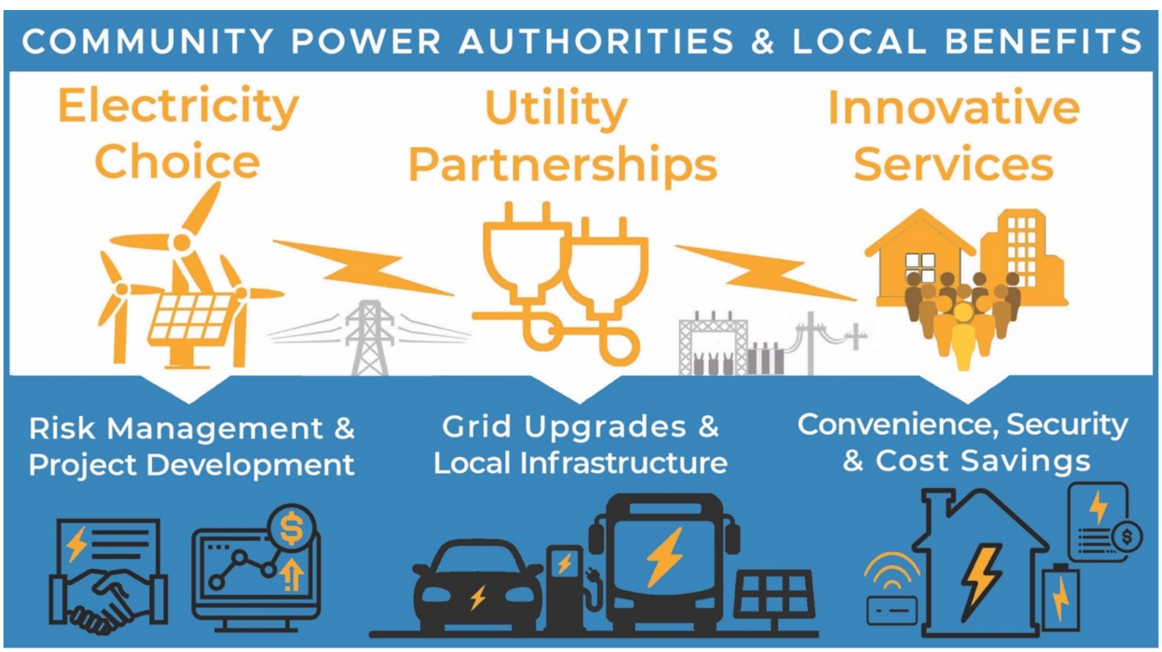
INTRODUCTION TO COMMUNITY POWER

New Hampshire's updated Community Power law (RSA 53-E, as amended by SB 286, effective October 1, 2019) is a bipartisan policy designed to further democratize, evolve, and enhance the economic efficiency of our electric power industry.

The Legislature's intent in enacting RSA 53-E was to "*encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities.*" (Refer to Attachment 1 for a summary of the legislative context and local control authorities of Community Power.) To achieve this goal, RSA 53-E authorizes local governments (cities, towns, and counties) to launch Community Power programs that:

- Provide electricity supply service to residents and businesses, who are notified and enrolled on an "opt-in" customer choice or "opt-out" default service basis and may thereafter leave or rejoin the program (by switching suppliers in advance of their next billing cycle date);
- Procure a reliable supply of "all-requirements" electricity, inclusive of Renewable Portfolio Standard requirements, with the option to participate directly in the ISO New England wholesale market (as a load-serving entity on behalf of participating customers);
- Offer a range of innovative services, products, new Net Energy Metering supply rates, and local programs to participating customers;
- Establish a joint powers agency with other Community Power programs to share services, contract for energy project developments, and facilitate related energy initiatives; and
- Work collaboratively with distribution utilities, regulators, policymakers, and innovative energy businesses to help modernize our electrical grid and market infrastructure.

These authorities and local benefits are depicted in the graphic below:



Distribution utilities will continue to deliver power to all customers, regardless of whether they are supplied electricity by new Community Power programs or Competitive Electric Power Suppliers (or have chosen to switch back to utility-provided default service).

OVERVIEW OF LEBANON COMMUNITY POWER

Lebanon Community Power is a program authorized under RSA 53:E to provide electricity supply service for the City's residents, businesses, and other types of customers. Providing electricity supply involves being responsible for procuring electric generation (supply) to match customer loads (consumption) in real time, except when the grid goes down. The program will only launch if it is able to initially offer residential default rates that are lower than or competitive with those offered by Liberty Utilities. Thereafter, the program will:

- Serve as the default electricity supplier for all customers on a default "opt-out" basis;
- Offer innovative services and generation rates to customers on an "opt-in" or "opt-up" basis (such as 100% renewable premium products, time-varying rates and Net Energy Metering generation credits for customers with solar photovoltaics);
- Operate on a competitive basis, in that customers may choose to switch between Lebanon Community Power, service provided by Competitive Electric Power Suppliers, and utility-provided default service; and
- Be self-funded through revenues generated by participating customers; the City will not use taxes to cover program expenses.

Liberty Utilities will continue to own and operate the distribution grid and be responsible for delivering power to all customers within the City. Customers will continue be charged for utility delivery services at rates set by the Public Utilities Commission.

The City Council, in coordination with advisory support from the Lebanon Energy Advisory Committee (LEAC), will authorize the City Manager to contract for the necessary services and power supplies to implement and operate the program, set customer rates prior to program launch and continue to provide oversight over the program thereafter.

Customer Notification and Enrollment Process

Prior to launch of Lebanon Community Power, all eligible customers will be mailed notifications and provided the opportunity to "opt-out" or "opt-in" to the program, depending on whether they currently are on default service provided by Liberty Utilities or take service from a Competitive Electric Power Supplier:

- Customers already served by Competitive Electric Power Suppliers will be notified and may request to "opt-in" to the program; and
- Customers currently on default energy service provided by Liberty Utilities will be notified, provided the opportunity to decline participation ("opt-out"), and thereafter transferred to Lebanon Community Power if they do not opt-out.

Notifications to customers on utility-provided default service will include the initial fixed rate for the program's default service compared with the Liberty's rate, be mailed to customers at least 30 days in advance of program launch and provide instructions for customers to decline participation (for example, by return postcard, calling a phone number or using a web portal).

After the launch of Lebanon Community Power, any new customers starting service within the City will be given a similar opt-out notice and will be transferred onto default service provided by the program, unless they choose to take energy service from Liberty Utilities or a Competitive Electric Power Supplier.

All customers on Lebanon Community Power default service will remain free to switch back to the Liberty Utilities or to take energy service from a Competitive Electric Power Supplier.

Customer Accounts and Electricity Usage Estimates

The tables below show the total number and annual electricity usage of customers within Lebanon's territory who would initially receive either "opt-out" or "opt-in" notifications:

	Utility Default Supply Customers (Eligible for Opt-Out Notifications & Automatic Enrollment)		Competitive Supply Customers (Eligible for Opt-In Notifications & Voluntary Enrollment)	
	Customer Accounts	**Annual Usage (MWh)**	**Customer Accounts**	**Annual Usage (MWh)**
Residential	6,221	35,806	419	2,767
Outdoor Lighting	?	?	?	?
Small Commercial	1,090	15,265	339	6,627
Med. Commercial	156	16,805	106	23,588
Large C & Industry	14	12,215	45	147,369
Total	**7,481**	**80,091**	**909**	**180,350**

Aggregated data shown was provided by Liberty Utilities for the 12 months ending 7/31/19. An updated data set extending through July 2021 was requested from Liberty on 8/23/21 but has not been received as of 9/8/21. Updated data will be appended to this plan when available.

Membership in the Community Power Coalition of New Hampshire

Lebanon is a founding member of the Community Power Coalition of New Hampshire ("the Coalition"), a joint powers agency authorized under RSA 53-A ("*Agreements Between Governments: Joint Exercise of Powers"*) that will operate on a not-for-profit basis.

The Coalition was created so that towns, cities, and counties across New Hampshire could:

1. Access the resources and support required to streamline the process of establishing an Electric Aggregation Committee, drafting an Electric Aggregation Plan and approving a new Community Power program.
2. Jointly solicit and contract for third-party services and staff support to launch and operate Community Power programs, without requiring any upfront costs or imposing any financial liabilities on participating communities.
3. Participate in joint power solicitations and local project development opportunities.
4. Share knowledge and collaborate regionally on clean energy and resilient infrastructure development at the community-level throughout the state.
5. Speak with one voice at the Legislature and Public Utilities Commission on public advocacy issues related to energy and Community Power.

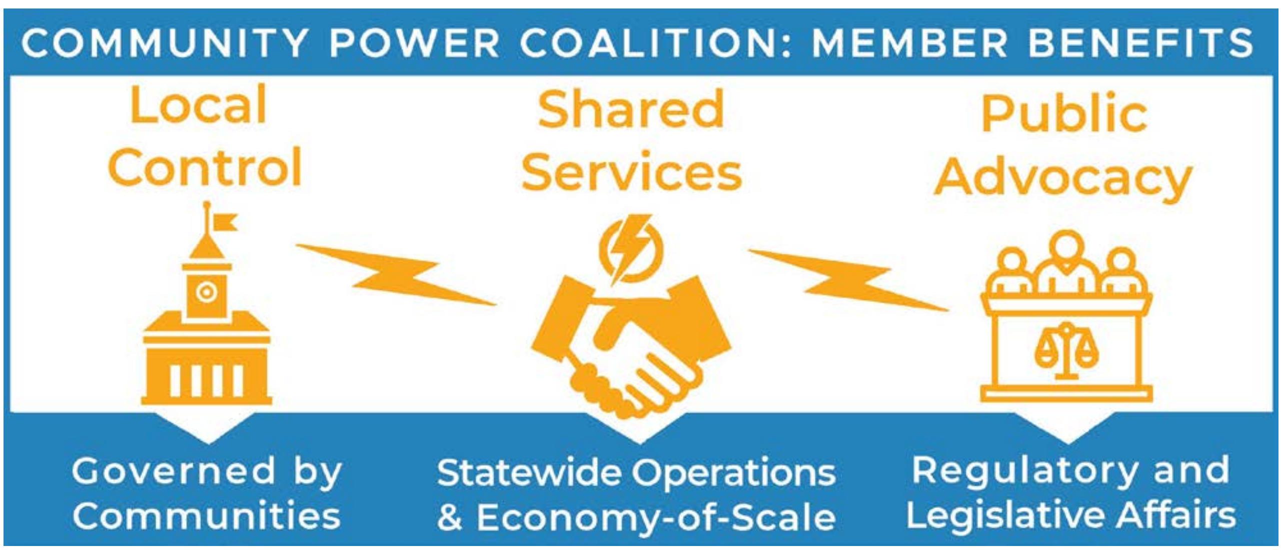
Lebanon has worked with other municipalities since December 2019 to design the Coalition:

- Shortly after SB 286 was signed into law, LEAC and those involved with developing Lebanon Community Power concluded that exercising and deriving benefit from the full range of local control authorities authorized under RSA 53-E would be challenging for any single Community

Power program to accomplish on its own.

- Consequently, beginning in December 2019, officials and staff from Lebanon began researching Community Power and power agency design best practices in collaboration with several other municipalities and expert energy advisors from across the state.
- The ad hoc group evaluated various power agency models and hired legal experts to draft the Coalition's Joint Powers Agreement ("JPA", the governance agreement that municipalities jointly execute to create the agency); it has been approved by Lebanon, Hanover, Nashua, Cheshire County, Harrisville, Exeter, Rye, Dover, Warner, Walpole, Plainfield and Newmarket. The original draft of the JPA and has been approved by the NH Attorney General as conforming with state law and a revised version was submitted to the Attorney General for review on 8/27/21.
- The Coalition's joint powers agency governance model and competitive business model have been designed in accordance with energy industry best practices to ensure that participating Community Power programs benefit from transparent governance and high-quality services — so that all communities are able to take full advantage of their local control authorities under RSA 53-E and achieve the full scope of their local energy policy goals.

The Coalition will be governed "*for communities, by communities*" under a voluntary and flexible membership structure, will provide competitive electricity service on a statewide basis, and will strengthen the ability of communities to coordinate effectively on related public advocacy issues.



Key aspects of the Coalition's design, governance, services and start-up process are summarized in:

- The appendix (Attachment 2) provides an overview of the communities, volunteers and experts involved in the process of designing the power agency.
- The chapter "Overview of the Community Power Coalition of New Hampshire" provides context regarding the purpose of joint action power agencies, highlights the importance of joint public advocacy (and summarizes the Coalition's successful engagements at the Legislature and Public Utilities Commission on Community Power and public advocacy issues to-date), and summarizes key features of the Coalition's business model and services.
- The chapter "Lebanon Community Power Goals, Objectives and Requirements" explains how the Coalition's joint action governance and business model should help enable Lebanon to achieve the full scope of our policy goals, delineates what our goals are over the short-to-long

term, and summarizes the program's near-term operational requirements as a power enterprise.

- The remainder of this chapter summarizes the City's anticipated role in the Coalition's governance and implementation process through the launch of Lebanon Community Power.

Purpose of this Electric Aggregation Plan

On October 5, 2016 the Lebanon City Council voted unanimously to designate LEAC, the Lebanon Energy Advisory Committee, as the City's Electric Aggregation Committee pursuant to RSA 53-E and tasked LEAC to prepare this Electric Aggregation Plan, which sets forth Lebanon's policy goals for our Community Power program, summarizes program governance and implementation processes, and commits Lebanon Community Power to comply with applicable statutes and regulations in terms of:

- Providing universal access, reliability, and equitable treatment of all classes of customers subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories; and
- Meeting, at a minimum, the basic environmental and service standards established by the Public Utilities Commission and other applicable agencies and laws and rules concerning the provision of service under Community Power.

This plan does not otherwise commit Lebanon to any defined course of action, including participation in the Coalition for the purposes of launching the program, and does not impose any financial commitment on the City.

The City Council retains the power to contract for all required program services and electricity supplies, to set rates, and to pursue related projects independently of the Coalition.

Approval Process for Lebanon Community Power

This Electric Aggregation Plan was developed by LEAC with due input from the public, as required under RSA 53-E. Public hearings were held on July 15, 2021 and August 18, 2021. Refer to Attachment 7 for additional information.

LEAC has determined that this Electric Aggregation Plan satisfies applicable statutory requirements and is in the best, long-term interest of the City and its residents, businesses, and other ratepayers.

Adoption of this Plan by the City Council, by majority approval of those present and voting, establishes Lebanon Community Power as an approved aggregation with statutory authorities defined under RSA 53-E:3 (to be exercised with due oversight and local governance, as described herein), and authorizes the City Council to arrange and contract for the necessary professional services and power supplies to launch Lebanon Community Power.

Implementation Process for the Coalition & Lebanon Community Power

The City became a founding member of the Coalition on February 3rd, 2020 when the City Council unanimously approved entering into the Coalition's Joint Powers Agreement.

The Coalition's Joint Powers Agreement includes the Articles of Agreement and Bylaws of the nonprofit. It establishes the general purpose, authorities, structure, Board of Directors, committees, cost-sharing principles, liability protections, and other aspects of the organization.

This plan assumes, but does not require, that the City will participate fully in the Coalition for the purposes of implementing and operating Lebanon Community Power.

City Participation in Joint Powers Agency Governance

After the founding members jointly execute the Joint Powers Agreement, the Coalition will be incorporated, and the Board of Directors constituted with representatives appointed by each member's governing body.

The City Council or the Mayor as their designee will appoint primary and alternate representatives of Lebanon Community Power to serve on the Coalition's Board of Directors and as Member representatives to Annual meetings and certain votes. The City's representatives will directly oversee the Coalition's initial startup and implementation activities, including the:

- Adoption of Board policies and the election of officers;
- Hiring of expert staff to provide qualified management and oversight;
- Solicitation and contracting of third-party service vendors to launch and operate Community Power programs; and
- Appointment of Board members and other community representatives to committees.

Lebanon and all founding members will be directly represented on the Coalition's Board until more than twenty-one (21) members join, at which point directors will be elected by vote of the Members' representatives at annual meetings (with a Board size of between 11 and 21 representatives, at the Members' direction).

Additionally, to exercise more regular oversight over specific aspects of the joint powers agency, the Coalition will have six standing committees as it develops: Executive, Finance, Audit, Regulatory and Legislative Affairs, Risk Management, and Governance. The Board may also establish ad-hoc committees, and each direct project that members choose to pursue in the future will be overseen by a committee specific to that project.

All meetings of the Coalition will comply with New Hampshire's Right-to-Know Law (RSA 91-A), the purpose of which is to "*ensure both the greatest possible public access to the actions, discussions and records of all public bodies, and their accountability to the people*", based on the recognition that "*openness in the conduct of public business is essential to a democratic society*."

Development of Member Cost Sharing Agreement and Services for Lebanon Community Power

Under the terms of New Hampshire's Community Power law (RSA 53-E):

- Community Power programs must be self-funded, with ongoing costs paid for using the revenues generated by participating customers.
- Municipalities are only allowed to incur incidental costs associated with implementing Community Power programs, such as the costs necessary to comply with the Community Power law, up to the time that the program starts to produce revenue from participating customers. Incidental costs should not include any costs that are more properly accounted for as capitalized or operating costs of the Lebanon Community Power program.

Membership in the Coalition, and the implementation of Lebanon Community Power, will not require any upfront cost for the City other than such incidental expenses (e.g., the staff time, counsel review of agreements, and other expenses required to comply with the Community Power law before the program starts to generate revenue).

To provide the services, credit support and electricity supply required to launch and operate Lebanon Community Power:

- The Coalition will administer competitive solicitations on behalf of all participating Community Power programs to contract with qualified vendors and credit-worthy suppliers.
- Vendors are expected to fund and self-manage the upfront cost of launching Community Power programs, under at-risk and performance-based contract structures with payments contingent upon successful launch.
- Program implementation costs for Lebanon, along with ongoing operational and power procurement expenses, will be factored into the customer rates adopted by the City Council and be recovered from the revenues received from participating customers after the launch of Lebanon Community Power.

Similar solicitations and at-risk, performance-based contract structures have been used to successfully launch and operate new joint powers agencies in other Community Power markets.

Lebanon's representatives on the Coalition's Board of Directors will participate in the solicitation of services, agency startup activities and the development of a cost-sharing agreement with other founding members.

The Coalition's Joint Powers Agreement provides certain requirements regarding how costs will be tracked and shared across participating Community Power programs, which will guide the development of the Coalition cost-sharing agreement:

- Costs will be tracked in three distinct categories: direct project costs, member services, and general and administrative costs (which are overhead costs that are not associated with any specific project or member service);
- Member cost-sharing agreements will be the same in all material respects: general and administrative costs will be allocated based on each Community Power program's share of total electricity usage each year, while each member will choose and separately pay for the costs of specific services and projects (under terms that reflect a fair allocation across all the members that chose the same services and projects); and
- The debts, liabilities and obligations of the Coalition, and of other participating Community Power programs, will be non-recourse to Lebanon (unless expressly agreed to by the City Council under Lebanon's Cost Sharing Agreement or a Project Contract).

The Coalition intends to contract for all the services required to launch and operate member Community Power programs, which is expected to enable access to advanced services and expertise at least cost for Lebanon Community Power. However, note that:

- The City will be under no obligation to rely on the services provided through the Coalition until the City Council executes the Coalition's cost-sharing agreement and chooses which services will be provided through the Coalition.
- At that time, the City Council may decide to rely on the Coalition for all or a subset of the services required to launch and operate Lebanon Community Power.
- Alternatively, the City Council could decide to withdraw from the Coalition entirely, prior to executing the cost-sharing agreement, and launch Lebanon Community Power independently.
- Lastly, after Lebanon Community Power launches, the City could still decide to procure certain services independently or to withdraw from the Coalition at a future date, subject to the terms,

conditions and any continuing obligations specified in the cost-sharing agreement approved by the City Council.

Decisions made by the City Council regarding how to best implement and operate Lebanon Community Power, including the execution of the Coalition cost-sharing agreement and selection of services provided through the Coalition, will be made at duly noticed public meetings.

Coalition Engagement on Rule Making at the Public Utility Commission

Lebanon Community Power will launch after administrative rules governing Community Power are adopted by the Public Utilities Commission. Rules are expected to require submission of Lebanon's Electric Aggregation Plan to the Commission in order to:

- Provide formal notice that the City is planning to launch a Community Power program;
- Authorize the City to request access to additional customer data from Liberty Utilities that will be needed for the implementation and administration of Lebanon Community Power.

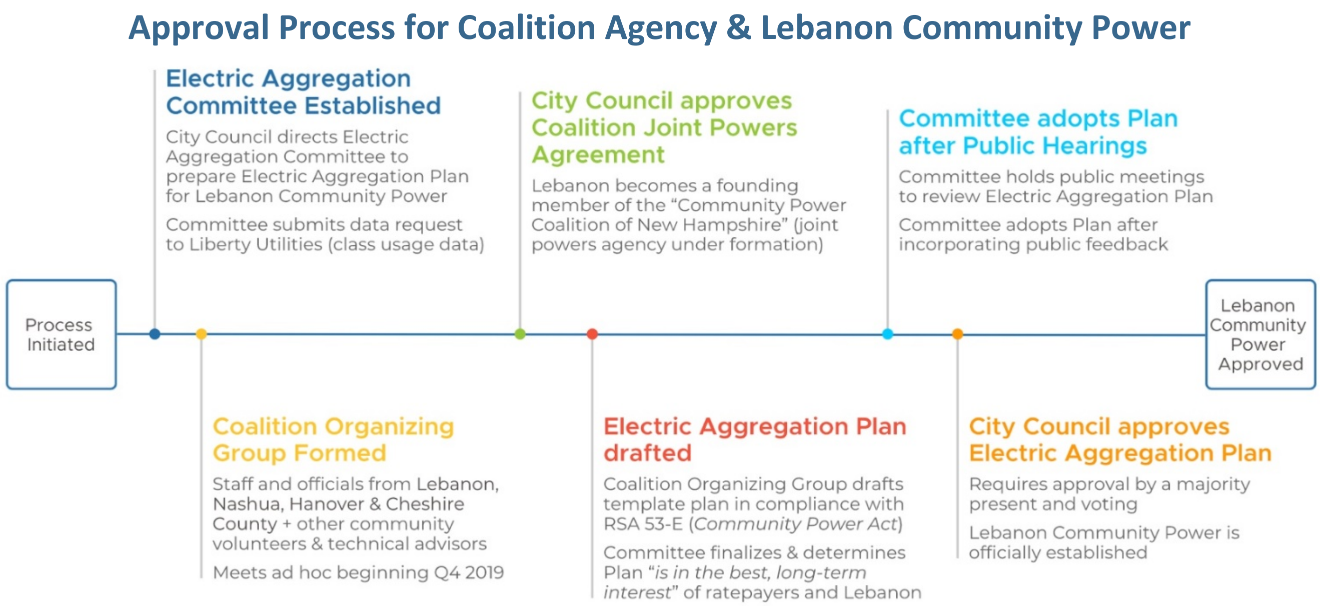
Over the course of 2020, Lebanon and other communities and advisors of the Coalition have actively participated in the informal rule drafting process by providing initial and subsequent sets of draft rules for review and refinement, arranging and facilitating bilateral meetings with utilities and other stakeholders, and leading stakeholder workshop discussions and editing sessions at the request of Public Utilities Commission staff.

More recently, Lebanon and the Coalition worked with legislators and utilities to clarify Community Power authorities in House Bill 315. The City has subsequently been working with Eversource and Commission staff to revise draft rules in anticipation of final passage of the bill (which modifies certain rule requirements), and which occurred on 8/26/21. Thereafter, Lebanon Community Power and the Coalition will actively participate in the Commission's public review process.

Coalition & Lebanon Community Power Implementation Milestone Charts

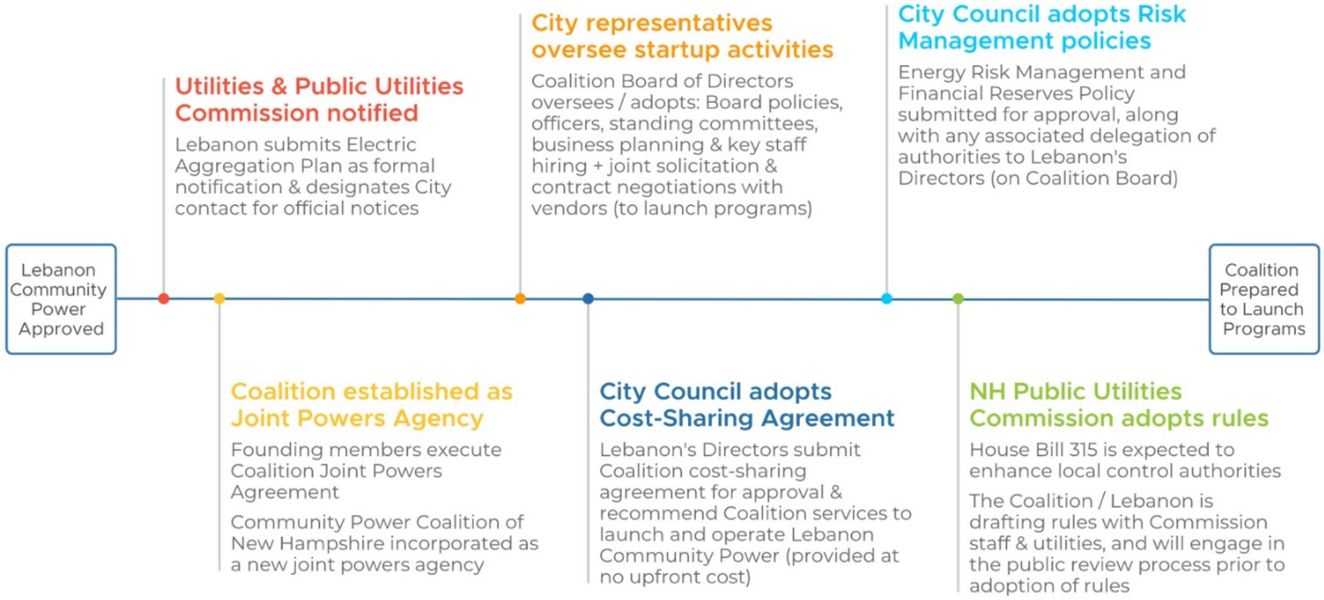
The milestone charts below show the anticipated approval, formation and launch processes for Lebanon Community Power and the Coalition power agency, as described in the sections above.

The first chart below summarizes the different categories of activities required to approve Lebanon Community Power and join the Coalition as a founding member to create the joint powers agency:



Lebanon's directors on the Coalition Board will then oversee startup activities, including engagement at the Public Utilities Commission to finalize the administrative rules governing the Community Power market, and will bring forward the Coalition's cost-sharing agreement along with an Energy Risk Management and Financial Reserve Policy for approval by the City Council:

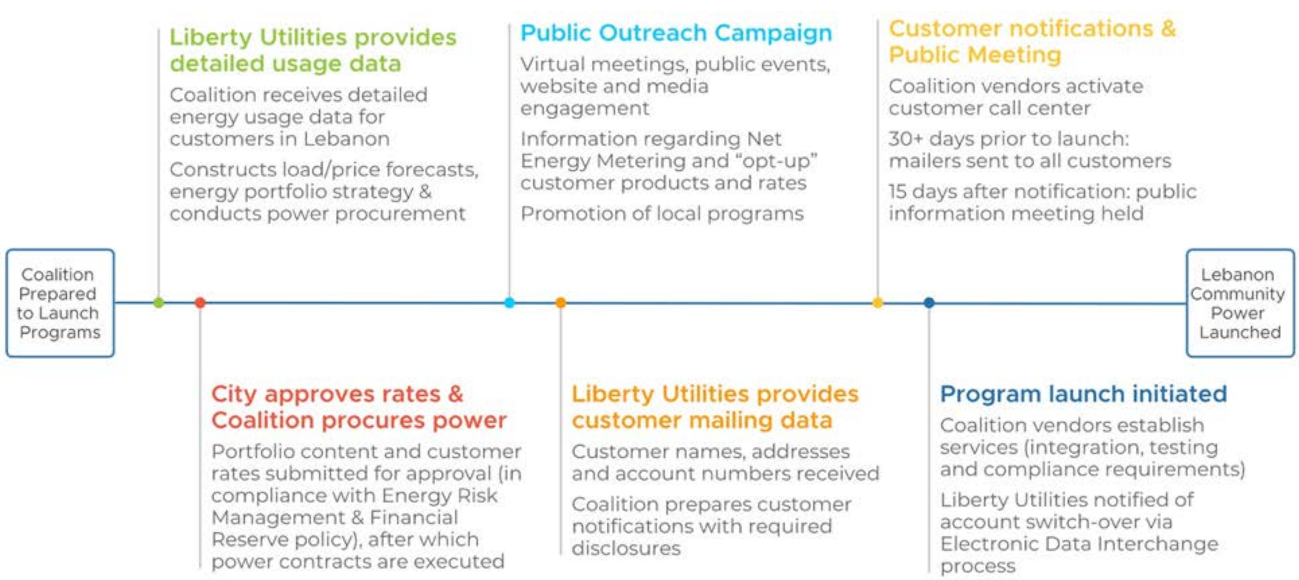
Coalition Startup, Rule Making and Risk Management Policy Approval Process



After the Public Utility Commission adopts rules and opens the market, the Coalition will be allowed to launch Lebanon Community Power (and the programs of other participating municipalities).

The milestones below summarize the process by which the Coalition will structure and conduct data collection, forecasting, power procurement solicitations and rate setting exercises — in compliance with the Energy Risk Management and Financial Reserve Policy adopted by the City — and the local outreach, customer notification mailings and public meeting process that culminates in the launch of Lebanon Community Power:

Lebanon Community Power Launch Process



OVERVIEW OF THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE

Lebanon is a founding member of the Community Power Coalition of New Hampshire, a nonprofit joint powers agency authorized under RSA 53-A.

Refer to Attachment 2 for details regarding the City's role in its formation of the Coalition.

Joint powers agencies are governed by communities, operated on a not-for-profit basis as instrumentalities of local governments, and allow Community Power programs to voluntarily join forces to take advantage of economies of scale and shared services to boost operational efficiencies.

The public power industry has created over seventy joint powers agencies in the last fifty years, and several hundred local governments operate Community Power programs through joint powers agencies or comparable collaborative governance structures in Massachusetts, New York, Ohio, Illinois and California.

The experience of these markets demonstrates that the economics of joint purchasing can enable access to advanced services and expertise for participating Community Power programs, which helps keep power rates competitive and supports long-term financial stability.

Due to the participation of several other municipalities and growing interest of communities throughout the state, the Coalition can be expected to launch with a number of customers and a quantity of electricity procured to serve those customers roughly comparable to Liberty Utilities entire default energy service. (Liberty is the smallest of the state's 3 investor owned electric utilities serving ~9% of the state's load with only about half of that on default service.)

Lebanon anticipates relying upon the Coalition's member services to launch and operate Lebanon Community Power, but approval of this plan does not commit the City to doing so. The City Council retains the authority to contract for any and all required program services and electricity supplies, and to pursue projects independently of the Coalition.

Based on the design and projected size of the Coalition, LEAC anticipates that participation will result in cost savings, lower staff requirements, and enhanced quality of services for Lebanon Community Power and other member programs.

Operating Lebanon Community Power through the Coalition is expected to provide a number of distinct benefits in terms of transparency, scope and cost of services, regulatory and policy engagement, local program options, quality of energy risk management advice, the accrual of financial reserves sufficient to ensure long-term financial stability, and opportunities to develop new energy projects. These benefits are summarized in the "Regulatory and Policy Advocacy" and "Coalition Member Services" sections below.

Regulatory and Policy Advocacy

Changes in law and regulations that adversely impact Community Power programs will be a non-trivial source of risk for Lebanon Community Power.

Additionally, extending and maintaining the full range of benefits that Lebanon Community Power could create for customers will require informed participation and advocacy on energy issues at the Legislature and Public Utilities Commission.

Coordination with other municipalities and Community Power initiatives on matters of common interest through the Coalition have already produced meaningful results in these areas. For example, over the last year, the communities involved in the formation of the Coalition have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff.
- Intervened in regulatory proceedings to represent the interests of customers and Community Power programs, such as by advocating for expanded data access in the Commission's Statewide Data Platform docket (DE 19-197), under which a settlement agreement with the utilities was negotiated and recently submitted to the Public Utilities Commission. (If adopted, the settlement would create a statewide platform to enables data access for customers and Community Power programs, which would be overseen by a Governance Council that includes Coalition representatives.)
- Testified in legislative hearings — and organized hundreds of people, elected officials and civic organizations to register in support of the Coalition's position on key legislation — in order to successfully negotiate critical amendments to House Bill 315 and some degree of compromise on Senate Bill 91:
    - House Bill 315, which would clarify and expand key Community Power authorities; and
    - Senate Bill 91, Part IV, which would have expanded the ability of Community Power programs to buy from in-state generators and battery storage projects (under 5 megawatts in size), but has is now being turned into a study committee of the issue.

Lebanon Community Power will continue and expand on these activities through the Coalition.

Coalition Member Services

The Coalition's business model has been designed to provide Community Power programs with:

- **Innovative local programs and customer services**: new rates, technologies and services for customers that lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a "full bill" perspective (i.e., inclusive of transmission and distribution charges).
- **Energy Risk Management & Financial Reserve Policies, Procedures and Practices*:*** expert guidance on energy risk management, procurement of a diversified portfolio of energy contracts, rate setting, and financial reserves — sufficient to ensure the stability and operational continuity of Community Power programs over the long-term (as technologies, market dynamics, risk factors, consumer preferences and energy policies continue to evolve).
- **Development of Renewable and Battery Storage Projects:** joint contracting opportunities for the construction of new renewable and battery storage projects financed under long-term contracts — to diversify program energy portfolios, provide a physical hedge against wholesale market price fluctuations, enhance the resiliency of our electrical grid, and stimulate local construction and economic development.

The Coalition intends to contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate Community Power programs. These third parties are expected to fund the upfront cost of implementing Community Power programs, the expense of which would be amortized and recovered for a specified term, along with ongoing operating costs, in customer rates.

The extent of services offered by the Coalition is expected to thereafter expand over time, in response to new market opportunities and ongoing regulatory rule reforms, and to meet the local objectives of participating Community Power programs. The Coalition also plans to hire a small number of qualified staff to ensure effective oversight of operations, as well as enhanced transparency and expert management as the Coalition's business operations evolve.

The proceeding sections explain how the above categories of member services are interrelated in ways that combine to ensure Lebanon Community Power remains operationally stable, competitive and able to achieve the full range of our local policy goals over the long-term.

Innovative Local Programs & Customer Services

Cost-effective local programs provide new retail products and services that enable customers to:

- Intelligently moderate their use of electricity from the grid during times of high wholesale power prices and when the physical grid is constrained (at-risk of not being able to deliver enough power to meet all customers' usage requirements during the hours of "peak demand");
- Increase their use of electricity from the grid when wholesale prices are relatively low and the physical grid is not constrained.

Examples of innovative retail products and services that enable customers to do so include time-based rate options, individual and group net metering, targeted efficiency, distributed generation and energy storage programs, electric vehicle charging rates, and other offerings that empower customers directly and enable the services of third-party energy companies that are helping customers adopt and use new technologies.

Programs that enable the intelligent use of electricity will help Lebanon Community Power to:

- Lower electricity supply costs and risk for the program in aggregate, along with the electricity bills of participating customers from a "full bill" perspective (inclusive of transmission and distribution charges);
- Strengthen customer relationships and local brand recognition; and
- Protect against customer attrition (the risk that customers opt-out of the program by choosing an alternative supplier) and potentially grow the program's customer base over time.

Local programs, in order to be cost-effective, need to be designed in ways that relate to and actively help manage the various sources of cost and risk involved in operating a competitive power agency.

As explained in the section below, the Coalition will adopt a structured approach to monitoring, analyzing and actively managing energy cost and risk — both to enable the design of cost-effective local programs, and provide additional benefits such as long-term financial stability.

Energy Risk Management & Financial Reserve Policies, Procedures and Practices

Lebanon Community Power's ability to maintain competitive rates, as market prices and Liberty Utilities default rates change over time, is a primary goal for the program. Competitive rates will significantly reduce the risk that customers opt-out of Lebanon Community Power and allow the program to achieve our medium- to long-term goals.

To that end, working with the other members of the Coalition, Lebanon Community Power will adopt Energy Risk Management and Financial Reserve policies. The purpose of these policies is to:

- Ensure that Lebanon Community Power allocates customer revenues in ways that balance our community's goals and objectives over the short-to-long term; and
- Define how the Coalition will conduct energy risk management, procurement and market operations on behalf of Lebanon Community Power (so that the agency remains in compliance with our adopted policies).

These policies, combined with the operational procedures and practices of the Coalition's business model — referred to as the "3Ps" of energy risk management — are designed to ensure that Lebanon Community Power, along with all participating members of the Coalition, will be able to:

- Foresee, forecast and adequately plan for adverse contingencies (such as power supply shocks, economic downturns and changes in policy and regulations);
- Structure and manage a diversified portfolio (or "book") of physical and financial energy contracts in order to (1) hedge price risk in an optimal fashion by assessing the cost of entering into forward contracts against the risk of wholesale market price exposure, (2) transact quickly to take advantage of changing market conditions and (3) incorporate energy contracts from a variety of preferred sources (e.g., renewables and battery storage assets, local generators, customer-generators and demand response programs, etc.);
- Maintain competitive rates, and additionally set aside funds to accrue financial reserves, while also implementing local programs (designed in ways that lower portfolio costs and risk factors);
- Draw on financial reserves or credit support sufficient to maintain (1) rate stability for participating customers and (2) adequate cash flow for the Coalition's operations over the course of any adverse events and periods.

As Lebanon Community Power accrues financial reserves, the Coalition will be able to facilitate additional ways to lower costs, create new value, and further enhance the financial stability of the program. As one example, the accrual of sufficient reserves will allow Lebanon Community Power to begin self-providing the collateral required for wholesale power market transactions and power purchase agreements. This will lower the capital costs and risk premiums otherwise embedded into the price of power contracts negotiated by the Coalition. Similarly, the Coalition also intends to facilitate pooled power procurement across participating Community Power programs, and to explore opportunities to jointly satisfy collateral obligations within these arrangements.

Lastly, as explained further in the section below, the combination of the Coalition's approach to energy portfolio risk management and the accrual of sufficient financial reserves by participating members is what will enable Lebanon Community Power to enter into long-term contracts — in order to construct new renewable and battery storage projects.

Development of Renewable and Battery Storage Projects

As Lebanon Community Power and other participating Community Power programs demonstrate the ability to accrue reserves sufficient to ensure our collective financial stability — and maintain or grow our customer base by offering competitive rates and innovative services over time — the Coalition will be able to facilitate new project developments for Lebanon Community Power and other Community Power programs that elect to jointly participate in long-term contracting solicitations. As context:

- Project developers and financiers require long-term power purchase agreements (typically 10 years or longer in duration) to justify the upfront cost of constructing new renewables and battery storage facilities;

- Consequently, project financiers will not execute long-term contracts with a Community Power program if they do not believe that the program is likely to remain a stable, credit-worthy counterparty (i.e., unlikely to default on payment obligations over the contract term).

Achieving the ability to execute long-term contracts and build new renewables and battery storage projects is a priority for Lebanon Community Power and the other Community Power programs joining together to create the Coalition. This objective is an important policy goal for our program and will additionally diversify the energy supply portfolio managed by the Coalition.

Portfolio diversification helps to stabilize operating margins by intelligently hedging Lebanon Community Power's exposure to wholesale market dynamics and price fluctuations. The objective is to enter into contracts that help to manage risk and maximize revenues for the program from total portfolio management perspective, in order to further strengthen our program's financial performance and stability over the long-term. As context:

- When bidding on joint project development solicitations, developers will submit different combinations of technologies, project locations, prices, term lengths and contractual clauses with operational and financial implications.
- Selecting which contracts to enter into — and effectively negotiating contract terms and prices — requires analyzing the different contracts being offered, individually and in combinations, and simulating the impact that the new contracts would have on Lebanon Community Power's cashflow, total portfolio costs and risk profile over the length of the contract.
- This exercise, which is a key component of the Coalition's broader "portfolio strategy" analysis, is referred to as "contract valuation" or "deal valuation". These simulations allow the Coalition to quantify the value of the contract (from a portfolio risk management perspective), compare the value against the price being offered by developers, negotiate for better terms and prices as necessary, and enter into contracts on behalf of Lebanon Community Power that are likely to cost less than the value created at the program portfolio level.

As described in the preceding section "*Energy Risk Management & Financial Reserve Policies, Procedures and Practices*", the Coalition's business model has been designed to actively manage a diversified portfolio of energy contracts at launch — which entails:

- Understanding and analyzing energy cost and risk factors on a continuous basis;
- Conducting contract valuation simulations;
- Negotiating contract terms and prices with a variety of counterparties to construct a portfolio of energy contracts that, in aggregate, is designed to optimally hedge price risk; and
- Thereafter, actively and continuously managing the "book" of contracts in response to market dynamics, price movements and opportunities.

In these ways, the Coalition's business model provides the foundational capabilities required to support joint project development solicitations for Lebanon Community Power and other participating programs — inclusive of long-term contract valuation simulations, counterparty negotiation, and active management of the contract and overall portfolio thereafter.

Lebanon Community Power Goals, Objectives, and Requirements

Lebanon Community Power affords the City the capacity and flexibility to realize and build on our policies pertaining to, sustainability, energy, economic vitality, and infrastructure.

Our policy goals will need to be pursued through a combination of direct program activities and informed public advocacy at the Legislature and Public Utilities Commission. This will require enhanced coordination with other communities as well as advanced operational services, dedicated expertise, innovation and sustained initiative carried out over a period of multiple years.

Simultaneously, maintaining competitive rates compared to Liberty Utilities' default service rates — as market prices, energy technologies and policies change over time — will require nimble decision-making and the ability to evolve business operations in response to changing market conditions to actively manage risk, minimize costs and maximize the creation of customer value.

The structure of the Coalition — the combination of the joint powers agency's community governance model, competitive business model and coordinated approach to engaging in public advocacy — has been designed to enable and streamline these activities for Lebanon Community Power at an advantageous, cost-effective economy-of-scale.

Participation in the Coalition is therefore expected to strengthen the capacity and financial performance of Lebanon Community Power, such that the program can operate continuously as a self-supporting, competitive enterprise for the foreseeable future, and will therefore be able to work towards achieving the full scope of our policy goals and objectives over the long-term.

Lebanon's Policy Goals

The City of Lebanon is committed to advancing an environmentally and economically sustainable future. This commitment is expressed through a sustainability vision and principles, as well as through the Master Plan and the ongoing Outcomes and Work Plan of the City administration.

The overall long-term goal of the Energy Chapter of Lebanon's Master Plan is that "Lebanon is a leader in energy efficiency, renewable energy reliance, and innovation across municipal, commercial, institutional, and residential sectors."

The City Council has adopted a resolution in support of the Paris Climate Accords that concludes by stating that the City "[s]tands ready to work with other communities and towns across the state, to provide the leadership and resources at the local level that will reduce greenhouse gas emissions, protect our most vulnerable residents from the impacts of climate change, and reap the benefits of the transition to a clean energy economy."

Refer to Attachment 8 for additional select excerpts of these policies and links to more detail.

Lebanon Community Power Objectives

To achieve our policy goals, Lebanon Community Power will be guided by the following objectives:

Lebanon Community Power is aligned with our goals of creating a more localized, resilient, and clean energy system. The program is guided by the following objectives, which represent an actionable, comprehensive, and stable pathway to achieving these goals over the short- to long-term:

1. **Save Customers Money**: Lebanon Community Power will only launch if it can initially offer a rate lower than the default energy service rate offered by Liberty Utilities, and its long-term stability

depends on maintaining rate options competitive with Liberty's default service rate. Lebanon Community Power will bring to all default customers rate advantages now utilized only by customers able to access competitive supply. This will directly benefit residents and small businesses and institutions in Lebanon.

2. **Provide Green Power**: Lebanon Community Power will offer customers easy opt-in options to purchase more renewably sourced electricity that will serve a pent-up demand for greener power and will further the City's goal of reducing overall greenhouse gas emissions.

3. **Plan for Rate Stability**: By adopting an Energy Risk Management Policy to guide procurement and depositing a portion of revenues into a rate reserve fund, Lebanon Community Power will protect its default service customers against rate fluctuation and ensure its own long-term stability as a program.

4. **Consumer Protections & Public Advocacy:** As an instrumentality of the City of Lebanon, Lebanon Community Power will act in the interest of its customers and the City, by ensuring that the contracts it enters into on behalf of customers are fair, and by representing the interests of its customers before the legislature and the Public Utilities Commission on matters pertaining to Community Power, ratepayer protection, local energy generation and resiliency of the grid.

5. **Assist Customers to Lower Total Energy Costs**: Lebanon Community Power will develop programs to lower the carbon emissions and the overall cost of customer energy use, through electrification of appliances and vehicles and through thermal efficiency programs to lower heating and cooling energy costs. The adoption by customers of technologies that will reduce the electricity demand of Lebanon Community Power during peak hours will lower transmission and capacity costs for all Lebanon Community Power customers (and other ratepayers). Eventually Lebanon Community Power intends to offer opt-in time varying rates to incentivize shifting power consumption away from times when electricity wholesale market prices are high and demand on the system is peaking. This may include a limited opt-in real-time pricing pilot if feasible.

6**. Promote Renewable Energy:** Besides offering participants the option to purchase higher proportions of renewably sourced electricity, Lebanon Community Power will prioritize the inclusion of renewable energy sources in its portfolio, including providing markets to encourage the development of new local and regional renewable energy capabilities.

7. **Develop Energy Resilience**: By encouraging local energy production and -local storage strategies, by supporting the installation by customers of technologies that controls when power is taken from the grid and when it is supplied to the grid, and by developing microgrids to supply critical facilities, Lebanon Community Power will enhance local energy resilience.

8. **Regional Collaborations**: Lebanon Community Power will work with other Community Power programs, utilities, municipalities, and government agencies to jointly develop cost effective renewable generation and storage projects and energy infrastructure, such as electric vehicle transit fleets and charging corridors; and

9. **Grid Modernization**: Lebanon Community Power will join with other Community Power programs to advocate for policies, regulations, and infrastructure investments — such as the widespread deployment of interval meters and other Smart Grid infrastructure technologies — necessary to achieve an affordable, localized and resilient energy system that: enables innovative customer services and the intelligent use of new clean technologies, the reliable operation of the utility's distribution grid along with customer and community owned microgrids, and the cost-effective integration of local and regional renewable generation and energy storage resources.

Through strategies and initiatives like these, enabled by the scope and scale of service provided through the Coalition, Lebanon Community Power intends to:

- Reduce fossil fuel consumption overall while enhancing the reliability of our electricity grid;
- Create savings and new value for customers; and
- Support the vitality and growth of local businesses.

These objectives that are essential to our continued success as a vital, sustainable community.

Near-Term Operational Requirements

While many of the broader benefits Lebanon Community Power intends to create for customers and the City will be developed over time, the program's immediate objective is to offer competitive default supply rates compared to Liberty Utilities while accruing a reserve fund sufficient to ensure long-term financial stability, and additionally offering voluntary products that retail customers may opt-up to receive as well as Net Energy Metering supply rates that allow customer generators to participate in the program.

Lebanon Community Power will need to balance customer rate levels, renewable power content and the accrual of program reserves to meet these objectives.

Performance Relative to Utility Default Service and Net Energy Metering Generation Rates

Compensation to customer generators under Net Energy Metering generation rates, the timing of the program's rate setting decisions and, to a certain degree, the procurement of electricity will need to take into account Liberty Utilities' tariffs, processes and timing in regard to these activities.

Refer to Attachment 3, Attachment 4, Attachment 5 and the section "Net Metering and Group Net Metering Policies" for additional documentation and discussion of these factors.

Customer Rates and Products

The table below provides an illustrative example of a default service product and optional rates that could be offered to customers:

	DEFAULT SERVICE (automatic enrollment)	**OPTIONAL PRODUCTS**		
		Basic Service	**Green Start**	**Prime**
Attributes	5-10% above Renewable Portfolio Standard (RPS)	Meets RPS	~50% Renewable	100% Renewable
Price	Meet or beat default utility rate at launch	Below default utility rates	Higher or competitive w/ default utility rate	Exceeds default utility rate

The products that Lebanon Community Power initially offers to customers, and the rates charged for each product, will be refined and finalized in advance of program launch.

Renewable Portfolio Standard Requirements

New Hampshire's Renewable Portfolio Standard (RPS) requires all electricity suppliers to obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2021, Liberty Utilities and other electricity suppliers are required to include 21.6% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS.

Lebanon Community Power will seek to procure voluntary renewables in excess of the RPS minimum requirements from "Class I" resources (as defined in Attachment 3). Additionally, the program could prioritize including as much renewable energy sourced from generating resources located in New Hampshire and New England as possible.

The chart below shows the different classes and quantities of renewable power required under the RPS between 2020 and 2025, along with, for the sake of illustration, Lebanon Community Power's additional voluntary purchases (assuming that the default product from the table in the proceeding section, which exceeds RPS requirements by 5% to 10% each year):

Energy Risk Management and Financial Reserve Policy Compliance

Lebanon Community Power's power procurement, budgeting and rate-setting will be carried out in accordance with the Energy Risk Management Policy and Financial Reserve Policy that will be adopted by the City Council.

This decision-making framework is intended to guide the program to allocate revenues in a manner that appropriately balances our competing priorities — to ensure that Lebanon Community Power will remain stable, and able to work towards achieving all of our policy goals, over the long-term.

ELECTRIC AGGREGATION PLAN STATUTORY REQUIREMENTS

The following requirements for this Electric Aggregation Plan, in compliance with RSA 53-E:6, are addressed below:

A. Organizational structure of the program;
B. Methods of entering into and terminating agreements;
C. Operation and funding;
D. Rate setting, costs, and customer enrollment process;
E. Rights and responsibilities of program participants;
F. Net metering and group net metering policies;
G. Ensuring discounts for Electric Assistance Program participants; and,
H. Termination of program.

Organizational Structure of the Program

Upon approval of this plan, Lebanon Community Power will be authorized to provide electricity and other related services to participating residents, businesses, and other customers in the City.

The City Council will oversee the program and has overall governance authority. Decisions regarding Lebanon Community Power, such as updating program goals, adoption of an Energy Risk Management and Financial Reserve Policy and approval of customer rates, will be made at duly noticed public meetings and with advisory support from LEAC.

Once the joint powers agency is incorporated, the Mayor, in consultation with the City Manager will appoint a primary and alternate representative to the Community Power Coalition of New Hampshire's Board of Directors and may delegate certain decision-making authorities to them to carry out their responsibilities at the City Council's direction.

In general, Lebanon's representatives will be expected to help oversee the start-up and operation of the agency, provide input regarding the Coalition's public advocacy on matters of policy and regulation, provide direction to the Coalition's staff and vendors as the agency's operations and customer services evolve over time, and report back regularly regarding the performance of Lebanon Community Power and on any matter that warrants attention or requires action by the City Council.

Additionally, the City Council may direct LEAC to continue to hold meetings for the purpose of providing community input and advisory support regarding the program.

Methods of Entering into and Terminating Agreements

This Electric Aggregation Plan authorizes the City Council to negotiate, enter into, modify, enforce, and terminate agreements as necessary for the implementation and operation of Lebanon Community Power.

Operation and Funding

Lebanon Community Power will contract with qualified vendors and credit-worthy suppliers to provide the services, credit support and electricity required to launch and operate the program.

This plan assumes, but does not require, Lebanon to participate fully in the Coalition and thereby contract for operational services jointly with other participating Community Power programs.

The Coalition's third-party contractors will be expected to fund the upfront cost of implementing Lebanon Community Power, the expense of which will be amortized and recovered in the program's rates and charges to participating customers. The program may also seek opportunities to apply for grant funding, either independently or through the Coalition.

Services provided by third-party entities required to launch and operate the program may include portfolio risk management advisory services, wholesale load-serving entity services, financial services, electronic data interchange services with the utility, and customer notification, data management, billing, and relationship management (e.g., call center, website, etc.) services.

Additional support services such as management and planning, budgeting and rate setting, local project development support, regulatory compliance, and legislative and regulatory engagement services (on matters that could impact the program and participating customers) will be addressed through a combination of staff support and third-party services.

Lebanon Community Power will provide "all-requirements" electricity supply for its customers, inclusive of all of the electrical energy, capacity, reserves, ancillary services, transmission services (to the extent not provided through Liberty), transmission and distribution losses, congestion management, and other such services or products necessary to provide firm power supply to participants and meet the requirements of New Hampshire's Renewable Portfolio Standard. (Refer to Attachment 3 for details regarding the requirements of Renewable Portfolio Standard statute, RSA 362-F.)

Electricity supply contracts will be executed or guaranteed by investment-grade entities, and suppliers will be required to use proper standards of management and operations, maintain sufficient insurance, and meet appropriate performance requirements.

Additionally, RSA 53-E provides Community Power programs with authorities pertaining to meter ownership, meter reading, billing, and other related services. These authorities provide Lebanon Community Power with the practical ability to help customers adopt and use innovative technologies (for example, building management systems, smart thermostats, backup battery storage systems, controllable electric vehicle chargers, etc.) in ways that save money, enhance grid resiliency, and decarbonize our power supply.

However, the implementation of these authorities is expected to take some time, as it requires action by the Public Utilities Commission to adopt enabling rules and coordination with Liberty Utilities to adapt existing meter and billing system processes.

Rate Setting, Costs, Enrollment Process, and Options

Customers who choose not to participate in Lebanon Community Power shall not be responsible for any costs associated with the program, apart from incidental costs incurred by the City prior to the point at which the program starts producing revenue from participating customers (for example, contract review by legal counsel, but not any operational or capitalized costs of the program).

Rate Setting and Costs

Lebanon Community Power will only launch if it is able to offer residential default rates that are initially lower than or competitive with those offered by Liberty Utilities; thereafter, the program will strive to maintain competitive rates for all default service customers on an overall annual basis, as well as customers who opt-in or opt-up to receive optional retail products, while working to achieve the program's goals (as set forth in this Electric Aggregation Plan and modified from time to time at the direction of the City Council).

The City Council will adopt an Energy Risk Management Policy and Financial Reserve Policy to govern the program's power procurement and rate-setting decisions. Rates will be set at a level such that revenues from participating customers are projected to meet or exceed the ongoing operating and capital costs of the program.

To ensure the financial stability of Lebanon Community Power, a portion of revenues will be deposited in a financial reserve account. In general, the fund will be restricted for uses such as:

- **In the near-term**, maintain competitive customer rates in the context of price fluctuations in the electricity market and other factors;
- **In the medium term**, as collateral for power purchase agreements (including for the development of new renewable and battery storage projects), and for additional credit enhancements and purposes that lower the program's cost of service; and
- **Over the long term**, may also be used to directly fund other program financial requirements, or to augment the financing for development of new projects and programs in the later years of the program, subject to the City Council's approval.

As required by law, the program will ensure the equitable treatment of all classes of customers, subject to any differences arising from varying opportunities, tariffs, and arrangements between different electric distribution utilities in their respective franchise territories.

In other words, customers will be treated the same based on their circumstances. For example, any customers that opt-in after being offered the opportunity to participate during the initial enrollment period may be offered rates that reflect how market prices have changed in the intervening period.

Changes to the program's default service rates shall be set and publicly noticed at least 30 days in advance of any rate change.

Enrollment Process and Options

Lebanon Community Power intends to launch on an opt-out basis, providing an alternative default service to the utility provided default service rate. After approval of this Electric Aggregation Plan and before the launch of Lebanon Community Power, all customers in the City will be sent notifications regarding the program and offered the opportunity to participate:

- **Customers currently on default service provided by Liberty Utilities** will be sent "opt-out" notifications — describing the program, its implications for the City, the rights and responsibilities of customers, and program rates and charges — with instructions on how to decline participation, and thereafter be transferred to Lebanon Community Power if they do not opt-out of the program prior to launch.
- **Customers already served by Competitive Electric Power Suppliers** will receive "opt-in" notifications describing the program and may request to opt-in to the program.

Customers will be notified through a mailing, which will be posted not less than 30 days prior to the enrollment of any customers. All information will be repeated and posted at the City's Community

Power website. A public information meeting will be held within 15 days of the notification to answer program questions or provide clarification.

Optional products, such as increased renewable power content in excess of the Renewable Portfolio Standard (RPS) requirements and other energy services, including time varying rates, may be offered on an opt-in basis.

After launch and in accordance with any applicable rules and procedures established by the Public Utilities Commission, new customers will be provided with the default service rates of Liberty Utilities and Lebanon Community Power and will be transferred onto Lebanon Community Power's default service unless they choose to be served by Liberty Utilities or a Competitive Electric Power Supplier.

Customers that request to opt-in to the program may do so at the discretion and subject to the terms of Lebanon Community Power.

Residents, businesses, and other electricity customers may opt-out of participating in Lebanon Community Power default service at any time, by submitting adequate notice in advance of the next regular meter reading by Liberty Utilities (in the same manner as if they were on utility provided default service or as approved by the Public Utilities Commission).

Customers that have opted-in to an optional product offered by Lebanon Community Power may switch back to the Liberty Utilities or to take service from a Competitive Electric Power Supplier subject to any terms and conditions of the optional product.

Rights and Responsibilities of Program Participants

All participants will have available to them the customer protection provisions of the law and regulations of New Hampshire, including the right to question billing and service quality practices.

Customers will be able to ask questions of and register complaints with the City, Liberty Utilities and the Public Utilities Commission.

Lebanon Community Power shall maintain the confidentiality of individual customer data in compliance with its obligations as a service provider under RSA 363:38 (privacy policies for individual customer data; duties and responsibilities of service providers) and other applicable statutes and Public Utilities Commission rules. Individual customer data includes information that singly or in combination can identify that specific customer including the individual customers' name, service address, billing address, telephone number, account number, payment information, and electricity consumption data. Such individual customer data will not be subject to public disclosure under RSA 91-A (access to governmental records and meetings). Suppliers and vendors for Lebanon Community Power will be contractually required to maintain the confidentiality of individual customer data pursuant to RSA 363:38, V(b).

Aggregate or anonymized data that does not compromise confidentiality of individual customers may be released at the discretion of Lebanon Community Power and as required by law or regulation.

Participants will continue to be responsible for paying their bills. Failure to do so may result in a customer being transferred from Lebanon Community Power back to Liberty Utilities (the regulated distribution utility and provider of last resort) for default energy service, payment collections and utility shut offs under procedures subject to oversight by the Public Utilities Commission.

Net Metering and Group Net Metering Policies

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

Currently, customer-generators are charged their full retail rate for electricity supplied by Liberty Utilities and receive credits for electricity they export to the grid based on Liberty Utilities' Net Energy Metering (NEM) tariffs.

Lebanon Community Power intends to provide new rates and terms that compensate participating customer-generators for the electricity supply component of their net metered surplus generation.

Customer-generators will continue to receive any non-supply related components (e.g., transmission and distribution credits) directly from Liberty Utilities, as specified under the terms of their applicable net energy metering tariff.

For group net metering where the host customer-generator is on default service, to the extent LCP supply rates are lower than Liberty default service or if the host is located outside of Lebanon, it may be most advantageous for the host to remain a Liberty default service customer, while the other group members are free to switch to Lebanon Community Power for their supply and continue to receive on-bill credits for their participation in the group.

Lebanon Community Power's exact terms, conditions, and rates for compensating and crediting different types of NEM customer generators in the City will be set at duly noticed public meetings and fully disclosed to all prospective NEM customers through the program's enrollment notification process and thereafter.

Certain aspects of administering net energy metering require coordination between Liberty Utilities and Lebanon Community Power. The enabling services and strategies that Lebanon Community Power may pursue, to benefit and encourage customers to adopt distributed generation, include but are not limited to:

- Dual-billing customer-generators separately for supply services;
- Offering time-varying rates and alterative credit mechanisms to compensate customers for surplus generation;
- Streamlining the establishment of new Group Net Metering and Low-Moderate Income Solar Project groups;
- Facilitating interval meter and Renewable Energy Certificate (REC) meter installations for customer-generators; and
- Engaging at the Legislature and Public Utilities Commission to advocate for upgrades and reforms to metering and billing infrastructure and business processes to enable Net Energy Metering and other innovative services to benefit customer-generators.

For additional details regarding these enabling services and strategies, refer to:

- Attachment 5 provides an overview of Liberty Utilities' net energy metering tariffs in use today, including the "standard" and "alternative" tariffs for individual customer-generators as well as

Group Net Metering and Low-Moderate Income Solar Project options, and tables showing the number of customer-generators on net metered service in each utility territory;

- Attachment 6 provides an in-depth discussion regarding operational and strategic opportunities to enhance net metering and group net metering through Lebanon Community Power.

Ensuring Discounts for Electric Assistance Program Participants

Income eligible households can qualify for discounts on their electric bills under the Electric Assistance Program. Lebanon Community Power will support income eligible customers who enroll in the Electric Assistance Program to receive their discount.

Electric Assistance Program discounts are funded by all ratepayers as part of the System Benefits Charge, which is charged to all customers and collected by the distribution utilities.

At present, the Public Utilities Commission and utilities only support provision of the discount to individual customers when the customer's electricity supply charges are billed through the distribution utility.

Lebanon Community Power consequently plans to rely on Liberty Utilities to bill all customer accounts enrolled in the Electric Assistance Program. This represents no change in the provision or funding of this program.

This arrangement may be revisited if, at some point in future, the Public Utilities Commission enables Community Power programs to provide Electric Assistance Program customers with their discount directly.

Termination of the Program

There is no planned termination date for Lebanon Community Power.

Lebanon Community Power may be terminated by majority approval of the City Council. If so terminated, Lebanon Community Power would cease operations after satisfying any obligations contractually entered into prior to termination, and after meeting any advance notification period or other applicable requirements in statute or regulation, at which point participating customers would either be transferred to default service provided by Liberty Utilities or to a Competitive Electric Power Supplier of their choosing.

Lebanon Community Power will provide as much advance notice as possible regarding the potential or planned termination of the program to participating customers, the Coalition, the Public Utilities Commission and Liberty Utilities.

Upon termination, the balance of any funds accrued in the program's financial reserve fund and other accounts, if any, would be available for distribution or application as directed by the City Council and in accordance with any applicable law and regulation.

Electric Aggregation Plan

Attachments

Attachment 1: Legislative Background and Local Control Authorities

In 1996, New Hampshire led the nation in being the first state to pass an Electric Utility Restructuring Act (RSA 374-F), the purpose of which is excerpted in full below:

I. *The most compelling reason to restructure the New Hampshire electric utility industry is to reduce costs for all consumers of electricity by harnessing the power of competitive markets. The overall public policy goal of restructuring is to develop a more efficient industry structure and regulatory framework that results in a more productive economy by reducing costs to consumers while maintaining safe and reliable electric service with minimum adverse impacts on the environment. Increased customer choice and the development of competitive markets for wholesale and retail electricity services are key elements in a restructured industry that will require unbundling of prices and services and at least functional separation of centralized generation services from transmission and distribution services.*

II. *A transition to competitive markets for electricity is consistent with the directives of part II, article 83 of the New Hampshire constitution which reads in part: "Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it." Competitive markets should provide electricity suppliers with incentives to operate efficiently and cleanly, open markets for new and improved technologies, provide electricity buyers and sellers with appropriate price signals, and improve public confidence in the electric utility industry.*

III. *The following interdependent policy principles are intended to guide the New Hampshire public utilities commission in implementing a statewide electric utility industry restructuring plan, in establishing interim stranded cost recovery charges, in approving each utility's compliance filing, in streamlining administrative processes to make regulation more efficient, and in regulating a restructured electric utility industry. In addition, these interdependent principles are intended to guide the New Hampshire general court and the department of environmental services and other state agencies in promoting and regulating a restructured electric utility industry.*

Prior to this point, state regulators set retail customer rates to allow electric utilities to recover a return on their investments (profits) and prudently incurred costs for "vertically integrated" monopoly service — spanning wholesale electricity generation, transmission, local distribution and retail customer services (metering, billing, collections, call center operations and so on).

Restructuring sought to increase competition and technological innovation in the markets for electricity supply and retail customer services, by requiring electric utilities to divest of their generation portfolios, creating a Federally regulated regional electricity market or "Independent System Operator" (ISO New England is the market operator for New England), and allowing Competitive Electric Power Suppliers (CEPs) to offer electricity supply rates and other services to retail customers.

Customers that did not choose a competitive supplier were left on "default service" provided by the electric utilities — afterwards referred to as "electric distribution companies" — which continue to be regulated by the Public Utilities Commission. The distribution utilities periodically hold auctions for competitive suppliers to bid against one another for the right to supply electricity to default service customers in large groups to competitive suppliers. (Refer to Attachment 4 for additional details on this process.)

Status of the Competitive Market

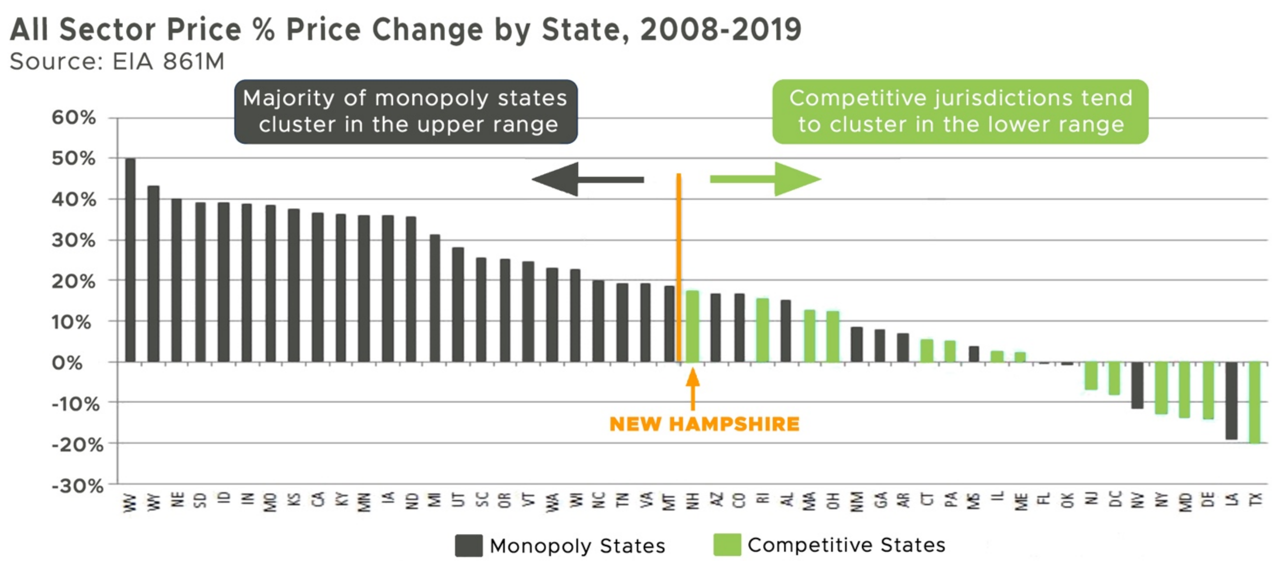
Nearly a quarter century has passed, and New Hampshire's competitive market has seen little growth since 2013. Four out of five customers remain on default service provided by the distribution utilities, and the customers that are on competitive supply only account for about half of total electricity usage.

Regulated distribution utilities continue to provide services that are not natural monopolies, and could therefore be available by competitive means, such as: default electricity supply, metering, meter data management, billing, and other retail customer services (such as demand response and energy storage for smaller customers).

The continued reliance on utilities to provide these customer-facing services has necessitated state regulation over many aspects of the retail customer market. Utility regulation relies on administrative regulatory proceedings, which are necessarily more slow-moving and unable to respond to changing customer technologies and wholesale market dynamics (such as the increased price volatility caused by higher levels of renewable generation) compared to the nimbler, market-based framework envisioned under the Electric Utility Restructuring Act.

Residential customers, in particular, are not offered many rate options or clean technology innovations today: out of the 29 competitive suppliers currently offering service in New Hampshire, only nine offer service to residential customers (and only four serve customers in every distribution utility territory).

As a consequence, New Hampshire has fallen behind every other state with a restructured electricity market in terms of price competition:



Credit: *Retail Energy Supply Association, 2020.*

The Community Power Act

In order to support the growth of competitive market services in alignment with The Electric Utility Restructuring Act, Senate Bill 286 and RSA 53-E:6 have authorized towns, cities and counties to launch Community Power programs that replace distribution utilities as default suppliers of electricity to retail customers. The purpose of RSA 53-E is excerpted below:

> *"The general court finds it to be in the public interest to allow municipalities and counties to aggregate retail electric customers, as necessary, to provide such customers access to competitive markets for supplies of electricity and related energy services. The general court finds that aggregation may provide small customers with similar opportunities to those available to larger customers in obtaining lower electric costs, reliable service, and secure energy supplies. The purpose of aggregation shall be to encourage voluntary, cost effective and innovative solutions to local needs with careful consideration of local conditions and opportunities."*

To achieve this purpose, RSA 53-E:3 allows Community Power programs to enter into agreements and provide for:

> *"the supply of electric power; demand side management; conservation; meter reading; customer service; other related services; and the operation of energy efficiency and clean energy districts adopted by a municipality pursuant to RSA 53-F and as approved by the municipality's governing body."*

RSA 53-E:3-a further provides Community Power programs with authorities and regulatory pathways to offer more advanced meters for customers, and to provide for alternative customer billing options. Both metering and billing services are important means by which Community Power programs will be able to better engage customers and offer more innovative services that lower the energy expenditures and carbon emissions for individual customers and communities.

Lastly, and to enable all municipalities to work together to achieve this purpose, RSA 53-E:3 provides that "*such agreements may be entered into and such services may be provided by a single municipality or county, or by a group of such entities operating jointly pursuant to RSA 53-A.*"

Community Power program "*shall not be required to own any utility property or equipment to provide electric power and energy services to its customers*." To ensure that utilities are fairly compensated for their continuing role in owning and operating the distribution grid, RSA 53-E:4(III) stipulates that:

> *"Transmission and distribution services shall remain with the transmission and distribution utilities and who shall be paid for such services according to rate schedules approved by the applicable regulatory authority, which may include optional time varying rates for transmission and distribution services that may be offered by distribution utilities on a pilot or regular basis."*

Enabling locally controlled Community Power programs, in order to exercise local control over these authorities and bring in third-party competitors to provide more innovative services on a community-wide scale, represents a viable and stable pathway to animate competitive retail markets across New Hampshire — and thus realize a lower-cost, more innovative and sustainable future for both our community and all Granite Staters.

Lebanon is committed to using its local control authorities granted under RSA 53-E to accelerate innovation, customer and community choice in electricity supply, the creation of new economic value, and a sustainable and resilient future for our City and customers.

Attachment 2: The Community Power Coalition of New Hampshire

Lebanon is a founding member of the Community Power Coalition of New Hampshire ("CPCNH" or "the Coalition"), a nonprofit joint powers agency authorized under RSA 53-A and governed by participating communities under the terms of the Joint Powers Agreement unanimously approved by Lebanon's City Council on February 3rd, 2021. The City Council's motion is provided below:

> *Councilor Bronner MOVED, that the Lebanon City Council hereby authorizes the City Manager to enter into an intermunicipal agreement known as the "Joint Powers Agreement" under the provisions of New Hampshire RSA 53-A to create the Community Power Coalition of New Hampshire (CPCNH) for the purpose of supporting member municipalities and counties in developing and implementing electric aggregation plans, pursuant to RSA 53-E, as well as related statutory authorities.*
>
> *BE IT FURTHER MOVED, that the Mayor, in consultation with the City Manager, is authorized to appoint a City representative and an alternate to the CPCNH Membership and Board of Directors.*

The motion was seconded by Councilor Heistad and approved 8-0 by: Mayor McNamara, Assistant Mayor Below, and Councilors Bronner, Heistad, Liot Hill, Sykes, Winny, and Zook.

The Joint Powers Agreement is available on the Coalition's webpage (http://www.cpcnh.org). The agreement includes the nonprofit's Bylaws and Articles of Agreement, and details the common purpose, authorities, structure, Board of Directors, committees, cost sharing principals, liability protections, and other aspects of the organization.

The Cities of Nashua and Dover and the towns of Hanover, Harrisville, Exeter, have also approved entering into the Joint Powers Agreement, Cheshire County is expected to do so over the near-term, and additional communities are starting to evaluate joining the Coalition as founding members as well.

After the founding members jointly execute the agreement, the Coalition will be incorporated, and the Board constituted with Directors appointed by each member's governing body. The Board will directly oversee the initial startup and implementation activities of the Coalition.

Municipalities that adopt the Joint Powers Agreement prior to the joint execution of the agreement by participating municipalities become founding members of the Coalition.

Municipalities that adopt the Joint Powers Agreement after the incorporation of the agency may subsequently apply for membership under the terms and procedures required by the agreement.

Lebanon's Participation in the Design Process

Lebanon has actively participated in the exploratory "Organizing Group" process that designed the Coalition joint powers agency. This process began in December 2019, with communities interested in Community Power meeting regularly to research national best practices and explore the viability of establishing a collaborative nonprofit to share services across municipalities and counties:

- The Coalition's initial Organizing Group consisted of the cities of Lebanon and Nashua, the towns of Hanover and Harrisville, and Cheshire County;

- Technical and community advisors included representatives from both Thayer School of Engineering and Tuck School of Business at Dartmouth, the Monadnock Sustainability Hub, Clean Energy New Hampshire, Growing Edge Partners and Community Choice Partners;
- Activities were carried out in four working group tracks: Governance Agreements, Regulatory and Policy Engagement, Design and Implementation, and Community Engagement.

Over the last year, members of the Coalition's Organizing Group have:

- Participated in the Community Power informal rule drafting process, including by providing the initial and subsequent draft rules for discussion, arranging bilateral meetings with utilities and other stakeholders, and leading significant portions of the subsequent stakeholder workshops at the request of Public Utilities Commission staff;
- Intervened in regulatory proceedings and legislative hearings to represent the interests of communities and customers, such as by advocating for expanded data access in the Commission's Statewide Data Platform docket, DE 19-197, and successfully negotiating the clarification and expansion of key Community Power authorities in House Bill 315;
- Assessed power agency design best practices — in terms of public governance and competitive operating models — by interviewing elected officials, senior staff and vendors operating Community Power programs in other states, along with representatives from public power associations (such as the American Public Power Association and the Vermont Public Power Supply Authority) and other industry experts; and
- Hosted a virtual summit on Community Power that was attended by over eighty representatives from thirty-one municipalities, collectively representing one-quarter of the state's default electricity market.

Most recently, the City of Lebanon, using grant funding and in collaboration with the Organizing Group executed legal, community engagement and professional service contracts to help formally establish and implement the Community Power Coalition of New Hampshire.

Joint Powers Agreement Drafting Process

The Organizing Group began by surveying other Community Power states and the broader public power industry, assessed the legal and governance structure of a selection of successful nonprofit power agencies that provide services to multiple municipal members, and interviewed staff and elected officials involved.

After discussing joint governance issues and reviewing the governance documents of comparable entities, the Organizing Group created a draft Joint Powers Agreement for the Coalition in July 2020.

In September 2020, the City of Lebanon and Town of Hanover, in collaboration with the Organizing Group, reviewed six responses to a Request for Qualifications and retained the legal services of Duncan, Weinberg, Genzer & Pembroke (DWGP). The firm was hired to provide advice on key aspects of joint power agency governance and to finalize the Coalition's Joint Powers Agreement, in compliance with RSA 53-A., with additional support provided by New Hampshire counsel on a subcontracted basis. DWGP are national leaders with over 50 years in public power legal guidance, and the project was led by DWGP President Michael Postar Esq.

The Joint Powers Agreement was finalized in December 2020.

Outreach and Implementation Process

In February 2021, the City of Lebanon, using previously secured grant funding and in collaboration with the Coalition's Organizing Group, contracted with Henry Herndon (formerly the Director of Local Energy Solutions at Clean Energy New Hampshire) and Samuel Golding of Community Choice Partners, Inc., to provide implementation support services prior to launch.

Mr. Herndon is facilitating branding and policy communication efforts, drafting an outreach strategy, compiling resources and facilitating the engagement of prospective members, and onboarding new members and their representatives throughout the state to the Coalition.

Mr. Golding is advising on Community Power rule development at the Public Utilities Commission and other regulatory and legislative affairs, drafting Electric Aggregation Plans and supporting municipalities through the local approval process, creating educational materials and presentations, drafting a business plan and budget for the Coalition, advising on Board policies and staffing, preparing vendor surveys and a request for proposals for the services and financing required to launch Community Power programs, and assisting in the bid evaluation, award and contracting process.

Attachment 3: New Hampshire's Renewable Portfolio Standard

New Hampshire's Electric Renewable Portfolio Standard ("RPS") statute, RSA 362-F, established the renewable energy policy for the State.

The RPS statute requires each electricity provider, including Liberty Utilities and Lebanon Community Power, to meet a certain percentage of customer load by purchasing, generating or otherwise acquiring Renewable Energy Certificates ("RECs"):

- One REC represents the renewable attributes of one megawatt-hour of electricity, or the equivalent amount of useful thermal energy.
- RECs are generated by certified renewable energy facilities for power that is physically delivered into the New England wholesale electricity market operated by ISO-New England (which means the power can come from within New England, New York or eastern Canada).
- The New England Power Pool Generation Information System (NEPOOL GIS) issues and tracks RECs for the region.
- RECs are generally used for compliance in the same year as the renewable power was generated, though suppliers may "bank" RECs for up to two years to meet up to 30% of compliance requirements.

There are four distinct "classes" of renewable certificates under the RPS, each distinguishing between different technologies and dependent upon the year that the generators came online:

1. Class I is divided between thermal and non-thermal renewables:
    - Class I non-thermal electricity, from generators that came online after January 1, 2006: wind, solar, small hydroelectric, methane (biologically derived such as from anerobic digestion of organic materials), biomass, hydrogen (from methane or biomass), ocean thermal, current, tidal or wave energy, and also biodiesel (if produced in state).
    - Class I thermal energy, from generators that came online after January 1, 2013 (and are producing thermal energy, rather than electricity): geothermal, solar thermal, biomass and methane.
2. Class II: solar generation that came online after January 1, 2006.
3. Class III: biomass & methane that came online before January 1, 2006.
4. Class IV: small hydroelectric that came online before January 1, 2006.

Electricity suppliers must obtain RECs for each of the four classes of renewables as a set percentage of their retail electric load, which increase on an annual basis (until plateauing after 2025, unless the RPS is raised in future):

Compliance Year	Total RPS Requirement	Class I Non-Thermal	Class I Thermal	Class II Solar	Class III Biomass & Methane	Class IV Small Hydro
2020	**20.70%**	8.90%	1.60%	0.70%	8.00%	1.50%
2021	**21.60%**	9.60%	1.80%	0.70%	8.00%	1.50%
2022	**22.50%**	10.30%	2.00%	0.70%	8.00%	1.50%
2023	**23.40%**	11.00%	2.20%	0.70%	8.00%	1.50%
2024	**24.30%**	11.90%	2.20%	0.70%	8.00%	1.50%
2025 onwards	**25.20%**	12.80%	2.20%	0.70%	8.00%	1.50%

Note the following flexibilities in meeting Class I requirements:

- Class I non-thermal requirements may be met with Class I thermal biomass and methane resources;
- Class I requirements may also be met with Class III (biomass & methane, thermal and non-thermal) or Class IV (small hydroelectric, non-thermal) resources that have been restored through significant investment or have otherwise begun generating in excess of historic baselines; and
- Solar that came online after January 1, 2006 may be used to satisfy Class II or Class I requirements.

Additionally, net metered customers (primarily customers with solar photovoltaics) that meet certain registration and administrative requirements can track and sell their RECs (which are accounted for in NEPOOL's Generation Information System). Not all customers do, however, and the REC production from such customer generators are estimated by the Public Utilities Commission each year and applied to lower the Class I and Class II procurement requirements of the utilities and other suppliers.

If the electricity providers are not able to meet the RPS requirements by purchasing or acquiring renewable energy certificates, they must pay alternative compliance payments (ACPs). The funds are used for a variety of renewable programs in New Hampshire.

The result is that these alternative compliance payment prices essentially act as a price ceiling for the REC market in New Hampshire. The ACPs for RECs by class in recent years are:

Inflation Adjusted Alternative Compliance Payment Rate ($ per Megawatt Hour)					
	2017	**2018**	**2019**	**2020**	**2021**
Class I (Non-Thermal)	$ 56.02	$ 56.54	$ 57.15	$ 57.61	$ 57.99
Class I Thermal	$ 25.46	$ 25.69	$ 25.97	$ 26.18	$ 26.35
Class II	$ 56.02	$ 56.54	$ 57.15	$ 57.61	$ 57.99
Class III	$ 55.00	$ 55.00	$ 55.00	$ 34.54	$ 34.99
Class IV	$ 27.49	$ 28.00	$ 28.60	$ 29.06	$ 29.44

For example, Eversource, Unitil and the New Hampshire Electric Cooperative have recently made alternative compliance payments instead of purchasing certain categories of RECs:

2019	Alternative Compliance Payments (ACPs)					
Company	Class I	Class I Thermal	Class II	Class III	Class IV	Total
Liberty Utilities	$ -	$ -	$ -	$ -	$ -	$ -
New Hampshire Electric Cooperative	$ -	$ 187,192	$ -	$ -	$ -	$ 187,192
Eversource Energy	$ -	$ 519,893	$ -	$ -	$ -	$ 519,893
Unitil Energy Systems, Inc.	$ -	$ -	$ 1,029	$ -	$ -	$ 1,029
Distribution Utilities Subtotal	**$ -**	**$ 707,085**	**$ 1,029**	**$ -**	**$ -**	**$ 708,114**

For additional information on the Renewable Portfolio Standard, refer to:

- New Hampshire's RPS statute (RSA 362-F)
- Public Utilities Commission RPS Website
- New Hampshire Renewable Energy Fund Annual Report (1 October 2020)
- UNH Sustainability Institute Study: New Hampshire RPS Retrospective 2007 to 2015

Attachment 4: Utility Default Procurement Cycles and Rate Setting

Lebanon Community Power has a goal of maintaining competitive default rates compared to Liberty Utilities, while also offering voluntary products that retail customers may opt-in to receive.

The timing of the program's rate setting decisions, and, to a certain degree, the procurement of electricity will need to consider when Liberty Utilities conducts these same activities (particularly for the program's default electricity product).

As context, Eversource, Liberty Utilities and Unitil all issue requests for proposals (RFPs) twice annually for competitive suppliers to assume load-serving entity obligations and supply default customers with electricity for 6-month "strip" periods, with suppliers bidding to serve individual "tranches" or segments of customers by class.

The procurement schedules, tranches and rate practices for each distribution utility are:

- **Eversource** (Public Service Company of New Hampshire): issues RFPs in May and November with bids due in early to mid- June and December for suppliers to begin serving customers in August and February, offering four ~100 MW tranches to serve small customers and a single tranche to serve large customers (five tranches in total). Retail rates are fixed over the 6-month period for small customers and vary by month for large customers.
- **Liberty Utilities**: follows the same supplier RFP schedule and retail pricing as Eversource but (1) solicits supply for small customers in a single 6-month block tranche and for large customers in two, consecutive three-month block tranches (3 tranches total), and (2) allows bidders to include and price RPS compliance obligations separately (as an additional product).
- **Unitil**: issues RFPs in March and August for delivery beginning in June and December, offering tranches of residential, small commercial, outdoor lighting and large customers classes (four tranches). The large customer RFP is structured in a distinct fashion, in that it passes through market costs for energy and so suppliers compete to price capacity, congestions, ancillary services, etc. for the large customer tranche over the 6-month term; retail rates reflect these load-serving entity costs along with the pass-through of real time locational marginal market prices (which are load-weighted by the entire class' hourly load shape i.e., not the individual large customer's usage profile). Retail rates for the residential, small commercial, and outdoor lighting classes are fixed over the 6-month term, though customers have the option to choose variable monthly pricing if the election is made prior to the start of the next 6-month term.

Supplier bids are priced in dollars per megawatt-hour ($/MWh) on a monthly basis and generally exclude Renewable Portfolio Standard (RPS) compliance obligations (called "Renewable Energy Certificates" or "RECs"), though Liberty Utilities allows RECs to be bid as a separate product. Distribution utilities typically procure most or all of their supply of RECs through competitive solicitations held separately from the auctions for default electricity service.

New Hampshire's RPS requires all electricity suppliers to procure or otherwise obtain RECs for four distinct "classes" of renewables, each distinguishing between different technologies and dependent upon the year that the generators came online.

For 2021, Liberty Utilities is required to include 21.6% renewable energy in their energy supply. This minimum compliance requirement will increase incrementally to 25.2% by 2025 and remain fixed thereafter, absent an increase in the RPS requirement by the NH legislature.

Refer to Attachment 3 for further details on the RPS.

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Attachment 5: Overview of Utility Net Energy Metering Tariffs

Discussion of Utility Net Metering, Group Net Metering and Low-Moderate Income Solar Project Tariffs

Under the net metering process, customers who install renewable generation or qualifying combined heat and power systems up to 1,000 kilowatts in size are eligible to receive credit or compensation for any electricity generated onsite in excess of their onsite usage.

Any surplus generation produced by these systems flows back into the distribution grid and offsets the electricity that would otherwise have to be purchased from the regional wholesale market to serve other customers.

The credits and compensation customer-generators receive for electricity exported to the grid are defined under Net Energy Metering (NEM) tariffs offered by Eversource, Liberty Utilities, Unitil and the .New Hampshire Electric Cooperative.

The Public Utilities Commission (PUC) regulates the investor-owned distribution utilities' Net Energy Metering (NEM) tariffs in accordance with PUC Rule 900 and RSA 362-A:9 (refer to RSA 362-A:9, XIV specifically for Group Net Metering statutes). The NH Electric Cooperative member elected Board of Directors sets their net-metering tariff rather than the PUC. Note that for the 3 investor owned distribution utilities:

- NEM tariffs offered by the utilities underwent a significant change several years ago;
- Customer-generators that installed systems before September 2017 may still take service under the "NEM 1.0" tariff ("standard" or "traditional" NEM); whereas
- Systems installed after August 2017 must take service under the "NEM 2.0" tariff ("alternative NEM")
- NEM 1.0 customers are allowed to switch to taking service under the NEM 2.0 tariff, but cannot subsequently opt-back into NEM 1.0 (with limited exceptions, e.g., participation in certain pilot programs).

Under both tariffs, customer-generators are charged the full retail rate for electricity supplied by Liberty Utilities and receive credits for electricity they export to the grid for some (but not all) components of their full retail rate. Refer to the next subsection for tables comparing NEM 1.0 to 2.0 tariffs.

To appropriately measure and credit customer-generators taking service under a NEM tariff, Liberty Utilities installs a bi-directional net meter that records each kilowatt-hour (kWh) supplied to the customer from the grid and also each kWh that flows back into the grid. This data is recorded and collected on a monthly billing-cycle basis.

For NEM 1.0 tariff systems (installed before September 2017), any kWh exported to the grid are netted against kWh consumed. If there is a net surplus of kWh at the end of the monthly billing period (i.e., more power was exported to the grid by the customer-generator than was consumed) those surplus or negative kWh are carried forward and can be used to offset future kWh consumption (so the customer only pays for their "net" energy consumption).

For NEM 2.0 tariff systems (installed after August 2017), all customer-generators receive a monetary credit for each kWh that is exported valued at 100% of their default electricity supply rate component for the month. Smaller systems (up to 100 kilowatts in size) additionally receive credits for 100% of the transmission component and 25% of the distribution component of their retail rate. (Larger systems, up to 1,000 kilowatts in size, only receive full credit for the electricity supply rate component.)

Note that most customer-generators in Lebanon Community Power are expected to be taking service under NEM 2.0 tariffs going forward.

Any credits that accumulate over time are tracked and used to offset the customer-generator's future electricity bills. Customers may also request to cash-out their surplus credit once a year, after their March billing cycle, if the balance exceeds $100 (or any balance in the event of moving or service disconnection). NEM 1.0 surplus balances are tracked as kWh credits and are converted to dollars at wholesale avoided costs, while NEM 2.0 surplus balances are tracked as monetary credits directly (in dollars). Note that these cash-outs are treated as taxable income by the Internal Revenue Service (IRS). Payments of $600 or more remitted to the customer are accompanied by a 1099 form for the IRS. Utilities may also issue IRS Form 1099s for smaller amounts.

Alternatively, Group Net Metering is a process that allows any customer-generator to share the proceeds of their surplus generation credits to directly offset the electricity bills of other customers, which is financially more advantageous and can increase the effective value of the system. All the members in the group need to be within the same distribution utility service territory but may be served by different suppliers, including by Lebanon Community Power. The credits are calculated based on the host site's NEM tariff and retail rate, and payments are credited to offset the electricity bills of each member directly by Liberty Utilities (if the customers are billed for supply by Liberty Utilities). These allocations are governed by a Group Net Metering Agreement between the host customer-generator and group members, which is part of the registration process overseen by the Public Utilities Commission.

Note that larger systems (up to 1,000 kilowatts in size) actually have to register as group hosts in order to qualify for net metering in the event that the customer-generator exports more than 80 percent of the power produced onsite to the distribution grid. Additionally, if the electricity exported from larger systems exceeds the total electricity usage of the group on an annual basis, the credit for the residual amount (e.g., electricity exported in excess of the group's total usage) is re-calculated based on Liberty Utilities' avoided cost of electricity supply. This rate is lower than the NEM credit based on the customer-generator's retail rate, and results in a downward payment adjustment issued by Liberty Utilities to the host customer. Residential systems under 15 kilowatts, however, are not subject to this adjustment.

Most recently, a Low-Moderate Income (LMI) Community Solar Project option has been implemented under Group Net Metering. The program currently provides an incentive of 3 cents per kWh (dropping down to 2.5 cents after July 2021) in addition to the host site's NEM credits, and solar systems may be either rooftop or ground-mounted systems. To qualify, groups must include at least five residential customers, a majority of which are at or below 300 percent of the federal poverty guidelines, and non-residential customers cannot account for more than 15 percent of the total projected load in the group.

Lastly, all group hosts (except for residential systems under 15 kilowatts) must file an annual report with the Public Utilities Commission and Liberty Utilities that includes the annual load of the host and members, annual total and net surplus generation of the host site system, and additional information for Low-Moderate Income Community Solar Projects.

In addition to NEM credits, all customer-generators have the option of selling the Renewable Energy Certificates (RECs) produced by their systems. This can provide an additional revenue stream to customer-generators, but requires a separate REC meter, registration and ongoing reporting requirement.

Alternatively, the Public Utilities Commission estimates the RECs that could be produced by all customer-generators who do not separately meter and sell their RECs and lowers the Renewable Portfolio Standard procurement requirements for all load-serving entities by an equivalent amount.

Comparison of Utility "Standard" and "Alternative" Net Energy Metering Tariffs

The tables below compare the two tariff structures, which offer different credits to customers depending on the size of their installed system:

Net Energy Metering (NEM) Credit on Net Monthly Exports to Grid

	NEM 1.0 *"Standard NEM"* *Offered prior to 9/1/2017*	**NEM 2.0** *"Alternative NEM"* *Effective 9/1/2017*
Large Systems *100 Kilowatts to 1 Megawatt*	Full credit (at the customer's retail rate) for electricity supply only	
Small Systems *≤ 100 Kilowatts*	Full credit for electricity supply, distribution, transmission, System Benefits, Stranded Cost & Storm Recovery charges	Full credit for electricity supply and transmission; 25% credit for distribution & no credit for other charges

As shown in the table above, levels of compensation for small customer-generators (with systems up to 100 kilowatts) were lowered, such that these customers no longer receive full compensation on their distribution rate component or several other small charges (e.g., the System Benefits, Stranded Cost and Storm Recovery charges).

Additionally, the NEM 2.0 tariff modified the type of credit, and the ways credits for surplus generation are tracked and refunded, for both small and large customer generators:

- Under NEM 1.0, any surplus generation would be tracked as a kilowatt-hour (kWh) credit, which was carried forward to offset the customer's consumption (and bill) in future months. For any kWh credits remaining on an annual basis (at the end of March each year), such customers have the option of either continuing to bank their credits to offset future usage, or to convert the kWh credit into a monetary credit, at a rate set by the Public Utilities Commission (typically ~3 to 5 cents per kilowatt-hour) and to apply the amount to their account or receive a check for the amount owed.
- Under NEM 2.0, kWh credits are automatically converted into a monetary credit every month, valued at the customer's retail rate for that specific month. Customers have the option of either carrying the credit forward to offset to their electricity bill in future months or may receive the refund directly as a check.

The crediting mechanism under NEM 1.0 was relatively more advantageous for customers in one respect. Solar systems generate more power in the spring and summer months relative to other seasons; consequently, the credits that customer-generators would accrue during the summer months would offset their consumption in the winter months on a one-to-one, kWh per kWh basis. This is advantageous because winter supply rates are above summer rates on average.

In another respect, NEM 2.0 offers an advantage to customers that accrue surplus credits over the course of the year, because the surplus is calculated based on components of the customer's retail rate — which is higher than the ~3-5 cents per kilowatt-hour value that is applied to convert NEM 1.0 kWh credits into a monetary credit whenever customers elect to cash-out their surplus.

These changes are summarized in the table below, and apply to all customer-generators regardless of system size:

NEM 1.0 *"Standard NEM"* *Offered prior to 9/1/2017*	**NEM 2.0** *"Alternative NEM"* *Effective 9/1/2017*
kWh credit carried forward. May be refunded at a rate calculated by the Public Utilities Commission (typically ~3 to 5¢ per kWh).	kWh converted to monetary credit automatically each month. Monetary credit carried forward as a bill credit or refundable.

Additional details may be found in the Eversource, Liberty Utilities and Unitil tariffs and the Public Utilities Commission website:

- Eversource Tariffs
- Unitil Tariffs
- Liberty Utilities Tariffs
- PUC overview of Net Metering
- PUC graphic explanation of NEM 1.0 vs. NEM 2.0.

Net Energy Metering Systems by Utility Territory

According to the most recent Energy Information Agency (EIA) Form 861m data, there are about 11,000 customer-generators taking service under Net Energy Metering tariffs in New Hampshire, with a cumulative installed capacity of approximately 140 megawatts (in terms of nameplate capacity in alternating current, or "AC"). Estimated numbers of customer-generators and installed capacity by technology are summarized below:

- Solar photovoltaics: ~120 megawatts (MW) and 10,760 customer-generators; note that:
    - Group Net Metering accounts for an additional ~1.5 MW serving 56 customers; and
    - Sixteen residential customers, in addition to solar photovoltaics, also have battery storage systems with a cumulative capacity of 175 kilowatts (an average size of ~11 kilowatts per customer).
- Onsite wind: 412 kilowatts (kW) and 72 customer-generators.

- “Other” technologies (presumably, small hydro or qualifying combined heat and power systems, or “CHP”): ~17.5 megawatts (MW) and 55 customer-generators.

The table below provides the number of customer-generators in each distribution utility territory:

Number of Net Metered Customer-Generators by Technology

	Customer-Generators by Technology				Subsets of Solar PV Customers	
	Total	**Wind**	**Other (CHP or Hydro)**	**Solar PV**	**Group Net Metering**	**Battery Storage**
Eversource	7,949	37	52	7,860	21	0
Unitil	1,066	3	1	1,062	0	0
Liberty Utilities	724	1	0	723	22	16
NHEC	1,204	31	2	1,171	13	0
Total	10,943	72	55	10,816	56	16

The number of customer-generators by customer class with onsite solar photovoltaic systems, total installed capacity, and average solar system size in each utility territory are provided for reference in the tables below.

Note that these tables do not include Group Net Metered systems and participating customers within groups and reflect only installed solar photovoltaic system capacity (i.e., exclusive of onsite battery storage capacity).

Net Metered Solar Photovoltaic Systems: Number of Customer-Generators

	Residential	Commercial	Industrial	Total Customer-Generators
Eversource	7,195	630	35	7,860
Unitil	973	61	6	1040
Liberty Utilities	633	77	0	710
NH Electric Coop	1,065	81	4	1,150
Total	**9,866**	**849**	**45**	**10,760**

Net Metered Solar Photovoltaic Systems: Total Installed Capacity (MW-AC)

	Residential	Commercial	Industrial	Total Installed Capacity (MW-AC)
Eversource	54.15	29.66	5.09	88.91
Unitil	7.40	2.30	0.73	10.43
Liberty Utilities	4.78	5.12	0.00	9.90
NH Electric Coop	7.61	2.46	0.60	10.66
Total	73.94	39.54	6.42	119.90

Net Metered Solar Photovoltaic Systems: Average System Size (kW-AC)

	Residential	Commercial	Industrial	Average System Size (kW-AC)
Eversource	7.5	47.1	145.5	66.7
Unitil	7.6	37.8	121.2	55.5
Liberty Utilities	7.6	66.5	N/A	24.7
NH Electric Coop	7.1	30.3	149.0	62.2
Average	**7.5**	**45.4**	**138.6**	**52.3**

Attachment 6: Lebanon Community Power Net Metering, Group Net Metering and Low-Moderate Income Solar Project Opportunities

Please refer to Attachment 5: Overview of Utility Net Metering Tariffs as context for this section.

RSA 362-A:9, II grants Community Power programs broad statutory authority to offer customer-generators new supply rates and terms for the generation supply component of Net Energy Metering (NEM). The relevant statutory authority is quoted in full below:

> *"Competitive electricity suppliers registered under RSA 374-F:7 and municipal or county aggregators under RSA 53-E determine the terms, conditions, and prices under which they agree to provide generation supply to and credit, as an offset to supply, or purchase the generation output exported to the distribution grid from eligible customer-generators. The commission may require appropriate disclosure of such terms, conditions, and prices or credits. Such output shall be accounted for as a reduction to the customer-generators' electricity supplier's wholesale load obligation for energy supply as a load service entity, net of any applicable line loss adjustments, as approved by the commission. Nothing in this paragraph shall be construed as limiting or otherwise interfering with the provisions or authority for municipal or county aggregators under RSA 53-E, including, but not limited to, the terms and conditions for net metering."*

Lebanon Community Power intends to offer a NEM generation rate and terms to customers with onsite renewable generation eligible for net metering from Liberty Utilities. Note that any non-supply related components of the Net Energy Metering tariff (e.g., credits for transmission and distribution) will continue to be provided to customer-generators directly by Liberty Utilities.

How Lebanon Community Power calculates, accounts for and provides NEM credits to participating customer-generators for the different types of eligible system sizes, customer types and group configurations will have a number of important financial and practical implications for the program and customers in the City.

Lebanon Community Power also anticipates encountering practical challenges of an operational nature in administering net metering and group net metering programs. This is partly because net energy metering continues to evolve in response to new policy and regulatory requirements, and the day-to-day processes that govern the coordination between the program, participating customers and Liberty Utilities are subject to refinement and change over time.

Lebanon Community Power will be one of the first default aggregation programs to launch in Liberty Utilities' service territory, and the process of transferring significant numbers of NEM customers may cause unanticipated issues due to the metering, billing. and data management requirements of this subset of customers. Lebanon Community Power will maintain close coordination with Liberty Utilities to expeditiously resolve any such issues that may occur.

For example, Lebanon Community Power may decide to separately issue supply bills to customers that have installed systems after September 2017.

The advantage in dual-billing this subset of customers stems from what is essentially an accounting irregularity in how Liberty Utilities' billing system and PUC policies currently treat customer-generators taking service under the NEM 1.0 tariff, which applies to systems installed before September 2017, versus the NEM 2.0 tariff, which applies to all systems installed after that date. As context:

- The cumulative surplus generation exports of net metered customer-generators will decrease the amount of electricity that Lebanon Community Power will have to purchase from the regional power market to supply other customers in the program. The surplus generation from both NEM 1.0 and NEM 2.0 customer-generators will be tracked and netted out from the program's wholesale load obligations by Liberty Utilities for this purpose.
- However, for the purpose of netting out of the program's Renewable Portfolio Standard (RPS) compliance requirements, the surplus generation from NEM 1.0 customers is tracked and accounted for differently than it is for NEM 2.0 customers:
  - Surplus generation from NEM 1.0 customers is tracked as a kWh credit that is carried forward to offset the customer's future electricity supply requirements; these kWh credits will be counted as an offset that decreases the total electricity supplied by the program to retail customers in aggregate — which lowers the program's RPS compliance obligation.
  - Surplus generation from NEM 2.0 customers is tracked as a monetary credit that is carried forward to offset the customer's future electricity bills; even though the monetary credit is calculated each month based on every customer's kWh surplus generation, the monetary credit is treated as a re-sale or delivery of power generated by NEM 2.0 customer and provided to other participating customers through the program — it is not treated, in other words, as an offset that decreases the total electricity supplied by program to retail customers in aggregate — and therefore does not lower RPS compliance obligations in the same way.

  The practical consequence of this accounting treatment is that Lebanon Community Power would have to purchase Renewable Energy Certificates for the amount of surplus generation supplied by NEM 2.0 customer-generators (but not NEM 1.0 customer-generators) in the same way as if the program had imported that amount of electricity from the regional wholesale market.
- Taking on the responsibility of billing this subset of NEM 2.0 customers directly may allow Lebanon Community Power to track and account for the impact of their surplus generation in ways that lower the program's RPS compliance obligations and costs. Specifically, the program could credit customers currently on the utility's NEM 2.0 tariff in the same way that NEM 1.0 customers are credited (i.e., using kWh credits to track surplus generation on the supply portion of the bill). Note that RSA 362-A:9,II explicitly grants Community Power programs the flexibility to offer net metered customers either:
  - A "*credit, as an offset to supply*" for their surplus generation, which is equivalent to the NEM 1.0 tariff accounting practices; or
  - To "*purchase the generation output exported*" which is equivalent to how the NEM 2.0 tariff tracks surplus generation.

  Exercising the first option listed above, by offering NEM 2.0 customers a kWh credit tracked as an offset to supply, would allow Lebanon Community Power to harmonize the accounting treatment of NEM 1.0 and 2.0 surplus generation for the purpose of program RPS compliance reporting. This would help lower program rates and is an option that the program may therefore find cost-effective to implement.

Additionally, certain customer-generators currently receiving IRS Form 1099 taxable income from monetary credits under Liberty Utilities' NEM 2.0 tariff may benefit financially from receiving kWh credits for the supply portion of their monthly surplus generation instead.

While dual billing is typically avoided — as it is less convenient for most customers to receive a separate bill from their utility and supplier — customers with onsite generation systems tend to be highly informed on energy issues and respond positively to more active engagement with both their utility and supplier.

Consequently, dual billing may enhance customer satisfaction, awareness and ongoing participation in the program for customer-generators. Furthermore, dual billing could be done electronically, which is more convenient for the customer and will be less costly for the program than sending paper bills.

Furthermore, Lebanon Community Power may be able to create additional value for customer-generators through a combination of dual billing, assistance with metering upgrades and time-varying rate structures. For example:

- Many customer-generators with solar systems may benefit from local programs that help them reduce their full energy bill costs;
- Providing the customer with a separate supply-only bill would allow Lebanon Community Power to also offer a time-varying rate (which may not otherwise be available through Liberty Utilities' billing system);
- Upgrading to an interval meter (if the customer does not have one) and installing onsite battery storage, combined with a time-varying rate, may enable the customer-generator to further lower their overall bill by shifting their pattern of electricity usage at times of high-power prices and constrained generation and transmission capacity. This could also help to manage and lower the program's electricity supply costs in aggregate as well, and thus benefits all participating customers.

Similarly, Lebanon Community Power may be able to streamline the process and cost of installing REC production meters for customer-generators that don't already have one. By registering customer-generators and purchasing their RECs for their onsite power generation Lebanon Community Power could use them to satisfy part of the program's overall RPS compliance requirements. This would allow the program to source RECs locally and would provide an additional source of revenue for customer-generators in the City.

Lebanon Community Power also intends to evaluate ways to enhance the value of the NEM credits that customers receive overall, from both the program and Liberty Utilities. For example, customer-generators may benefit by becoming hosts in Group Net Metering, including by establishing a Low-Moderate Income Solar Project group. The program may be able to streamline the process required to do so, which entails:

- Matching customers interested in becoming members with prospective group hosts;
- Executing a Group Net Metering Agreement together;
- Registering the group with the Public Utilities Commission and Liberty Utilities; and
- Thereafter filing annual compliance reports.

Lastly, NEM tariffs are subject to revision and Lebanon Community Power, through the Coalition, intends to work with Liberty Utilities, participate in Public Utilities Commission proceedings and engage at the Legislature on issues that impact how the tariffs evolve going forward.

Customers are increasingly adopting new energy technologies and expect to be offered rates and services that provide them with new choices and fair compensation based on their investment; the program's ability to assist customers in these ways is heavily dependent on how state policies and utility regulations evolve over time.

Lebanon Community Power will seek to represent the interests of our community and customers in these matters.

Attachment 7: Lebanon's Public Planning Process

The initial vote by the Lebanon City Council to authorize LEAC to be the City's Electric Aggregation Committee in October 2016 was done in conjunction with the City's intervention in NH PUC Docket No. DE 16-576 concerning the development of new alternative net metering tariffs, also authorized by the City Council. In that proceeding, the City's expert witness, City Councilor and former PUC Commissioner Clifton Below, testified, among other issues, in favor of a proposed real time pricing pilot where a number of customer-generators and other participating customers would be equipped with interval meters and could both purchase and get credit for electricity supplied to the grid at real time hourly prices and receive credit for actual avoided generation capacity and transmission charges.[1] The City proposed the use of RSA 53-C municipal aggregation as a vehicle to sponsor such a pilot to be undertaken in collaboration with Liberty Utilities with PUC approval. At that time RSA 53-E only allowed municipal aggregation on an opt-in basis.

In June of 2017 the PUC approved new alternative net metering tariffs based on a hybrid of two competing settlement proposals, along the lines suggested by the City in live testimony at the public hearing on the settlements. In its Order No. 26,029, the Commission called for all 3 utilities to undertake time-of-use (TOU) rate pilots involving net metering and specifically approved the opt-in real time pricing pilot proposed by the City to be Liberty's TOU pilot[2], stating that:

> "we find that the RTP pilot program proposed to be implemented by the City of Lebanon with Liberty, through a municipal aggregation . . . represents an innovative and forward-looking project that may generate useful data regarding customer behavior and utility rate impacts. We direct Liberty to work with the City to develop the proposed RTP pilot program for filing with the Commission. We will not require that the City of Lebanon RTP pilot program be developed through the stakeholder working group process described below, . . ."

For the next couple of years LEAC and its aggregation subcommittee, which has met 32 times since 2017 at publicly noticed meetings, worked to develop an aggregation plan based on only providing the opt-in real time pricing pilot. On parallel tracks were the development of solar on City sites to be net metered and work to covert street lighting to smart networked dimmable LED lights, which required getting Liberty's tariff changed through an adjudicated PUC proceeding where the City again intervened and succeeded in getting the tariff changed to allow City ownership and control of its streetlights.[3] However, progress working with Liberty on the practicalities of a real time pricing pilot was stymied by the lack an affordable interval metering solution that was feasible and acceptable to both the City and Liberty.

A progress report on efforts to develop Lebanon Community Power was issued by LEAC on April 5, 2018.[4]

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[1] See Exh. 25 City of Lebanon Direct Testimony of Clifton Below; Exh. 26 City of Lebanon Attachments to Direct Testimony of Below; Exh. 59, City of Lebanon Rebuttal Testimony of Below; and Exh. 61, City of Lebanon Attachments to Rebuttal Testimony of Below.

[2] See "Lebanon's Solar Future Shines with PUC Decision on Net Metering, Endorses City's Proposed Pilot, 6/29/17.

[3] See NH PUC Docket No DE 19-064, City of Lebanon testimony of Clifton Below and Attachments.

[4] See Lebanon Community Power Update #1 found at: https://lebanonnh.gov/CivicAlerts.aspx?AID=549&ARC=1367.

On May 4, 2018, with some collaboration with Liberty Utilities, the City issued a Request for Information[5] for the provision of services to support 3 related projects:

1) Smart LED Street Lighting Conversion,

2) Interval Metering for the City's Electric Pilot (in collaboration with Liberty Utilities, the local electric utility), and

3) Services to Support Lebanon Community Power, a Proposed Municipal Aggregation Involving the Use of Real-Time Hourly Pricing.

A key purpose of the RFI was to allow the City to engage in discussion with potential vendors, through an open and transparent process, to develop information to support budget pricing and the feasibility of ways of moving the 3 related projects forward. Useful responses were received across the various topics.

LEAC Chair and City Councilor Clifton Below was also invited to make a presentation at the 2018 Transactive Energy Systems conference at MIT in June 2018, which was also shared with LEAC and the City Council at public meetings in June and July of 2018.[6]

For a while in the summer and early fall of 2018 it looked like there might be a cost-effective path forward working with Liberty to provide interval meters that could be read on a daily or even near real-time basis using a smart street lighting network communication system. However, the vendor eventually indicated that they did not actually know when or if their smart street light communication system would ever be integrated with their smart (interval) meter system, so that approach proved to be a dead end.

Back to the drawing board the City realized that in addition to the metering problem, there were other problems with trying to implement an opt-in only aggregation with RSA 53-E as it stood in 2018, including a catch-22 requirement that a municipality do a mailing to all customers taking electric service from the utility within the town or city, while the utility was prohibited by a more recent law, RSA 362:37-38, from providing such information to the City. Another problem was that the customer acquisition and start-up costs to provide an opt-in only aggregation, whether based on real time pricing or even a conventional forward fixed flat rate, looked too high to be feasible to implement. So in late 2018 the City worked with other interested parties, including the Conservation Law Foundation, Clean Energy New Hampshire, and the Town of Hanover, to draft legislation sponsored by the new majority leader in the State Senate and the former (and now current) majority leader in the Senate, Senators Feltes (D) and Bradley (R) to sponsor legislation, SB 286 (2019) to update RSA 53-E, including to allow an opt-out approach to providing alternative default energy service at a known fixed rate.

In anticipation of possible enactment of SB 286 and a shift to a broader approach to community power aggregation, the City applied for a tax credit grant from the NH Community Development Finance Authority for new capacity development. In June 2019, as SB 286 was being enacted into law, Lebanon was awarded the $60,000 net grant.[7] Over the next 9 months LEAC members, with some support by City staff, raised the $75,000 in donations from local business (partially offset by tax credits) to secure the grant.

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[5] See: https://lebanonnh.gov/bids.aspx?bidID=57, https://lebanonnh.gov/DocumentCenter/View/8359/RFI-for-the-Provision-of-Services-to-Support-Electrical-Projects?bidId=57

[6] See: https://lebanonnh.gov/DocumentCenter/View/6981/TESC-18-Presentation-Clifton-BELOW---LCP?bidId=.

[7] See: https://lebanonnh.gov/CivicAlerts.aspx?AID=1026.

After SB 286 was signed into law, in September 2019, LEAC and the City sponsored a public presentation by Samuel Golding of Community Choice Partners that told the story of how California municipalities have successfully joined forces using joint powers agreements to start-up regional community choice aggregations (CCAs), another term for community power or municipal aggregations. This resulted in a consensus by LEAC, the City Manager and Council to pursue development of Lebanon Community Power in the context of supporting the development of joint powers agreement with other municipalities and counties, resulting in formation of the community power organizing group that first meet in late 2019 and worked in earnest through 2020. By the summer of 2020 it was apparent that the services of specialized legal counsel were needed to assist the organizing group in writing organizational documents. The City publicly issued a request for qualifications (RFQ)for Legal Services for the Development of Community Power.[8] The background document for this RFQ included a "Lebanon Community Power Update" last revised on 7/22/20.[9] The results of this process are further described in Attachment 2.

In early 2021 the City also secured approval of the NHCDFA to amend the anticipated scope of work under its grant to engage consultants Community Choice Partners and Henry Herndon to advance both Lebanon Community Power and the Community Power Coalition of New Hampshire.

Template drafts of this Electric Aggregation Plan (EAP) are one of the results of this engagement.

After finalizing a draft EAP in May, LEAC and its aggregation subcommittee planned public presentations and hearings on the EAP for July and August. A webpage that includes the draft EAP and frequently asked questions went live on July 1 and can be accessed at this address: https://LebanonNH.gov/LCP. Public hearings were publicized and held on July 15, 2021 at 7 pm in City Council chambers and on August 18, 2021 at 6 pm in Council chambers. The second hearing on August 18 was held jointly with the Lebanon City Council with all Council members in attendance. Both hearings were noticed in the *Valley News*, thorough the City's online meeting calendar, through the City's social media[10], and in leaflets handed out during two Farmer's Markets. Both hearings were also virtually accessible through the City's Webex platform. The agenda for the 8/18/21 hearing included a copy of the slide deck used at the hearing.[11] Recordings of both hearings are available on the City's website, although the slides do not display in the recording from 7/15. A variety of questions were addressed, and most public comments were supportive of moving ahead with the plan. No opposition was expressed.

At its 8/19/21 meeting LEAC voted unanimously to recommend the EAP, with various minor updating edits, to the City Council for adoption.

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[8] See: https://lebanonnh.gov/DocumentCenter/View/12155/Community-Power-Legal-Services-7-24-20?bidId=.

[9] See: https://lebanonnh.gov/DocumentCenter/View/12156/Legal-Services-for-Community-Power-RFQ-Background-Documents?bidId=

[10] https://www.lebanonnh.gov/CivicAlerts.aspx?AID=1727.

[11] https://civicclerk.blob.core.windows.net/stream/LEBANONNH/3f9f5fa2-7ebb-4bd9-ad79-e4453abd40f2.pdf?sv=2015-12-11&sr=b&sig=VgJJAJjPF1eJ39xfG2VpNVXtQR1CY6LPYh68MH%2B%2BRY8%3D&st=2021-08-19T19%3A11%3A56Z&se=2022-08-19T19%3A16%3A56Z&sp=r&rscc=no-cache&rsct=application%2Fpdf.

Attachment 8: City Policy Excerpts

The City has an overall vision of becoming "a model for a balanced and desirable sustainable community preserving its New England rural character, smartly managing its growth and urbanization as the hub of the Upper Valley Micropolitan area, and meeting the needs of the present without compromising the ability of future generations to meet their needs."[12]

This vision is rooted a number of policy documents adopted by the City, including:

- **Sustainability Principles**, first adopted by the City Council in 2009 and revised in 2015.
- The **City Master Plan**, adopted in 2012 by both the Planning Board and City Council as official City policy, including, in particular, the **Energy Chapter**.
- The City's 2020-2023 **Outcomes and Work Plan,** including in particular pp. 29-32.
- **City Council Guiding Principles**.
- **Lebanon's Resolution in Support of the Paris Climate Agreement** (8/8/17).

A number of relevant excerpts are provided below:

From the City of Lebanon Sustainability Principles:

Principle #3 – Environmental Responsibility and Energy Efficiency

Does the action . . .

C. Improve energy efficiency and reduce the City's carbon footprint?

D. Engage the Lebanon community to conserve energy and adopt more sustainable technologies for heating, cooling, lighting, transportation, and so forth?

Principle #5 – Economic Vitality

Does the action . . .

A. Promote community prosperity and proactively position our community for a changing world?

B. Support and enhance innovative, diversified, green, and creative enterprises?

D. Encourage partnership between the public and private sectors to achieve shared goals?

Principle #6– Fiscal Responsibility

Does the action . . .

A. Strengthen the City's tax base and maintain or enhance property values?

B. Offer cost-effectiveness, and preferably pay for itself?

C. Promote other forms of revenue to help reduce the fiscal burden on taxpayers?

D. Balance current demands with investments necessary for long-term viability, with particular attention to core services?

E. Ensure transparency in government fiscal policies by linking spending to outcomes?

Principle #7 – Regional Partnerships

Does the action. . .

[12] See: https://lebanonnh.gov/204/Sustainable-Community.

A. Work with neighboring towns to achieve common goals and address common problems more effectively?

B. Encourage a regional view of community interdependence while respecting local autonomy?

C. Manage growth locally and collaborate regionally?

D. Promote positive innovation and excellence by achieving and exceeding best

From City of Lebanon Master Plan, Chapter 13 Energy

The overall long-term goal is that "Lebanon is a leader in energy efficiency, renewable energy reliance, and innovation across municipal, commercial, institutional, and residential sectors."

Vision and Purpose (13-B)

The long-term vision for Lebanon's energy future is to increase energy savings for residents, businesses, and municipal functions, to ensure a robust and stable energy economy, and to reduce the impacts of greenhouse gas emissions that result from a fossil fuel-dependent economy. The purpose of the Energy Plan is to develop near-term outcomes, strategies, and actions that lay a strong foundation for Lebanon's energy future, for the fiscal and environmental benefit and security of the City and its taxpayers.

Visions for energy savings:

- The City of Lebanon shall be a regional leader in energy efficiency, innovation, and fiscal responsibility.
- The City shall explore renewable energy options for purchase and development such as hydro, wind, solar, geothermal, biomass within the City's control to reduce reliance on non-local and foreign sources of energy, and promote similar projects in the commercial sector.
- The City shall comply with the New Hampshire Climate Action Plan, which aims to reduce greenhouse gas emissions 80% below 1990 levels by 2050.

Issues and Priorities: Renewable Energy (13-D-2I)

- By investing in local renewable energy production, the City of Lebanon will reduce its reliance on foreign fuel sources, improve air quality for residents, stabilize the price and supply of energy for its many robust businesses, and reflect strong regional leadership. Additionally, investment in local power generating projects fulfills citizens' desires to maintain small town character and quality of life by gradually returning to the small scale, sustainable power sources that propelled economic development and commercial prosperity in Lebanon since its founding.

Future Challenges & Opportunities (13-F)

Regional Coordination & Leadership (13-F-1)

- The City of Lebanon has a strong commitment to leading-by-example in areas such as energy efficiency to demonstrate cost-effective solutions to citizens, businesses, and other municipalities. As the regional center for the Upper Valley, Lebanon has a tremendous opportunity to benefit from energy savings by residents and businesses.

- As a regional leader, the City of Lebanon should promote private-public partnerships and inspire the commercial sector to invest further in efficiency and renewable technology by paving the way. . . .

Renewable Energy Opportunities (13-F-3)

- The City shall actively pursue opportunities to develop and purchase renewable energy sources such as hydropower, wind, solar, biomass and geothermal.

Aggregate Power Purchasing (13- F-11i)

- A group of communities and and/or larger utility users (e.g. large employers, school districts, large commercial power consumers) can coordinate to aggregate their electric supply accounts and negotiate lower power generation rates than are offered through the existing regional power supply companies.

OUTCOME 2 The City relies upon as much local renewable energy as possible.

OUTCOME 3 There is a culture of energy efficiency and conservation within the City's municipal, commercial, institutional, and residential communities.

- Strategy D. The City shall explore opportunities to collaborate with local and regional partners, including the Lebanon School District and neighboring communities, to develop regional energy initiatives including aggregated power purchasing, expanded commuter engagement, and other opportunities to reduce energy use and costs.

OUTCOME 4 The City's residential, commercial, and institutional sectors privately invest in energy efficiency and renewable energy projects.

- Strategy A. The City shall take active steps to encourage residents, businesses, and institutions to invest in efficiency and renewable technology.
- Strategy B. The City shall pursue public-private partnerships to save money and generate energy.

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF LEBANON, NEW HAMPSHIRE IN SUPPORT OF THE PARIS CLIMATE AGREEMENT[13]

WHEREAS, consensus exists among the world's leading climate scientists that global warming caused by emissions of greenhouse gases from human activities is among the most significant problems facing the world today; and

WHEREAS, documented impacts of global warming include but are not limited to increased occurrences of extreme weather events (e.g. droughts and floods), adverse impacts on ecosystems, demographic patterns and economic value chains; and

WHEREAS, the State of New Hampshire through its Climate Action Plan developed under the auspices of the Department of Environmental Services has called for a statewide reduction of GHG emissions by 80% below 1990 levels by 2050; and

WHEREAS, the City of Lebanon, New Hampshire, has adopted an Energy Chapter to its Master Plan as official City policy that calls for the City to be an innovative leader in energy efficiency

[13] Unanimously approved on 8/8/17 See:https://lebanonnh.gov/CivicAlerts.aspx?AID=294&ARC=490

and reliance on renewable energy, and compliance with the goal of the New Hampshire Climate Action Plan to reduce GHG emissions by 80% below 1990 levels by 2050.

WHEREAS, responding to climate change provides communities an opportunity to access first mover advantage in the range of products, services and know-how that transitioning to a climate-compatible future brings; and

WHEREAS, the Paris Agreement resulted in a commitment from almost every nation to take action and enact programs to limit global temperature increase to less than 2 degrees Celsius, with an expectation that this goal would be reduced to 1.5 degrees in the future;

NOW, THEREFORE, BE IT RESOLVED THAT THE CITY OF LEBANON:

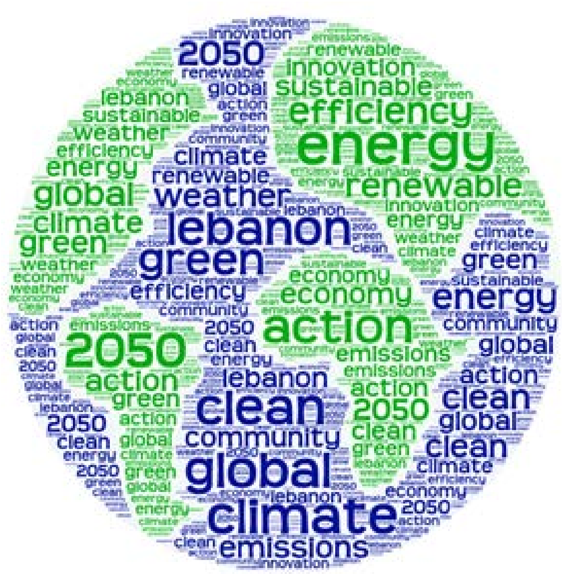
Indicates its continuing commitment to reducing GHG emissions through its implementation of its Master Plan; and

Joins other US cities and municipalities in the Climate Mayors network and otherwise in adopting and supporting the goals of the Paris Agreement; and

Commits to exploring the potential benefits and costs of adopting policies and programs that promote the long-term goal of GHG emissions reduction while maximizing economic and social co-benefits of such action; and

Stands ready to work with other communities and towns across the state, to provide the leadership and resources at the local level that will reduce greenhouse gas emissions, protect our most vulnerable residents from the impacts of climate change, and reap the benefits of the transition to a clean energy economy.

A summary of the City's Energy and Environmental Sustainability initiatives as of November 2017 are summarized in this document: https://lebanonnh.gov/DocumentCenter/View/5570/Summary-of-City-of-Lebanon-Initiatives-on-Energy-Sustainability?bidId=



AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

10. NEW BUSINESS:

10.B – AUTHORIZATION FOR THE CITY MANAGER TO SIGN THE JOINT POWERS AGREEMENT WITH THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE

BACKGROUND

At its February 3, 2021 meeting, the City Council adopted the following motion on an 8-0 vote:

> **ACTION:** Councilor Bronner MOVED, that the Lebanon City Council hereby authorizes the City Manager to enter into an intermunicipal agreement known as the “Joint Powers Agreement” under the provisions of New Hampshire RSA 53-A to create the Community Power Coalition of New Hampshire (CPCNH) for the purpose of supporting member municipalities and counties in developing and implementing electric aggregation plans, pursuant to RSA 53-E, as well as related statutory authorities.
>
> **BE IT FURTHER MOVED**, that the Mayor, in consultation with the City Manager, is authorized to appoint a City representative and an alternate to the CPCNH Membership and Board of Directors. Seconded by Councilor Heistad.

Since that time, after numerous reviews of the Joint Power Agreement (JPA) by various attorneys and others, a few housekeeping items and somewhat more substantive lack of clarity of conflicting provisions have been brought forth. A thorough review was made and proposed edits were suggested, in consultation with Attorney Michael Postar of the law firm DWGP. Over the course of August, a consensus was reached among representative of the municipalities that have voted to enter into the JPA to proceed with adopting the revisions, prior to final execution of the JPA. On August 25, 2021, the revised version was sent to the Attorney General’s Office for their approval for conformity with New Hampshire law in accordance with RSA 53-A:3, V.

Attached is the revised version of the JPA, preceded by slides that highlight and index key points. Following that is a memo dated 8/2/21 from Assistant Mayor Below on behalf of the ad hoc organizing group explaining the proposed changes. For legal clarity the Council is asked to approve the City entering into the attached revised version of the JPA.

ACTION

MOVED, that the Lebanon City Council hereby authorizes the City Manager to enter into an intermunicipal agreement known as the “Joint Powers Agreement” (JPA) under the provisions of RSA 53-E to create the Community Power Coalition of New Hampshire (CPCNH) for the purpose of supporting member municipalities and counties in developing and implementing electric aggregation plans, pursuant to RSA 53-E, as well as related statutory authorities, referencing the revised version of the JPA as it appears in the September 15, 2021 City Council agenda packet.

Included in this Section:

1. Joint Powers Agreement, Community Power Coalition of New Hampshire, August 25, 2021
2. August 2, 2021 memorandum from Assistant Mayor Below on behalf of the CPCNH Organizing Group

FOR COMMUNITIES, BY COMMUNITIES.

JOINT POWERS AGREEMENT

Community Power Coalition of New Hampshire

August 25, 2021

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

RSA 53-A: AGREEMENTS BETWEEN GOVERNMENT UNITS

- **53-A:1 Purpose**. – It is the purpose of this chapter to permit municipalities and counties to make the most efficient use of their powers by enabling them to cooperate with other municipalities and counties on a basis of mutual advantage and thereby to provide services and facilities in a manner and pursuant to forms of governmental organization that will accord best with geographic, economic, population and other factors influencing the needs and development of local communities.
- **53-A:3 Joint Exercise of Powers.** Any power or powers, privileges or authority exercised or capable of exercise by a public agency of this state may be exercised jointly with any other public agency of this state. . . .
- Law details requirements for JPAs.
- RSA 53-A:3, V. **Every agreement** made hereunder **shall, prior to and as a condition precedent to its entry into force, be submitted to the attorney general who shall determine whether the agreement is in proper form and compatible with the laws of this state**.

ATTORNEY GENERAL
DEPARTMENT OF JUSTICE

33 CAPITOL STREET
CONCORD, NEW HAMPSHIRE 03301-6397

GORDON J. MACDONALD
ATTORNEY GENERAL

JANE E. YOUNG
DEPUTY ATTORNEY GENERAL

RECEIVED
19 JAN 2021
Lebanon
City Manager's Office

January 14, 2021

Shaun Mulholland, City Manager
City of Lebanon
51 North Park Street
Lebanon, NH 03766

Re: Joint Powers Agreement for Community Power Coalition

Dear Manager Mulholland:

Please be advised that pursuant to RSA 53-A:3, V, this Office hereby approves the enclosed Joint Powers Agreement pertaining to the proposed agreement submitted to this Office on December 29, 2020 for the creation of a Community Power Coalition for developing and implementing electric aggregation plans between the City of Lebanon, Town of Hanover, City of Nashua, and Cheshire County.

Sincerely,

Nicholas A. Chong Yen
Assistant Attorney General

Note: The attached is the proposed JPA as of 8/25/21. This version updates the original version approved by the Attorney General on 1/14/21 and is currently under review for conformity with NH law by the A.G.

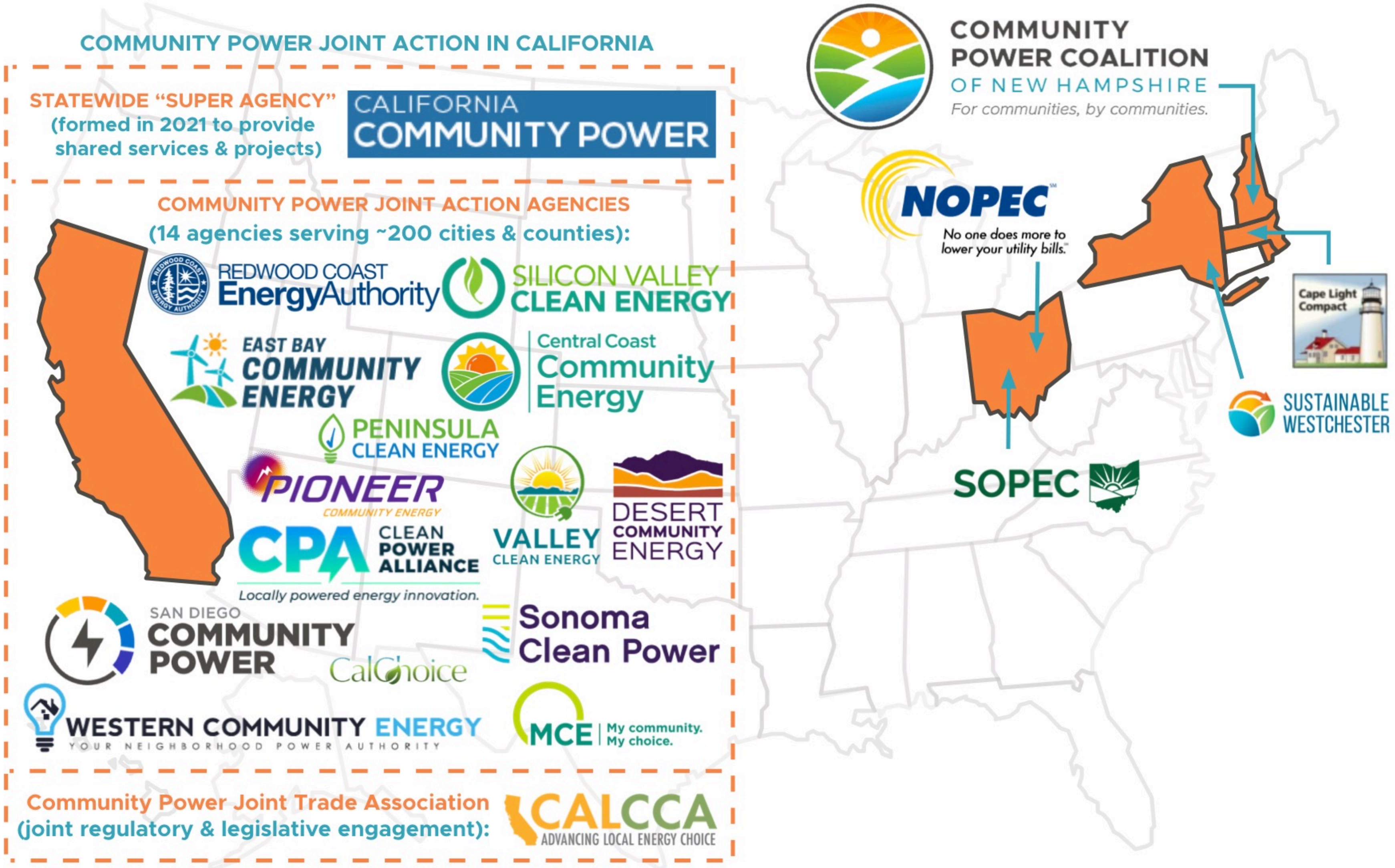
Public Power Joint Power Agencies (JPAs)

Public utilities & coops formed 70+ joint power agencies over the past ~50 years to provide power supply services for many of the more than 2,000 municipal electric utilities in the U.S.

There are another 63 power supply cooperatives serving many of the more than 800 retail electric cooperatives.

Community Power JPAs

Hundreds of local communities have formed collaborative & joint power agencies



CPCNH Joint Power Agreement (JPA) – Outline of Key Sections

- **Recitals** that lay predicates or reasons for entering into the JPA. p. 1-2
- Outline of Documents included p. 2
  - Att. B: Articles of Agreement of CPCNH p. 16
  - Att. C: Corporation By-Laws pp. 21-34
- **Purpose of JPA & Art. IV - Membership** p. 3
- **Art. V - Cost Sharing Principles** -- Cost sharing only by Agreement – designed to be covered by margin on revenue for electricity supply & other services. pp. 4-5
- **Art. VI-VIII - Meetings, Board, Employees & Agents** – mostly dealt with in By-Laws. p. 6
- **Art. IX - Committees of Board** detailed. p. 6
- **Art. X** - How **Projects** may be developed – voluntary opt-in, w/ project specific contracts & voting based on project share. pp. 9-10
- **Art. XI - Bond & Notes** – for projects: must be approved by project participant governing & legislative bodies per law; **non-recourse to members unless expressly agreed to**. p. 10
- **FIREWALL PROVISION: Art. XII - Limitation of Liability:** "No debt, liability, or obligation of the Corporation shall be a debt, liability, or obligation of any Member unless otherwise specified and agreed to by individual Members under a Cost Sharing Agreement or Project Contract under this Agreement." p. 10
- **Art. XII - Accounts & Reports:** ". . . The books and records of the Corporation shall be open to inspection at all reasonable times to each Member and its representatives. . . ." p. 10
- **Art. XIV - Term** – Effective after at least 2 communities execute agreement. p. 11
- **Art. XV - Indemnification and Insurance** in By-Laws p. 11
- **Art. XVI - Amendments** -- 2/3 of Members voting at an Annual Meeting except veto by two or more Members totaling 50% or more of the population of all Members based upon the most recent population census. Except amending this article & XII, XIV and XV require governing body OK of every member. p. 11

CPCNH JPA – Articles of Agreement (p. 16)

Incorporated as a NH nonprofit corporation per Secretary of State format

SECOND: The purpose of CPCNH is:

- to promote the common good and general welfare by supporting the economic vitality and prosperity of local communities by enabling municipalities and counties to support and jointly exercise authorities granted to them pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D (including by reference NH RSA 33), all in accordance with NH RSA 53-A;
- to assist member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing Electric Aggregation Plans and Programs known as Community Power Aggregations ("CPAs");
- to provide supportive services and technical assistance to community power aggregations serving member towns, cities, counties, unincorporated places, and village districts;
- and to support and promote public education and civic engagement by the residents and businesses of member communities in developing and implementing energy and climate policies and actions and the role of CPAs in advancing such policies and actions for the common good.
- Reference also made to the JPA purpose "to study, promote, develop, conduct, operate, and manage energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose."

CPCNH JPA – Articles of Agreement (pp. 17-19)

POWERS: *(similar to other joint power agencies & governmental instrumentalities)*

. . . 7.13 Incur debts, liabilities, and obligations, provided that **all debts, liabilities and obligations shall be non-recourse to any and all of the Members unless expressly agreed to by such Members through a Member's Cost Sharing Agreement or Project Contract as those terms are defined in the JPA;**

7.14 Issue revenue bonds, and incur other forms of indebtedness including but not limited to loans from private lending sources, pursuant to NH RSA 33-B, RSA 53-E, RSA 53-F, and RSA 374-D, **provided that any such bond or debt issuance is approved by participating Members' governing and legislative bodies as required by statute**; . . .

7.21 Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

CPCNH JPA – Articles of Agreement (p. 19)

Limitation of Personal Liability

EIGHTH: . . . There shall be no personal liability of a director, an officer, or both, to the corporation for monetary damages for breach of fiduciary duty as a director, an officer, or both, except with respect to:

1. Any breach of the director's or officer's duty of loyalty to the corporation. [fiduciary & good faith governance duties]

2. Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law.

3. Any transaction from which the director, officer, or both, derived an improper personal benefit.

CPCNH JPA – Initial By-Laws (pp. 21-34)

Art. 2 - Purpose & Powers pp. 21-23

- Purpose largely repeats, Powers are identical to those under Articles of Agreement

Art. 3 - Membership: p. 23

3.5 Manner of Becoming a Member

3.6 Designation of Member Representatives; Voting

- ONE VOTE PER MEMBER AS REQUIRED BY LAW

3.7-8 Withdrawal/Termination of Membership

Art. 4 - Membership Meetings p. 24

4.6 All CPNH meetings to comply with RSA 91-A

Art. 5 - Board of Directors p. 25

5.3 Composition: 5-21 w/1 Director per Member until more than 21 members then:

- Annual elections of 11-21 Directors by Membership
- Staggered 3-year terms; no term limits

5.15 Board positions voluntary; compensation by Member not precluded (e.g., could be an employee of the Member)

5.16 Director may not serve as CEO – 6 mo. stay-out

Art. 6 – Committees – Limitations p. 29

Art. 7 – Officers p. 29

Elected annually by Board, 1 yr. term, 3 yr. term limit

- Chair, Immediate Past Chair, V. Chair, Sec. & Treas.

7.8 – Removal by 2/3 of Board if in interest of CPNH

Art. 8 – Chief Executive Officer p. 29

- Working title to be determined
- Serves at pleasure of Board
- Prior to hiring CEO Board may retain consultants, interim staff, and/or an acting manager

Art. 9 – Amendments to By-Laws p. 31

- Require 2/3 vote of Members @ membership mtg.
- Minimum 14 days advance notice.
- Amendments to this Article IX; Art. XI – Dissolution, Liquidation, and Distribution; and Art. XIII - Indemnification & Insurance require approval of all Member governing bodies.

CPCNH JPA – Initial By-Laws (pp. 32-34)

Art. 10 - Financial Report & Audits p. 32

- Annual independent financial report by CPA required – provide to each Director & Member

Art. 11 – Dissolution & Liquidation p. 32

- Require unanimous consent of all Members
- Responsible winding-up required
- All remaining proceeds & assets to Members

Art. 12 – Conflict of Interest pp. 32-33

12.1 Duty to Disclose & Voting Requirements

12.2 Compliance with pecuniary benefit transactions statutes in NH law.

Art. 13 – Indemnification & Insurance p. 33

- Broad Indemnification; exceptions consistent with Articles of Agreement (e.g., breach of duty, bad faith, intentional misconduct, improper personal benefit).

13.2 Insurance required.

- **By-Laws crafted for compliance with NH law** regarding charitable trusts if deemed a charitable entity by NH Attorney General.
- Rather than charity status under IRS Code § 501(c)3, **CPCNH is structured to qualify for tax exemption under § 501(c)4** as a "social welfare" organization that is created to carry out governmental and utility type functions as an affiliate of governmental entities that is controlled exclusively by them and is accountable to them.
- **CPCNH expected to seek a private ruling letter from IRS that it is exempt from taxation per IRS Code §115 as a governmental instrumentality.**
- **As such the By-Laws are drafted to require full compliance with RSA 91-A.**

JOINT POWERS AGREEMENT

OF

COMMUNITY POWER COALITON OF NEW HAMPSHIRE

Effective October 1, 2021

Among the Following Parties:

City of Lebanon, Town of Hanover, City of Nashua, Cheshire County, Town of Harrisville, Town of Exeter, Town of Rye, City of Dover, Town of Warner, Town of Walpole, Town of Plainfield, and Town of Newmarket

This Joint Powers Agreement ("Agreement" or "JPA") is made and entered into pursuant to the provisions of New Hampshire Revised Statutes Annotated ("NH RSA") 53-A:3, as it may be amended, providing for the joint exercise of powers among the parties set forth in Attachment B ("Parties"). The term "Parties" shall also include a municipality, county, or a group of such entities operating jointly pursuant to RSA 53-E:3, II(b) added to this Agreement in accordance with Article IV, Section 4. Parties to this Agreement shall also be known as "Members."

RECITALS

WHEREAS, the Constitution of New Hampshire declares that "Free and fair competition in the trades and industries is an inherent and essential right of the people and should be protected against all monopolies and conspiracies which tend to hinder or destroy it";

WHEREAS, in 1996, the New Hampshire General Court enacted NH RSA 374-F, the Electric Utility Restructuring Act to "to reduce costs for all consumers of electricity by harnessing the power of competitive markets . . . for wholesale and retail electricity services";

WHEREAS, in 1996, the NH General Court also enacted NH RSA 53-E, "Aggregation of Electric Customers by Municipalities and Counties" and in 2019, the General Court enacted SB 286 (Chapter 316, NH Laws of 2019) to better enable municipalities and counties to create Community Power Aggregations ("CPAs") as a competitive means for local governments to achieve their local policy goals and assume the responsibility of providing electricity service to their residents and businesses that do not choose an alternative supplier;

WHEREAS, electric aggregation will allow communities to promote renewable and distributed energy development, energy efficiency programs, price stability, access to innovative energy products, services, and rates, and local economic benefits through local control;

WHEREAS, local communities have substantial responsibilities and authority for land use planning, including adoption of master plans that may address transportation, utility and energy planning among other needs pursuant to NH RSA 674:2, zoning, development review, building and fire code administration, adoption of "stretch" codes pursuant to NH RSA 155-A:2, V, and creation of energy commissions pursuant to NH RSA 38-D for the study, planning, and utilization of energy resources and making recommendations on sustainable practices;

WHEREAS, the Members desire to establish a separate legal entity, known as Community Power Coalition of New Hampshire ("CPCNH" or the "Corporation"), under the provisions of NH RSA 53-A, in order to jointly support the implementation and operation of their respective CPAs and related energy programs and to offer membership on the same mutually-advantageous terms to all municipalities and counties throughout the State of New Hampshire; and

WHEREAS, by establishing the Corporation, the Members seek to create an independent enterprise that is financially sustainable, mutually beneficial, responsive to local priorities, well managed, and overseen by both elected officials and members of the public to promote the common good and general welfare by supporting the economic vitality and prosperity of local communities.

AGREEMENTS

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions hereinafter set forth, it is agreed by and among the Members as follows:

ARTICLE I
DEFINITIONS AND ATTACHMENTS

SECTION 1. Definitions. Capitalized terms used in the Agreement shall have the meanings specified in Attachment A, except when defined in context (such as where the term is set off by quotation marks or is part of the section or article heading that defines the term) or where the context requires otherwise.

SECTION 2. Documents Included. This Agreement consists of this document and the following attachments, all of which are hereby incorporated into this Agreement:

Attachment A: Definitions

Attachment B: Articles of Agreement of the Corporation

Attachment C: Corporation By-Laws

Attachment D: List of Members

Attachment E: Signatories

Attachment F: List of Project Contracts

Attachment G: Notices to Corporation

SECTION 3. Revision of Attachments. The Members agree that Attachments D, E, F, and G to this Agreement describe certain organizational and administrative matters that may be revised from time to time upon approval of the Board or Membership, without such revision constituting an amendment to this Agreement. The Corporation shall provide written notice to the Members of revision of any such attachment.

ARTICLE II
FORMATION OF CORPORATION

SECTION 1. Creation of Corporation. The Corporation will be formed by the filing of the Articles of Agreement of the Corporation in the form set forth in Attachment B with the New Hampshire Secretary of State.

SECTION 2. Purpose. The purpose of this Agreement is for Members to make the most efficient use of their powers on a basis of mutual advantage through a corporation separate from, and for which, the Members are not liable for the debts, liabilities, or obligations of the Corporation, except to the extent they may have contracted with the Corporation to be liable thereafter. The Members will form the Corporation to regulate and manage the affairs of the Corporation not inconsistent with the laws of New Hampshire or the Articles of Agreement, in order to study, promote, develop, conduct, operate, and manage energy-related programs, and to exercise all other powers necessary and incidental to accomplishing this purpose. Without limiting the generality of the foregoing, the Members intend for the Corporation to jointly exercise certain powers, privileges, and authorities granted to municipalities and counties pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D (and by reference NH RSA 33), all in accordance with NH RSA 53-A**;** to assist Members in exercising their authorities under, and complying with, the provisions of NH RSA 53-E in developing and implementing Electric Aggregation Plans and Programs, known as CPAs; to provide supportive services and technical assistance to CPAs serving member municipalities and counties; and to support and promote public education and civic engagement by the residents and businesses of member communities in developing and implementing energy and climate policies and actions and the role of CPAs in advancing such policies and actions for the common good. The Corporation will be a non-stock, non-profit voluntary corporation.

ARTICLE III
POWERS

Powers under this Agreement shall be the same as provided for the Corporation as reflected in the Articles of Agreement of the Community Power Coalition of New Hampshire, with the initial text as set forth in Attachment B.

ARTICLE IV
MEMBERSHIP

SECTION 1. Members to Agreement. Each Member certifies that it intends to, and does, contract with every other Member and, in addition, with such other Members as may later be added. Each Member also certifies that the withdrawal or termination of any Member from this Agreement does not affect this Agreement, each Member's obligations under the Agreement, and each remaining Member's intent to contract with the other Members then remaining. Members acknowledge that membership in the Agreement may change by the addition and/or withdrawal or termination of Members. Prior to the initial Members Annual Meeting, each eligible entity upon delivery of a certified authorization of participation in, and an executed, Agreement shall become a Member as provided for in Sections 2 and 3 below.

SECTION 2. Membership Eligibility. Membership in the Agreement will be pursuant to the same terms for Membership in the Corporation as reflected in the By-Laws.

SECTION 3. Additional Members. Any eligible entity may become a Member of the Agreement pursuant to the same terms for Membership in the Corporation as reflected in the By-Laws.

SECTION 4. Voluntary Withdrawal of Member. Voluntary withdrawal of a Member from the Agreement shall be pursuant to the same terms for voluntary withdrawal of membership in the Corporation as reflected in the By-Laws.

SECTION 5. Involuntary Termination of Member. Involuntary Termination of Member from the Agreement shall be pursuant to the same terms for involuntary termination of membership in the Corporation as reflected in the By-Laws.

SECTION 6. Continuing Obligations. Any withdrawn or terminated Member shall continue to be liable for its obligations under any Project Contract and Cost Sharing Agreement(s) for the remaining term of any such Project Contract or Cost Sharing Agreement . The Member's equity or deficit position while a participant in any Project Contract will continue to be reflected in the records and reports of the Corporation. The Corporation may withhold funds otherwise owing to the Member or may require the Member to deposit sufficient funds with the Corporation, as reasonably determined by the Board, to cover the Member's liability for the costs described herein. Any amount of the Member's funds held on deposit with the Corporation above that required to pay any liability or obligation shall be returned to the Member.

ARTICLE V
COST SHARING PRINCIPLES

SECTION 1. Fiscal Year. The fiscal year shall be the calendar year, subject to the Board's discretion to amend the Fiscal Year. Before changing the Fiscal Year, the Board shall confer with the Treasurer and may confer with the auditor.

SECTION 2. Budget. The budget will be established pursuant to the terms reflected in the By-Laws.

SECTION 3. Cost Sharing Agreements. An agreement shall be entered into between the Corporation and each respective Member, uniform in all material respects, except with regard to the scope of Member services and Project Contracts that each Member selects to participate in and pay for, to ensure that the costs, expenses, debts, and liabilities ("Costs") directly or indirectly incurred by the Corporation on such Member's behalf are recovered through said Member's CPA revenues, or from revenues from grants or other third-party sources. Such Costs shall be classified as:

(a) **CPA Member Services Costs:** Costs incurred to provide the Complete Service Bundle, or such services that CPCNH offers, shall be recovered directly from Member(s) for the period they contract to receive such service(s). The Complete Service Bundle will include those services CPAs will require to undertake and provide Electric Aggregation Plans and Programs, such as: power supply procurement and management, data and billing, and customer service;

(b) **General and Administrative Costs**: Costs described in Article V, Section 4 are incurred for the common objectives of all Members of the Corporation, and are not incurred specifically in connection with a particular Project, Project Contract, or Member Service and shall be allocated to, and recovered from, each Member on a *pro rata* basis in accordance with the following formula: Member CPA's Annual Retail Electricity Load divided by all Member CPAs' Annual Retail Electricity Load; and

(c) **Direct Project Costs**: Costs incurred for a particular Project pursuant to a Project Contract shall be recovered directly from the Member(s) that participate in a particular Project or pursuant to the Project Contract that governs Member cost responsibility for the Project.

SECTION 4. General and Administrative Costs. General and Administrative Costs include those that have been incurred for the general operation and administration of the Corporation, and other expenses of a general character, including but not limited to Costs relating to: administrative offices that serve the Corporation; Corporation-wide financial management, business services, budget and planning, and personnel management; operations of the Corporation's central management information systems; general management of the Corporation, such as strategic direction and member affairs, Board functions, accounting, procurement, and legal services; operation and maintenance expense; depreciation and use allowances; and interest costs.

General and Administrative Costs do not include Costs that relate solely to, or are incurred by, the Corporation for CPA Member Services or as a result of any specific Project or Project Contract. The intent of the Members is to ensure that all Costs incurred by the Corporation that are directly related to CPA Member Services will only be paid by the Members receiving such services or for any specific Project will be paid only by the Project Participants of that specific Project. As such, when an activity or cost generally included within the General and Administrative Cost category benefits CPA Member Services, a specific Project or Project Contract, or is performed or budgeted for a specific Project or Project Contract, an appropriate adjustment shall be made to assure that the proper portion of the Cost of such activity is categorized and allocated as CPA Member Services costs to a Member receiving such service, or as a Direct Project Cost to the Project Participants, subject to Cost allocation under the applicable Project Contract. The Members intend that all Costs of the Corporation that are not directly assigned for recovery to CPA Member Services, a specific Project or Project Contract will be recovered as General and Administrative Costs.

SECTION 5. Member Advances, Contributions and Repayment. Upon the request or approval of the Board, any Member may make payments, advances, or contributions to the Corporation for any and all purposes set forth herein, and may contribute personnel, equipment or property, in lieu of other contributions or advances, to assist in the accomplishment of one or more of such purposes. All such payments, advances or contributions, whether in cash or in kind, shall be made to, and may be disbursed or used by, the Corporation. Except as otherwise specified in contracts with Members by the Board, the approved advances will be treated as indebtedness of the Corporation and shall be payable and repaid as such.

SECTION 6. Refunds. No Member that withdraws or is terminated shall be entitled to a refund of any payments made in connection with General and Administrative Costs.

SECTION 7. Funding of Initial Costs. Any Members that have funded activities necessary to implement the Corporation may request that the Board consider reimbursing said Members for said costs over a reasonable time period and shall provide such documentation of costs paid as the Board may request.

ARTICLE VI
MEMBERSHIP MEETINGS

SECTION 1. Annual Meeting of the Members. Membership meetings in the Corporation as reflected in the By-Laws shall substitute for, and fully satisfy, all membership meeting requirements under this Agreement.

SECTION 2. Expenses. Each Member shall bear its own expenses, including the expenses of its designated representative (s), for attendance at all regular and special meetings.

ARTICLE VII
BOARD OF DIRECTORS

SECTION 1. Powers and Duties. The business and affairs under the Agreement shall be managed by a Board of Directors of the Corporation, which shall have and may exercise all the powers of the Corporation, except as otherwise provided by law, by the Articles of Agreement, by the Corporation By-Laws, or by this Agreement. All matters pertaining to the Board of Directors shall be as specified in the Articles of Agreement, the Corporation By-Laws, and this Agreement.

SECTION 2. Compensation. There shall be no compensation of participating Members under the Agreement as provided in the Corporation By-Laws.

ARTICLE VIII
EMPLOYEES AND AGENTS

SECTION 1. Chief Executive Officer. The Board of Directors shall appoint a Chief Executive Officer, or such other position as determined by the Board, in accordance with the terms of the Articles of Agreement and the Corporation By-Laws.

SECTION 2. Employees and Other Agents. The Board of Directors may appoint, from time to time, such employees and other agents as it shall deem necessary, in accordance with the terms of the Articles of Agreement, the Corporation By-Laws, and this Agreement.

ARTICLE IX
COMMITTEES

SECTION 1. Establishment. The Board of Directors may, by resolution adopted at any meeting, create any standing committee. The Board of Directors or Executive Committee may establish any special or ad hoc committee. A majority of members of any committee shall constitute a quorum. Unless the Board otherwise designates, committees shall conduct their affairs in the same manner as provided in this Agreement and the By-Laws for the Board to the extent applicable.

SECTION 2. Appointment. Except as otherwise provided in this Agreement, the Chair shall appoint the members and chairs of each committee, subject to approval or modification by the Board, or, in the case of a special or ad hoc committee, by the Executive Committee. Appointments to standing committees shall be for one-year terms, with each term beginning at the conclusion of the Annual Meeting, or as close to thereof as practicable, and ending at the conclusion of the following year's Annual Meeting.

SECTION 3. Committee Meetings. Meetings of committees may be called at any time by the respective chairperson of each committee, or by the Chair, provided that notice is given to all members of the committee in person, by telephone, or by electronic mail at least 24 hours in advance of the meeting. All committee meetings shall comply with New Hampshire's Right-to-Know Law, NH RSA 91-A, and as it may be amended. Reports of committee meetings shall be presented to the Board at its next regular meeting, and each committee shall furnish copies thereof to the Secretary to be maintained with the records of the Corporation. Any committee member may participate in a meeting of the committee by means of a conference telephone, video or similar communications equipment allowing all persons participating in the meeting, including the public, to hear each other at the same time, to the extent allowed by NH RSA 91-A, and participation by such means shall constitute presence in person at a meeting. Unless the Board shall otherwise provide, the standing committees shall have the power to establish their own rules of procedure and to determine the time and place of their meetings.

SECTION 3. Executive Committee. At such time as Membership in the Corporation exceeds 11 (eleven) Members, there shall be an Executive Committee consisting of the Chair, the Vice Chair, the Treasurer, the Secretary, and the Immediate Past-Chair. If there is no Immediate Past Chair or the Immediate Past-Chair is no longer a Director of the Board or declines to serve on the committee, another Director may be appointed to serve on the committee. The Chair, Vice Chair, Treasurer, and Secretary shall serve on the committee during their terms in office. Other members shall be appointed for one-year terms and may serve consecutive terms. The Executive Committee shall have authority to exercise all powers of the Board between meetings of the Board but shall exercise such authority only when action is required before the next scheduled Board meeting. All actions taken by the committee shall be reported to the Board at the next meeting of the Board. Further, the committee shall have no authority to take any of the following actions:

- **(a)** Elect or remove any Director or officer, including the filling of a vacancy.
- **(b)** Terminate, hire, or take any other action with respect to the employment status of the Chief Executive Officer.
- **(c)** Adopt or materially amend the Corporation's budget.
- **(d)** Amend or terminate the Agreement.
- **(e)** Repeal or adopt any amendment to the Corporation's Articles of Agreement or By-Laws; or
- **(f)** Approve any merger, reorganization, liquidation, dissolution, or disposition of substantially all the Corporation's assets.

SECTION 4. Finance Committee. There shall be a Finance Committee consisting of at least two Directors or alternates, one of whom shall be the Treasurer, who shall serve as chairperson of such Committee. The committee shall advise the Treasurer and the Board as to the investments, budget, and general fiscal policy of the Corporation.

SECTION 5. Audit Committee. There shall be an Audit Committee consisting of no fewer than two and no more than six Directors or alternates. The committee shall oversee the quality and integrity of the Corporation's accounting, auditing and reporting practices, shall cause an independent financial report of the accounts and records of the Corporation to be made by a certified public accountant or public accountants each fiscal year, which shall be provided to Directors and to Members at the Annual Meeting. The Corporation shall consider the budget amount necessary for such financial reports as determined by the Audit Committee. The specific powers and responsibilities of the Audit Committee shall be specified in an Audit Committee Charter, which shall be adopted from time to time by the Members at the Annual Meeting.

SECTION 6. Regulatory and Legislative Affairs Committee. There shall be a Regulatory and Legislative Affairs Committee consisting of no fewer than two Directors along with a number of Members determined at the Annual Meeting. The committee shall be responsible for monitoring and advising the Corporation and Members in regard to regulatory and legislative engagement and shall have specific powers and responsibilities as specified in a Regulatory and Legislative Affairs Committee Charter, which shall be adopted from time to time at the Annual Meeting. This committee shall also appoint representatives of the Corporation to serve on statutory commissions, study commissions, and other boards and commissions created by the state legislature.

SECTION 7. Risk Management Committee. There shall be a Risk Management Committee consisting of the Chair, the Treasurer, and such other Directors and members as the Board determines. The committee shall develop and recommend to the Board within one year of the Effective Date of this Agreement, and at least biennially thereafter, an Enterprise Risk Management Policy, and shall perform such tasks as, reviewing major risk exposures and monitoring the steps taken to control said exposures. The Risk Management Committee shall commission an independent agent to conduct and deliver to the Board and to the Members at the Annual Meeting an evaluation of the operational performance of the Corporation relative to the Enterprise Risk Management Policy and as otherwise requested by the Board. The Corporation shall budget an amount necessary for the evaluation as determined by the Risk Management Committee, which shall cause to be hired a firm or individual that has no other direct or indirect business relationship with the Corporation. The evaluation shall be conducted at least once every two years, starting within three years of the initial provision of electricity supply to a Member and no individual or firm may be hired to conduct more than two consecutive evaluations. The Risk Management Committee shall act upon a majority vote of the Member Directors of the Committee.

SECTION 8. Governance Committee. There shall be a Governance Committee consisting of no fewer than three and no more than six Directors or alternates. The committee shall assist the Members in recruitment of Board Directors; determine eligibility of nominees for consideration of Directorship; monitor the effective functioning of the Board and committees; conduct regular Board orientations and evaluations; periodically review and recommend amendments to this Agreement; and advise the Board and Members, through the Annual Meeting, on governance issues. The Governance Committee shall be comprised of at least one Director each from a city, a town, and a county.

SECTION 9. Other Committees. Other committees may be established and abolished as necessary by the Board and given such authority as the Board determines appropriate, subject to the provisions of this article, and except that the authority of the Board itself shall not be delegated to any committee other than the Executive Committee. In the case of such committees established by the Board, it shall not be necessary for a committee member to also be a Member or a Director.

SECTION 10. Project Committees. The power to oversee implementation of Projects is delegated to Project Committees as set forth in this Agreement.

ARTICLE X
PROJECTS

SECTION 1. <u>Projects</u>. The Board may establish Projects and Study Projects (collectively, for purposes of this Article X only both are referred to as "Projects") within the purpose and power of the Corporation and to adopt general policy guidelines for their implementation. "Project Contracts" means contracts between and among the Corporation and its Members for the Projects. Nothing contained in a Project Contract shall obligate non-participating Members in any respect with the Project.

SECTION 2. <u>Right to Participate in Projects.</u> The Board shall provide at least thirty (30) days prior written notice to all Members, unless such notice is otherwise waived, before any Project may be considered for adoption by a vote of the Board. Once a Project is approved by the Board, all Members shall have the right, but not the obligation, to participate in a pro rata share in the Project in relative proportion to the electric load of each Member. If a Project is not fully subscribed, the unsubscribed portion may be divided among the participating Members in the Project that seek a greater participation share in the same proportion as the original allocation until a project is fully subscribed. A Project that is fully subscribed or for which the initial time to participate has closed may remain open to new Members to join subject to, and under the terms of, the Project Contract.

SECTION 3. <u>Project Participation and Terms.</u> Each Member's participation share allocation for the Project shall be based on the financial commitments made by the participating Members or as otherwise may be agreed by the participating Members in a particular Project. Once the Project is fully subscribed or the time to participate has closed, (i) the Treasurer will calculate the number of Project Votes each Member has in the Project, and (ii) the Chief Executive Officer, at the direction of the participating Project Members, will lead the negotiation of the agreements with the Project's vendors, developers and/or consultants and assist with coordinating the Project Contracts amongst the participating Members and the Corporation. All expenses, rights, and obligations to any specific Project as among the participating Project Members will be as provided through Project Contract that will be separate and distinct from this Agreement.

SECTION 4. <u>General Project Voting Guidelines</u>. The following guidelines apply to all Projects established by the Corporation:

(a) The Members that participate in a Project will all collectively agree, in Project Contract(s), separate from this Agreement, to what extent they will assume any obligations, debts and liability incurred in connection with the formation and/or implementation of such Projects. Nothing in this Agreement requires joint and several liability or imposes any liability on any Member with respect to any Project or Project Contract**.** The impact of a defaulting Member to any Project Contract shall be solely limited by, and governed according to, the terms for default covered in the Project Contract for the applicable Project.

(b) Once a Project is fully subscribed or the time to participate has closed, as set forth in Section 2 herein above, and unless otherwise agreed to by the participating Members in a particular Project, all Project Matters regarding the Project shall be decided by 80% of the Project Votes cast thereon; provided that if one party controls more than 80% of the vote, then another party shall be required to vote in the affirmative for any action to be taken to prevent one party from controlling the outcome of the vote, and each Director shall be entitled to cast all or any portion of the number of such Director's Project Votes.

SECTION 5. Transfer of Participating Member Project Contract Interests. Subject to the terms of any financing for a Project, a Project Contract may provide for a Member's transfer of an interest in a Project to other Members participating in the Project Contract and, if such transfer is not fully subscribed by such participating Members, to other Members. Project Contracts shall not permit the transfer of a participating Member's participation interest in a Project Contract to any entity that does not qualify for membership in the Corporation or that would adversely affect the tax status of the Corporation.

SECTION 6. Project Committees. There will be a Project Committee for each Project consisting of one Director or alternate from each participating Member, which shall adopt procedures for the committee to follow as deemed appropriate for the Project.

ARTICLE XI
BONDS AND NOTES

The Corporation shall have the power to facilitate for Projects or directly issue, sell, and deliver bonds in accordance with the provisions of NH RSA 33-B, RSA 53-E, RSA 53-F, and RSA 374-D, for the purpose of acquiring, financing, performing or constructing one or more Projects and to issue notes for the purpose of financing one or more Study Projects and for the purpose of providing temporary financing of costs of development, construction or acquisition of one or more Projects. The terms and conditions of the issuance of any such bonds or notes shall be set forth in such resolution, indenture, or other instrument, as required by law and as approved by the Board, provided that any such bond or note issuance is approved by participating Members' governing and legislative bodies as required by statute and all such debts, liabilities and obligations shall be non-recourse to any and all of the Members except as expressly agreed to by such Members through a Member's Cost Sharing Agreement or Project Contract or by the terms of legislative body approvals required by statute.

ARTICLE XII
LIMITATION ON LIABILITY OF MEMBERS

No debt, liability, or obligation of the Corporation shall be a debt, liability, or obligation of any Member unless otherwise specified and agreed to by individual Members under a Cost Sharing Agreement or Project Contract under this Agreement.

ARTICLE XIII
ACCOUNTS AND REPORTS

SECTION 1. Establishment and Administration of Funds. The Corporation is responsible for the strict accountability of all funds and reports of all receipts and disbursements. The Board is authorized to select such depositories as it shall deem proper for the funds of the Corporation and will comply with every provision of law relating to the establishment and administration of funds, provided that all funds of the Corporation shall be held in separate accounts in the name of the Corporation. The Corporation shall establish and maintain such funds and accounts as may be required by good accounting practice or by any provision of any resolution, indenture or other instrument of the Corporation securing its bonds or notes, except insofar as such powers, duties and responsibilities are assigned to a trustee appointed pursuant to such resolution, indenture or other instrument. The books and records of the Corporation shall be open to inspection at all reasonable times to each Member and its representatives. All the books, records, accounts and files referred to in this Article XIII shall be open to the inspection of holders of bonds or notes of the Corporation to the extent and in the manner provided in the resolution, indenture or other instrument providing for the issuance of such bonds or notes.

SECTION 2. Checks, Notes and Contracts. The Board shall determine who shall be authorized on behalf of the Corporation to sign bills, notes, receipts, acceptances, endorsements, checks, releases, contracts and documents.

ARTICLE XIV
TERM; TERMINATION; LIQUIDATION; DISTRIBUTION

This Agreement shall become effective (the "Effective Date") when at least two Members execute this Agreement. This Agreement shall continue in full force and effect until terminated by dissolution and liquidation of the Corporation, and distribution of any net proceeds, as provided for in Article XI of the By-Laws.

ARTICLE XV
INDEMNIFICATION AND INSURANCE

Indemnification and insurance shall be as provided for in Article XIII of the By-Laws.

ARTICLE XVI
AMENDMENTS, SUCCESSORS AND ASSIGNS

SECTION 1. Successors and Assigns. This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the Members. No Member shall assign its interest in this Agreement to an entity that is not a Member or that is not eligible to become, and demonstrates an intent to become, a Member. No Member may assign any right or obligation hereunder without the consent of all other Members, provided that such consent shall not be unreasonably withheld. The immediately preceding sentence shall not affect, in any respect, any right of the assignment under any Project Contract between any Member and the Corporation.

SECTION 2. Amendments. Subject to any requirements of law or indenture authorizing the issuance of Bonds, this Agreement may be amended at any time and from time to time by a written amendment approved by at least 2/3 (two-thirds) of the votes cast at an Annual Meeting at which a quorum is present, provided that no amendment shall be adopted upon the dissenting vote of two or more Members totaling 50% (fifty percent) or more of the population of all Members as based upon the most recent population census. This Article XVI Section 2 and Articles XII, XIV and XV may not be amended unless such amendment is approved by the governing body of each Member. Attachments B and C, the Articles of Agreement and By-Laws, may be amended by a vote of at least 2/3 (two-thirds) of the votes cast by the Members at a Membership Meeting at which a quorum is present pursuant to the terms specified in Article IX of the By-Laws.

ARTICLE XVII
GENERAL PROVISIONS

SECTION 1. Breach of Agreement. If a Member defaults in any undertaking contained in this Agreement, such default shall not excuse such Member from fulfilling its obligations under this Agreement, Cost Sharing Agreement, or Project Contract(s) and each Member shall continue to be liable for the performance of all conditions herein and therein contained. Each Member hereby declares that this Agreement is entered into for the benefit of the Corporation created hereby and each Member hereby grants to the Corporation the right to enforce by whatever lawful means the Corporation deems appropriate all of the obligations of each of the Members hereunder. Each and all of the remedies given to the Corporation hereunder or by any law now or hereafter enacted are cumulative and the exercise of one right or remedy shall not impair the right of the Corporation to any or all other remedies.

SECTION 2. Dispute Resolution. The Members and the Corporation shall make reasonable efforts to settle all disputes arising out of, or in connection with, this Agreement. Before exercising any remedy provided by law, a Member or Members and the Corporation shall engage in nonbinding dispute resolution or in a manner agreed upon by the Member or Members and the Corporation. The Members agree that each Member may specifically enforce this provision, Article XVI, Section 2, Dispute Resolution. In the event that dispute resolution is not initiated or does not result in a resolution within 60 days after a written request for dispute resolution, any disputing Member or the Corporation may pursue any remedies provided by law.

SECTION 3. Notices. Any notice given pursuant to this Agreement shall be in writing and shall be dated and signed by the Member giving such notice. Notices to the Corporation shall be delivered to the Corporation's principal place of business, as identified in Attachment E. Notice to each Member under this Agreement is sufficient if mailed to the Member and separately to the Member's Director to their respective addresses on file with the Corporation. All written notices sent in the prescribed manner will be deemed given to a Member or the Corporation on whichever date occurs first: (1) the date of personal delivery; (2) the third business day following deposit in the U.S. mail, when sent by "first class," postage prepaid, or faster delivery method; or (3) the date of transmission, when sent electronically, including by email or facsimile.

SECTION 4. Severability. Should any portion, term, condition, or provision of this Agreement be determined by a court of competent jurisdiction to be illegal or in conflict with any law of the State of New Hampshire, or be otherwise rendered unenforceable or ineffectual, each and all of the remaining portions, terms, conditions, and provisions of this Agreement shall not be affected thereby and shall remain in full force and effect to the maximum extent permitted by law.

SECTION 5. Section Headings. The section headings herein are for convenience only and are not to be construed as modifying or governing the language in the section to which they refer of this Agreement.

SECTION 6. Governing Law. This Agreement is made and to be performed in the State of New Hampshire, and as such New Hampshire substantive and procedural law shall apply.

SECTION 7. Execution by Counterparts. This Agreement may be executed in any number of counterparts, and upon execution by the Corporation and Member, each executed counterpart shall have the same force and effect as an original instrument and as if all Members had signed the same instrument. Any signature page of this Agreement may be detached from any counterpart of this

Agreement without impairing the legal effect of any signatures thereon and may be attached to another counterpart of this Agreement identical in form hereto but having attached to it one or more signature pages.

Attachment A: Definitions

1. "Annual Retail Electricity Load" means the annual amount of metered electricity delivered to retail consumers and supplied through the Member CPA during the most recent 12 whole months, or if less than 12 whole months of load have been supplied the calculation of a Member's Annual Retail Electricity Load for the allocation of General and Administrative Costs under Article V, Section 3(b) shall be as provided for under the terms of the Cost Sharing Agreement.
2. "Articles of Agreement" means the Articles of Agreement of Community Power Coalition of New Hampshire, a New Hampshire Nonprofit Corporation to be formed pursuant to NH RSA 292:2 as initially set forth in Attachment B.
3. "Board" means the Board of Directors of the Community Power Coalition of New Hampshire as described in Third article of the Articles of Agreement prior to adoption of the By-Laws and thereafter as described in Article V of the By-Laws.
4. "By-Laws" means the by-laws of the Corporation as initially set forth in Attachment C.
5. "Corporation" means Community Power Coalition of New Hampshire and may be referred to as CPCNH.
6. "Cost Sharing Agreement(s)" means an agreement between CPCNH and each Member pursuant to Article V, Section 3 regarding how Costs of CPCNH will be shared.
7. "CPA" means a Community Power Aggregation, which is the same as a municipal or county aggregation authorized by RSA 53-E.
8. "Directors" means the members of the Board of Directors of CPCNH as referenced in Article VII of this JPA and detailed in Article V of the By-Laws.
9. "Direct Project Costs" means Costs for activities or services that benefit specific Projects as defined in one or more Project Contracts as provided for in Article V, Section 3(c).
10. "Electric Aggregation Plans and Programs" means such services municipalities and Counties undertake pursuant to NH RSA 53-E.
11. "Enterprise Risk Management Policy" means a Board policy framework to enable CPCNH to identify, mitigate, and manage financial, operational, and strategic risks in a holistic, methodical, and transparent manner to support the mission and financial sustainability of CPCNH. Regarding energy portfolio risk management, the policy will identify risks associated with the procurement of the power supply, identify those responsible for administering the various elements of the risk management policy from procurement operations to oversight, set parameters and methodologies for managing risk associated with procuring and hedging the power supply portfolio including the specification of authorized products, terms and transaction limits, and provide for the accrual of reserve funds for the purpose of satisfying all financial obligations and objectives associated with management of the power supply portfolio.
12. "Member Directors" means Directors appointed by a Member of this Agreement.
13. "Members Annual Meeting" means the Annual Membership Meeting of CPCNH as referenced in Article VI, Section 1 of this JPA and described in Article IV of the By-Laws.
14. "Member Services" means services provided by CPCNH to Members as referenced in Article V, Section 3(a) of this JPA.

15. "Membership" means all of the Members of CPCNH as described in Article III of the By-Laws.
16. "Project" means any of the following activities as approved by the Board pursuant to Article X: (i) the design, development, contracting for, lease, acquisition, transfer, construction, financing, operation, maintenance, and/or ownership of facilities for generation, storage, and/or distribution of electrical energy, including but not limited to electric meters, meter communications, microgrids, and electric vehicle charging infrastructure, and any related transactions, services, and goods that may be necessary or convenient to acquire, construct, and/or finance such facilities; (ii) the bulk purchasing and/or use of Member funds to finance retail customer technologies, including, but not limited to, distributed energy resources such as solar photovoltaics, battery storage, heat pumps, electric vehicle chargers, energy efficiency and/or demand response technologies; and/or (iii) activities as may otherwise be defined by the Board within the powers of Corporation.
17. "Project Contract" means a contract by and among the Corporation and its participating Members for a Project.
18. "Project Matter" means a matter for decision by the Members subscribed to a Project or Study Project involving a question or matter pertinent to considering, entering, studying, planning, financing, developing, acquiring, constructing, reconstructing, improving, enlarging, bettering, operating and/or maintaining the Project or Study Project as to which there shall be one or more Project Contracts.
19. "Project Participants" means the Members that choose to participate in any particular project pursuant to Article X, Section 2 of this JPA.
20. "Project Votes" means the number of votes a Member shall be entitled to cast with respect to a Project Matter. Unless otherwise agreed by the Project Participants each Member shall be entitled to cast that number of votes, with respect to a Project Matter, computed as follows: That number of votes (rounded to the next higher whole number) equal to 1000 multiplied by the result of dividing (i) the amount of the Member's financial commitment in the Project or Study Project to which the Project Matter relates, by (ii) the aggregate amount of all Members' then existing financial commitments in such Project or Study Project. In the event that such a calculation is being made with respect to a Project (other than a Study Project) prior to the date of commencement or commercial operation of the Project, as applicable, such calculation shall be made as of the anticipated date of commencement or commercial operation of such Project.
21. "Regular Meeting" means a regularly scheduled meeting of the Membership, or the Board, as established at a prior meeting of the Membership, or the Board, respectively.
22. "Special Meeting" means a meeting of the Membership, or the Board, as called by the Board, or its Chair, respectively, or by request of other Members, or Directors, respectively, pursuant to Article 4 or Section 5.8 of the By-Laws.
23. "Study Project" means one or more proposed Projects as to which the Corporation undertakes to make studies or to acquire options or permits and to incur other preliminary Costs prior to the undertaking of the solicitation, construction or acquisition of such proposed Project.

The State of New Hampshire

Recording Fee: $25.00 *RSA 292:2*

ARTICLES OF AGREEMENT
OF
COMMUNITY POWER COALITION OF NEW HAMPSHIRE
A NEW HAMPSHIRE NONPROFIT CORPORATION

THE UNDERSIGNED, being persons of lawful age, associate under the provisions of the New Hampshire Revised Statues Annotated, Chapter 292 by the following articles:

FIRST: The name of the corporation shall be "Community Power Coalition of New Hampshire" (abbreviated "CPCNH").

SECOND: The purpose of CPCNH is to promote the common good and general welfare by supporting the economic vitality and prosperity of local communities by enabling municipalities and counties to support and jointly exercise authorities granted to them pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D (including by reference NH RSA 33), all in accordance with NH RSA 53-A; to assist member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing Electric Aggregation Plans and Programs known as Community Power Aggregations ("CPAs"); to provide supportive services and technical assistance to community power aggregations serving member towns, cities, counties, unincorporated places, and village districts; and to support and promote public education and civic engagement by the residents and businesses of member communities in developing and implementing energy and climate policies and actions and the role of CPAs in advancing such policies and actions for the common good. This voluntary corporation is formed to carry out the objectives and purposes of the Community Power Coalition of New Hampshire Joint Powers Agreement executed on or before its effective date of October 1, 2021 pursuant to RSA 53-A (the "JPA").

THIRD: The provisions for establishing membership and participation in the corporation are as follows:

Pursuant to NH RSA 53-E members of CPCNH may include counties, cities, towns, unincorporated places, and village districts within the state and any grouping of such entities operating pursuant to NH RSA 53-E:3, II(b). Any of the foregoing may become a Member upon complying with the requirements established by the CPCNH Board of Directors.

Each Member shall have one vote at all Member meetings.

The initial board of directors shall be the incorporators. The board of directors shall establish a code of by-laws not inconsistent with these Articles of Agreement or the provisions NH RSA 292 as amended, for the governance of the corporation.

These Articles of Agreement may be amended by a vote of the two-thirds of the Members at a Member meeting.

FOURTH: The provisions for disposition of the corporate assets in the event of dissolution of the corporation including the prioritization of rights of shareholders and members to corporate assets are:

In the event of dissolution, all net proceeds from the liquidation of the assets and property of CPCNH and any remaining assets shall be conveyed to its Members that remain at the time of dissolution as is determined by the Board in accordance with law. No Director, Officer, committee member, employee, or individual connected with CPCNH shall be entitled to share in the liquidation or distribution of any of the assets of CPCNH upon its dissolution.

FIFTH: The New Hampshire principal address at which the business of this corporation is to be carried on is:

Principal Mailing address is: ______________________________

Business Email is info@cpcnh.org.

__✓__ Please check if you would prefer to receive the courtesy Nonprofit Report Reminder by email.

SIXTH: The amount of capital stock, if any, or the number of shares or membership certificates, if any, and provisions for retirement, reacquisition and redemption of those shares or certificates are: There is no capital stock, shares, or membership certificates.

SEVENTH: The powers of the Corporation shall include the following:

7.1. Receive contributions and donations of property, funds, services, and other forms of assistance from any source;

7.2 Employ agents and employees;

7.3 Lease real or personal property as lessee and as lessor;

7.4 Acquire, contract, manage, maintain, sell, or otherwise dispose of real and personal property and operate any buildings, infrastructure, works, or improvements;

7.5 Receive, collect, invest, and disburse moneys;

7.6 Make and enter into contracts;

7.7 Sue and be sued in its own name;

7.8 Establish, operate, maintain and/or fund energy-related programs;

7.9 Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH's affairs;

7.10 Apply for, accept, and receive all licenses, permits, grants, loans, or other aids from any federal, state, or local public agency;

7.11 Submit documentation and notices, register, and comply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs;

7.12 Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects as that term is defined in the JPA;

7.13 Incur debts, liabilities, and obligations, provided that all debts, liabilities and obligations shall be non-recourse to any and all of the Members unless expressly agreed to by such Members through a Member's Cost Sharing Agreement or Project Contract as those terms are defined in the JPA;

7.14 Issue revenue bonds, and incur other forms of indebtedness including but not limited to loans from private lending sources, pursuant to NH RSA 33-B, RSA 53-E, RSA 53-F, and RSA 374-D, provided that any such bond or debt issuance is approved by participating Members' governing and legislative bodies as required by statute;

7.15 Form subsidiary or independent entities to carry out energy supply, energy conservation and other energy-related programs that may be conducted by CPCNH;

7.16 Intervene in germane regulatory proceedings on behalf of itself and its Members;

7.17 Engage in germane legislative activity, but shall not under any circumstance directly or indirectly participate or intervene in any political campaigns on behalf of or in opposition to any candidate for public office;

7.18 Assign, delegate, or contract with a Member or third party to perform any of the duties of the Board, including, but not limited to, acting as administrator of the Corporation;

7.19 Carry out other duties as required to accomplish other responsibilities as set forth in the JPA; and

7.20 Exercise all other powers necessary, proper, and lawful to carry out the Articles of Agreement.

7.21 Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

EIGHTH: Provision eliminating or limiting the personal liability of a director, an officer or both, to the corporation or its shareholders for monetary damages for breach of fiduciary duty as a director, an officer or both is as follows:

There shall be no personal liability of a director, an officer, or both, to the corporation for monetary damages for breach of fiduciary duty as a director, an officer, or both, except with respect to:

1. Any breach of the director's or officer's duty of loyalty to the corporation.
2. Acts or omissions which are not in good faith or which involve intentional misconduct or a knowing violation of law.
3. Any transaction from which the director, officer, or both, derived an improper personal benefit.

NINTH: Signatures and post office address of each of the representatives of the governmental entities associated together to form the corporation:

Signature and Name	**Post Office Address**
1. ____________________	25 Perley Ave.
Signature	Street
Clifton C. Below	Lebanon, NH 03766-1816
Name (please print)	City/Town/State/Zip
2. ____________________	____________________
Signature	Street
____________________	____________________
Name (please print)	City/Town/State/Zip
3. ____________________	____________________
Signature	Street
____________________	____________________
Name (please print)	City/Town/State/Zip

4. ______________________________ ______________________________
Signature | Street

______________________________ ______________________________
Name (please print) | City/Town/State/Zip

5. ______________________________ ______________________________
Signature | Street

______________________________ ______________________________
Name (please print) | City/Town/State/Zip

6. ______________________________ ______________________________
Signature | Street

______________________________ ______________________________
Name (please print) | City/Town/State/Zip

7. ______________________________ ______________________________
Signature | Street

______________________________ ______________________________
Name (please print) | City/Town/State/Zip

8. ______________________________ ______________________________
Signature | Street

______________________________ ______________________________
Name (please print) | City/Town/State/Zip

Note: At least five signatures are required.

DISCLAIMER: All documents filed with the Corporation Division become public records and will be available for public inspection in either tangible or electronic form.

Attachment C: Corporation By-Laws

BY-LAWS

of the

COMMUNITY POWER COALITION OF NEW HAMPSHIRE

ARTICLE I NAME

The name of the corporation shall be the Community Power Coalition of New Hampshire ("CPCNH").

ARTICLE II PURPOSE AND POWERS

Section 2.1 Purpose

The purpose of CPCNH is to promote the common good and general welfare by supporting the economic vitality and prosperity of local communities by enabling municipalities and counties to support and jointly exercise authorities granted to them pursuant to NH RSA 33-B, NH RSA 53-E, NH RSA 53-F, and NH RSA 374-D (including by reference NH RSA 33), all in accordance with NH RSA 53-A; to assist member municipalities and counties in complying with the provisions of NH RSA 53-E in developing and implementing Electric Aggregation Plans and Programs known as Community Power Aggregations; to provide supportive services and technical assistance to community power aggregations serving member towns, cities, counties, unincorporated places, and village districts; and to support and promote public education and civic engagement by the residents and businesses of member communities in developing and implementing energy and climate policies and actions and the role of community power aggregations in advancing such policies and actions for the common good.

Section 2.2 Community Power Coalition of New Hampshire Joint Powers Agreement

This voluntary corporation is formed to carry out the objectives and purposes of the Community Power Coalition of New Hampshire Joint Powers Agreement effective on October 1, 2021 (the "JPA").

Section 2.3 Powers

CPCNH is authorized, in its own name, to do all acts permitted under NH RSA 53-A, as amended from time to time, such other provisions of New Hampshire law not inconsistent with NH RSA 53-A, as well as any act necessary, consistent with New Hampshire law, to fulfill the purposes set forth in Section 2.1 above, including but not limited to, each of the following:

2.3.1 Receive contributions and donations of property, funds, services, and other forms of assistance from any source;

2.3.2 Employ agents and employees;

2.3.3 Lease real or personal property as lessee and as lessor;

2.3.4 Acquire, contract, manage, maintain, sell, or otherwise dispose of real and personal property and operate any buildings, infrastructure, works, or improvements;

2.3.5 Receive, collect, invest, and disburse moneys;

2.3.6 Make and enter into contracts;

2.3.7 Sue and be sued in its own name;

2.3.8 Establish, operate, maintain and/or fund energy-related programs;

2.3.9 Make and enter into service agreements relating to the provision of services necessary to plan, implement, operate, and administer CPCNH's affairs;

2.3.10 Apply for, accept, and receive all licenses, permits, grants, loans, or other aids from any federal, state, or local public agency;

2.3.11 Submit documentation and notices, register, and comply with orders, tariffs, and agreements for the establishment and implementation of community power aggregations and other energy related programs;

2.3.12 Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects as that term is defined in the JPA;

2.3.13 Incur debts, liabilities, and obligations, provided that all debts, liabilities and obligations shall be non-recourse to any and all of the Members unless expressly agreed to by such Members through a Member's Cost Sharing Agreement or Project Contract as those terms are defined in the JPA;

2.3.14 Issue revenue bonds, and incur other forms of indebtedness including but not limited to loans from private lending sources, pursuant to NH RSA 33-B, RSA 53-E, RSA 53-F, and RSA 374-D, provided that any such bond or debt issuance is approved by participating Members' governing and legislative bodies as required by statute;

2.3.15 Form subsidiary or independent entities to carry out energy supply, energy conservation and other energy-related programs that may be conducted by CPCNH;

2.3.16 Intervene in germane regulatory proceedings on behalf of itself and its Members;

2.3.17 Engage in germane legislative activity, but shall not under any circumstance directly or indirectly participate or intervene in any political campaigns on behalf of or in opposition to any candidate for public office;

2.3.18 Assign, delegate, or contract with a Member or third party to perform any of the duties of the Board, including, but not limited to, acting as administrator of the Corporation;

2.3.19 Carry out other duties as required to accomplish other responsibilities as set forth in the JPA; and

2.3.20 Exercise all other powers necessary, proper, and lawful to carry out the Articles of Agreement and these By-Laws.

2.3.21 Defend, hold harmless, and indemnify, to the fullest extent permitted by law, each Member from any liability, claims, suits, or other actions.

ARTICLE III
MEMBERSHIP

Section 3.1 Members

The initial Members of CPCNH shall be the towns, cities, and counties that entered into the JPA on or before its effective date of October 1, 2021. Pursuant to NH RSA 53-E, the following shall be also eligible to become members of CPCNH:

Section 3.2 Municipalities

Any city, town, unincorporated place, or village district within the state. Any such entity (hereinafter "***Municipality***") shall be eligible for membership in CPCNH.

Section 3.3 Counties

Any county within the state. Any such entity (hereinafter "***County***") shall be eligible for membership in CPCNH.

Section 3.4 Joint Powers Authority Any group of municipalities and counties that have chosen to jointly operate a community power aggregation in accordance with NH RSA 53-A and RSA 53-E shall be eligible for membership in CPCNH as a Joint Powers Authority in lieu of individual municipal or county memberships.

Section 3.5 Manner of Becoming a Member

Any city, town, unincorporated place, village district, county, or joint powers authorities may become a Member at any time upon an affirmative vote by the governing body of the proposed new Member to approve and join the Community Power Coalition of New Hampshire Joint Powers Agreement and by an affirmative vote of a majority of the Board of Directors to approve the new Member.

Section 3.6 Designation of Member Representatives; Voting

The governing body of each Member shall designate in writing to the Chief Executive Officer, or Chair of the Board in the absence of a Chief Executive Officer, an elected or appointed official as a Member representative who shall attend CPCNH meetings and vote on behalf of the Member. The governing body of each Member may also designate in writing an alternate to serve when the primary representative is unavailable. The designated representative or alternate may also be employees or volunteers of the Member. Each Member shall be entitled to one vote on the election of Directors and all other matters submitted to a vote of the membership.

Section 3.7 Voluntary Withdrawal of Membership

A Member's membership with CPCNH may be withdrawn by the Member's governing body upon notifying the Chair of the Board of Directors in writing and complying the provisions of Section 3.9.

Section 3.8 Involuntary Termination of Membership

A Member's membership with CPCNH may be terminated by a two-thirds (2/3) vote of the entire Board of Directors, with the exception of the terminated Member's representative if they are also a Director, for reasons deemed good and sufficient by the voting Directors. Default under a Project Contract, failure to satisfy the material terms of its Cost Sharing Agreement, as defined in the JPA, with the Corporation, and material non-compliance with the provisions of the JPA are each ground for terminating membership.

Section 3.9 Continuing Obligations

Any withdrawn or terminated Member shall execute all reasonable and necessary documents to effectuate such withdrawal or termination and such Members' continuing obligations shall be pursuant to the same terms for continuing obligations as provided for under Article IV, Section 6 of the JPA.

ARTICLE IV

MEMBERSHIP MEETINGS

Section 4.1 Annual Membership Meeting of CPCNH

Each April there shall be an annual meeting ("Annual Membership Meeting") of the Members at a specific date, time, and place established by the Board of Directors ("Board"). Written notice thereof shall be sent to the principal executive officers of each Member by the Chief Executive Officer or Chair of the Board not less than thirty (30) days prior to the Annual Membership Meeting date. The notice shall set forth the number of Directors to be elected by the Members, as well as any other items of business to be conducted at the Annual Membership Meeting. Only those items set forth in the notice shall be acted upon at the Annual Membership Meeting.

Section 4.2 Regular Meetings of CPCNH

The Members may vote to hold periodic meetings. An annual schedule for such meetings may be established by a majority vote of the Members. Written notice for each such meeting shall be given not less than ten days prior to the date of the meeting. The notice shall set forth the items of business to be conducted at each meeting. By a majority vote of the Members present at the meeting, items of business not identified in the meeting notice may be transacted at such meeting.

Section 4.3 Special Meetings

Special meetings of CPCNH may be called by the Board or at the written request of twenty-five percent (25%) of the Members. Written notice of a special meeting shall be given not less than five (5) days prior to the date of said meeting. Only such business stated in the notice shall be transacted at the said meeting.

Section 4.4 Quorum

Not less than twenty-five percent (25%) of the total number of Members shall constitute a quorum for any meeting of the Members of CPCNH.

Section 4.5 Vote Necessary to Take Action

A plurality vote of the Members in attendance at a Membership meeting shall be necessary to elect any Director. A majority vote of the Members in attendance at a Membership meeting shall decide any other matter, except as otherwise provided in these By-Laws. Attendance at a meeting may be in the manners specified in Section 5.10 of these By-Laws.

Section 4.6 Meetings Subject to Right-to-Know Law

All meetings of CPCNH shall comply with New Hampshire's Right-to-Know Law, NH RSA 91-A, as amended from time to time.

ARTICLE V

BOARD OF DIRECTORS

Section 5.1 Management

The affairs, activities, and property of CPCNH shall be managed, directed, and controlled by, and its power exercised by and vested in a Board of Directors, which shall have all powers enumerated in the Articles of Agreement, the laws of the State of New Hampshire as amended from time to time, and all other powers conferred by these By-Laws and the JPA. Each year the Board shall establish the budget for CPCNH.

Section 5.2 Board Duties

In addition to those duties outlined briefly in Section 5.1 above, the Board may appoint a Chief Executive Officer and authorize such other positions as it shall deem necessary to conduct the work of the organization.

Section 5.3 Composition

5.3.1 Initial Board Subject to the provisions of Section 5.3.2, below, the initial Board of Directors shall consist of one designated representative, or alternate, from each Member. At any point in time that there are less than five (5) Members, the Members, through their representatives to the Board of Directors, may elect additional voting Directors by majority vote, such that there is always a minimum of five (5) voting

Directors. The term of such additional voting Directors shall end when there are at least 5 Members with representation on the Board of Directors.

5.3.2 Subsequent Boards

Until such time as there are a total of twenty-one (21) Members, all Member representatives or their alternates shall serve as Directors. At such time as there shall be more than a total of twenty-one (21) Members, members of the Board ("Directors") shall be selected from the representatives and alternates of Members of CPCNH, and such other persons as provided in Section 5.4 of these By-Laws. At such time, to ensure the broadest support for the goals of CPCNH, the organization shall seek Board members who reflect the qualifications and diversity determined by the Board in its policies. Among these considerations the Board shall at all times, so long as there are sufficient Member representatives from each of the following designations, include the following: not less than two Directors from cities, not less than two Directors from towns, and not less than two Directors from counties or joint powers authorities. There shall not be two or more Directors that represent the same city, town, county, or joint powers authority. Every reasonable effort shall be made to assure geographic diversity on the Board.

Section 5.4 Non-Voting Directors

The Board, by majority vote, may appoint non-voting persons to serve on the Board based on their expertise in areas valuable to the operations of CPCNH and as liaisons with other related organizations.

Section 5.5 Terms of Office

Starting with the first election of Directors by the Membership pursuant to paragraph 5.3.2. Directors shall serve three (3) year terms, staggered so that approximately one-third (1/3) of the Directors will be elected each year. There shall be no term limit.

Section 5.6 Election

Directors of CPCNH shall be elected by a plurality vote of the Members in attendance at each Annual Membership Meeting. Attendance at the Annual Membership Meeting may be in the manners specified in Section 5.10 of these By-Laws. Vacancies on the Board may be filled by majority vote at any Regular Meeting or Special Meeting of the Board, and those so elected shall fill the unexpired term of their predecessors in office.

Section 5.7 Number

The initial Board shall consist of all the Member representatives or their alternates, plus such additional Directors as may be elected pursuant to paragraph 5.3.1 until such time as there are more than twenty-one (21) Members. When there are more than twenty-one (21) Members the Board shall consist of not less than eleven (11) Directors and not more than twenty-one (21) Directors. The number of Directors to be elected shall be established by the Board of Directors each year prior to the Annual Membership Meeting and included in the notice for such Meeting in accordance with Section 4.1.

Section 5.8 Meetings

The Chair may call meetings of the Board at any time, and a Special Meeting must be called when requested in writing by twenty-five percent (25%) of the Directors. Notice for a Special Meeting of the Board must be provided to each Director in writing at least five (5) days prior to the Special Meeting and shall specify the purpose of the Special Meeting. Only the items indicated in the Notice shall be acted upon at a Special Meeting.

Section 5.9 Annual Meeting of the Board

The Annual Meeting of the Board Directors shall be held immediately following the Annual Membership Meeting , or at such other time as may be established by the Board, for the purposes of electing officers, receiving reports on the financial fitness and activities of CPCNH, and determining the direction of the organization for the coming year. The specific location and time of the Annual Meeting of the Board and the Membership shall be held at such place as may be designated from time to time by the Board.

Section 5.10 Electronic Participation at Meetings of the Board

To the extent permitted by RSA 91-A the Directors or the members of any committee may participate in, and act at any meeting, using any means of communication so long as all persons participating in the meeting can communicate with each other concurrently. Such communication includes video, audio, electronic, and telephonic conferencing. Participation by telephone or other electronic means shall be equivalent to presence in person at a meeting for the purposes of determining if a quorum is present. All Directors attending meetings by audio or electronic conferencing shall be entitled to vote as if they were personally and physically present at the meeting and their votes shall be recorded by the Secretary as completed via audio or electronic attendance. E-mail is not considered a proper form of electronic participation at a meeting. Only those attending a meeting in-person may vote to break a tie.

Section 5.11 Record of Meetings

The Secretary or, in the absence of the Secretary, one of the Directors designated by the Chair and participating in the meeting, shall keep a record of Board meetings.

Section 5.12 Quorum

At all meetings of the Board, twenty-five percent (25%) of the Directors then serving shall be necessary and sufficient to constitute a quorum for the transaction of business. The act of a majority of the Directors present at any meeting at which there is a quorum shall be considered the act of the Board, except as may be otherwise specifically provided by the laws of the State of New Hampshire or these By-Laws. No business shall be transacted at any meeting of the Board at which the required quorum is not present, and the only motion, which the Chair shall entertain at such meeting, is a motion to adjourn.

Section 5.13 Removal of Directors

Any Director may be removed at any time, with or without cause, by a vote of two-thirds (2/3) of all of the Directors, with the exception of the Director subject removal, at any Regular Meeting or Special Meeting of the Board called for that purpose. In addition, any Director who fails to attend three (3) Regular Meetings of the Board in a fiscal year may be asked to resign unless the Chair of the Board has excused the absences.

Section 5.14 Manner of Acting

The act of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board, unless the act of the greater number is required by law or these By-Laws.

5.14.1 To the extent permitted by RSA 91-A the Board may also act without a meeting on any action required or permitted to be taken at a meeting if:

> **5.14.1.1** Written consent setting forth the action taken thereto is signed by all the Directors and filed with the minutes of the meetings of the Board. Written consents may be executed in any number of counterparts, all of which when taken together shall constitute a single original consent.
>
> **5.14.1.2** Consent by electronic mail setting forth the action taken thereto is submitted and received by all the Directors and filed with the minutes of the meetings of the Board. Such consents shall be treated as a vote of the Directors for all purposes.

Section 5.15 Compensation

Board positions are voluntary, and Directors shall not receive any compensation for their service as Directors from CPCNH. Compensation by a Member of its representative is not precluded by these By-Laws. The Board may adopt policies providing for reasonable reimbursement of Directors for incidental expenses incurred in conjunction with carrying out their duties as Directors, such as extraordinary travel expenses to attend Board meetings.

Section 5.16 Director Serving as Chief Executive Officer, Employee Serving as Director

In no event may a Director serve as a Chief Executive Officer until six months after his or her term as a Director or resignation from the Board. In no event may an employee of CPCNH serve as a Director until six months after the termination of their employment.

ARTICLE VI
COMMITTEES

Section 6.1 <u>Committees</u>

Article IX of the JPA provides for committees that shall be established and other committees that may be established by the Board, including special or ad hoc committees, as the Directors deem necessary and appropriate to carry on or oversee the work of the organization and goals and purposes of the JPA.

The Board shall strive to maintain diversity in the membership of each committee to include consideration of the size and location of the various Members.

In addition, the Board shall strive to appoint committee members with specialized knowledge in the areas for which each committee shall have responsibility.

Section 6.2 <u>Limitations</u>

Any committee whether established under the JPA or by the Board, to the extent provided in a resolution of the Board, shall have all the authority of the Board, except that no committee, regardless of Board resolution may:

6.2.1 Take any final action on matters that also requires Board approval;

6.2.2 Fill vacancies on the Board or any committee which has the authority of the Board;

6.2.3 Expend CPCNH funds, except as authorized by the Board;

6.2.4 Appoint other committees of the Board or the members of committees; and

6.2.5 Approve any transaction to which CPCNH is a party, and one or more Directors have a material financial interest.

ARTICLE VII
OFFICERS

Section 7.1 <u>Officers</u>

The Officers of CPCNH shall consist of a Chair, the Immediate Past- Chair, a Vice-Chair, a Secretary, a Treasurer, and such other officers ("***Officers***") as shall be determined by the Board, all of which shall be elected by the Board. All Officers shall be members of the Board.

Section 7.2 <u>Election and Term of Office</u>

The Board shall elect the Officers of CPCNH by majority vote of the Directors in attendance at each Annual Meeting. Between Annual Membership Meetings, vacancies in any Officer position may be filled by a majority vote of the Directors present at any regularly or specially scheduled meeting of the Board. The Officers of CPCNH shall hold office for a term of one (1) year and shall not serve more than three (3) consecutive one (1) year terms in any office.

Section 7.3 Chair

The Chair shall preside at all meetings of the Board and shall have and exercise general charge and supervision over the affairs of CPCNH and the Chief Executive Officer. The Chair shall perform such other duties as may be assigned by the Board. He or she or the Chief Executive Officer shall, unless otherwise ordered by the Board, execute all written agreements and contracts in the name of CPCNH, subject to the approval of the Board or the Executive Committee.

Section 7.4 Immediate Past-Chair

Upon completing a final term as Chair, the person in that position shall automatically move into the position of Immediate Past-Chair. The Immediate Past-Chair shall remain a full voting member of the Board, even if his or her term has expired, and the Board has reached its quota, provided that the Immediate Past-Chair remains a designated representative or alternate of his or her Member. This position will be a one (1) year position. The Immediate Past-Chair shall serve as an adviser to the Board Chair.

Section 7.5 Vice Chair

The Vice Chair shall perform such duties as prescribed by the Board or the Chair and shall act for the Chair in his or her absence.

Section 7.6 Secretary

The Secretary shall be present at all meetings of the Board and keep or cause to be kept minutes of all meetings of the Board and maintain custody thereof. The Secretary shall perform all other duties incident to the office, and such other duties as may be assigned by the Board.

Section 7.7 Treasurer

The Treasurer shall oversee the collection and receipt of all money due CPCNH and shall have supervision of CPCNH monies and regular books of accounts. He or she shall oversee the deposits, expenditure, or investment of such funds according to the direction of the Board. He or she shall oversee the full and accurate recordation of receipts, deposits, investments, and expenditures. The Treasurer shall submit periodic reports of financial transactions to the Board at least quarterly, and more often if so requested. In conjunction with the Chief Executive Officer, he or she shall prepare the annual budget for approval of the Board.

Section 7.8 Removal

Any Officer may be removed from office at any time, with or without cause, by the affirmative vote of two-thirds (2/3) of the Board at any Regular Meeting or Special

Meeting of the Board called expressly for that purpose, or whenever, in its judgment, the best interest of CPCNH would be served thereby.

ARTICLE VIII

CHIEF EXECUTIVE OFFICER

The Chief Executive Officer shall be engaged by the Board in such manner as it determines. The title for the Chief Executive Officer be part of the negotiations with the Board. The Chief Executive Officer serves at the pleasure of the Board. The Executive Committee shall review compensation and annual performance evaluation in a process conducted by the Chair of the Board.

In general, the Chief Executive Officer shall be responsible for the administration and management of CPCNH. The Chief Executive Officer shall participate in all Regular Meetings of the Board and shall be responsible for carrying out the objectives of the organization; subject to such written policies, directions and procedures as may be established from time to time by the Board. The Chief Executive Officer shall be responsible for the day-to-day operation of CPCNH, and is empowered to hire additional staff, who report to the Chief Executive Officer, when the Board votes to authorize a position and a budget line to support it.

A position description (for the Chief Executive Officer and any other staff) with specific responsibilities will be drafted and reviewed as part of the annual performance evaluation process.

Prior to hiring a Chief Executive Officer or in the absence of a Chief Executive Officer the Board may retain such consultants and interim staff, such as an acting manager, as it may determine is appropriate.

ARTICLE IX

AMENDMENTS

Section 9.1 <u>Amendment of By-Laws</u>

Except as otherwise provided by law, these By-Laws may be amended by a vote of not less than two-thirds (2/3) of the Members in attendance at the Annual Membership Meeting, any Regular Meeting, or any Special Meeting, provided that written notice of the proposed amendments are distributed to each Member at least fourteen (14) days prior to such meeting at which it is to be acted upon.

Further, all amendments must be consistent with the Articles of Agreement and the JPA, and this Article IX, Article XI, and Article XIII may not be amended unless such amendment is approved by the governing body of each Member.

The Board shall, as may be required by law, report to the New Hampshire Attorney General, Charitable Trust Unit, a copy of any By-Laws Amendments.

ARTICLE X

FISCAL YEAR, FINANCIAL REPORTS, AND AUDITS

Section 10.1 Fiscal Year

As provided for under the JPA, the fiscal year shall be the calendar year, subject to the Board's discretion to amend the Fiscal Year.

Section 10.2 Financial Reports and Audits

As provided for under the JPA, an independent financial report by a professional accounting firm of the books and records of CPCNH shall be conducted each fiscal year, and a copy of such financial report shall be submitted to each Director and the Members. A copy of such financial report may also be provided to others as directed by the Chair. The Board shall determine when it is appropriate for audits to be performed by professional accounting firms.

ARTICLE XI

DISSOLUTION, LIQUIDATION, AND DISTRIBUTION

CPCNH shall not be dissolved until such time as all principal of, and interest on, bonds and other forms of indebtedness issued by CPCNH are paid in full or adequate provision for such payment shall have been made in accordance with the instruments governing such bonds and other forms of indebtedness. Thereafter CPCNH may be dissolved upon the unanimous vote of all of the Members taken at a meeting of the Membership called for that purpose; provided, however, that CPCNH shall continue to exist after termination for the purpose of discharging or disposing of all claims and obligations, liquidating and distributing all assets and property, and conducting all other functions necessary to conclude the obligations and affairs of the CPCNH. In the event of a vote for dissolution, the Board shall liquidate the business and assets and the property of the Corporation as expeditiously as possible and distribute any net proceeds and any remaining assets to any remaining Members in such manner as is determined by the Board in accordance with law. The Board is vested with all powers of the Corporation for the purpose of concluding and dissolving the business affairs of the Corporation. No Member representative, Director, Officer, committee member, employee, or individual connected with CPCNH shall be entitled to share in the liquidation or distribution of any of the assets of CPCNH upon its dissolution.

ARTICLE XII

CONFLICT OF INTEREST

Section 12.1 Duty to Disclose and Voting Requirements

Any possible conflict of interest on the part of any Director or Officer of CPCNH, shall be disclosed in writing to the Board and made a matter of record through an annual procedure, and also when the interest involves a specific issue or transaction before the Board. Where the transaction involving a Director or Officer exceeds five hundred dollars and no cents ($500.00) but is less than five-thousand dollars and no cents ($5,000.00) in a fiscal year, a two-thirds (2/3) vote of disinterested Directors approving the transaction is required. Where the transaction involved exceeds a value of five thousand dollars and no cents ($5,000.00) in a fiscal year, then a two-thirds (2/3) vote of disinterested Directors approving the transaction after publication of a legal notice in a newspaper of general circulation in the community in which the principal office of CPCNH is located (or if there is no such office, then in a newspaper of general circulation throughout the state), and after written notice to the Office of the Attorney General, Director of Charitable Trusts. Neither the interested Director nor any other Director who had a pecuniary benefit transaction with CPCNH in the same fiscal year shall be present for or participate either in the discussion or the actual vote concerning the transaction and the minutes shall reflect the fact as well as the disclosure of the Director's interest and the vote. Every new member of the Board will be advised of this policy upon entering the duties of his and her office, and shall sign a statement acknowledging, understanding and agreement to this policy. CPCNH shall keep a log of the pecuniary benefit transactions occurring between it and Board Members.

Section 12.2 Other Statutory Requirements

The Board will comply with all applicable requirements of New Hampshire laws dealing with pecuniary benefit transactions (NH RSA 7:19-a, II and 292:6-a) and all such laws are incorporated in full into and made a part of this policy statement. These requirements include, but are not limited to, (1) the absolute prohibition of any loans to any Director or Officer of CPCNH; and (2) prohibition of any sale or lease (for a term greater than five (5) years) or conveyance of real estate to or from a Director or Officer, without the prior approval of the probate court. These requirements extend to both direct and indirect financial interests.

ARTICLE XIII

INDEMNIFICATION AND INSURANCE

Section 13.1 Indemnification

Each Member (including its governing body), Member representative, Director, Officer, committee member, employee, assignee, or agent of CPCNH, (and their respective heirs, executors and administrators), shall be indemnified and held harmless by CPCNH against any and all claims, demands, losses, costs, penalties, expenses (including attorneys' fees), judgments, damages and liabilities reasonably incurred by, or imposed upon them in connection with any action, suit or proceeding to which they may be made a party or with which they shall be threatened, by reason of their being, or having been, a Member, Member representative, Director, Officer, committee member, employee, assignee, or agent of CPCNH (whether or not they continues to be a Member, Member representative, Director, Officer, committee member, employee, assignee, or agent of CPCNH at the time such action, suit or proceeding is brought or threatened), arising in whole or in part, directly or indirectly from conduct in which such Member, Member representative, Director, Officer, committee member, employee, assignee, or agent has engaged in good faith. However, no such indemnification shall apply in relation to any matter involving (i) a breach of their duty of loyalty to CPCNH; (ii) acts or omission which are not in good faith or which involved intentional misconduct or a knowing violation of law; or (iii) a transaction from which the Director, Officer, Member representative, committee member, employee, assignee, or agent derived an improper personal benefit.

In the event of settlement of any such action, suit or proceeding brought or threatened, such indemnification shall be limited to matters covered by the settlement as to which CPCNH is advised by counsel that such Member, Member representative, Director, Officer, committee member, employee, assignee, or agent is not liable for misconduct as such. The foregoing right of indemnification shall be in addition to any rights to which any Member (including its governing body), Member representative, Director, Officer, committee member, employee, assignee, or agent may otherwise be entitled.

Section 13.2 <u>Insurance</u>

CPCNH shall self-provide or acquire insurance coverage as is necessary to protect the interests of the CPCNH, the Members, employees, agents, and the public and to indemnify such persons in instances in which they may be indemnified pursuant to Section 13.1 in this Article XIII.

These By-Laws were adopted by a 2/3 majority action of the signers of the Articles of Agreement constituting the initial Board on October 1, 2021.

Attachment D: List of Members

The following entities are Parties to the Joint Power Agreement of Community Power Coalition of New Hampshire:

1. City of Lebanon
2. Town of Hanover
3. City of Nashua
4. Cheshire County
5. Town of Harrisville
6. Town of Exeter
7. Town of Rye
8. City of Dover
9. Town of Warner
10. Town of Walpole
11. Town of Plainfield
12. Town of Newmarket

Attachment E: Signatories

IN WITNESS WHEREOF, the Parties have executive this Joint Power Agreement for Community Power Coalition of New Hampshire.

City of Lebanon, NH

By: ______________________________

Name: Shaun Mulholland

Title: City Manager

Date: ______________________________

City of Dover, NH

By: ______________________________

Name: Christopher Parker

Title: Deputy City Manager

Date: ______________________________

Town of Hanover, NH

By: ______________________________

Name: Julia Griffin

Title: Town Manager

Date: ______________________________

Town of Harrisville, NH

By: ______________________________

Name: Andrea Hodson

Title: Select Board Chair

Date: ______________________________

City of Nashua, NH

By: ______________________________

Name: James W. Donchess

Title: Mayor

Date: ______________________________

Town of Exeter, NH

By: ______________________________

Name: Russ Dean

Title: Town Manager

Date: ______________________________

Cheshire County, NH

By: ______________________________

Name: Chris Coates

Title: Administrator

Date: ______________________________

Town of Rye, NH

By: ______________________________

Name: Becky Bergeron

Title: Town Administrator

Date: ______________________________

Attachment E: Signatories

Town of Warner, NH	City of ______________, NH
By: ______________________________	By: ______________________________
Name: Clyde Carson	Name: ______________________________
Title: Select Board Chair	Title: ______________________________
Date: ______________________________	Date: ______________________________
Town of Walpole, NH	Town of ______________, NH
By: ______________________________	By: ______________________________
Name: Cheryl Mayberry	Name: ______________________________
Title: Select Board Chair	Title: ______________________________
Date: ______________________________	Date: ______________________________
Town of Plainfield, NH	Town of ______________, NH
By: ______________________________	By: ______________________________
Name: Eric R. Brann	Name: ______________________________
Title: Select Board Chair	Title: ______________________________
Date: ______________________________	Date: ______________________________
City of Newmarket, NH	Town of ______________, NH
By: ______________________________	By: ______________________________
Name: Steve Fournier	Name: ______________________________
Title: Town Manager	Title: ______________________________
Date: ______________________________	Date: ______________________________

Attachment F: List of Project Contracts

The following is the List of Project Contracts entered into by Community Power New Hampshire:

1. [Project Contact No. 1: Reserved]
2. [Project Contact No. 2: Reserved]

Attachment G: Notices to Corporation

All notices to the Corporation shall be provided to its current corporate address, as follows:

[insert current address]

COMMUNITY POWER COALITION OF NEW HAMPSHIRE
For communities, by communities.

Coalition Organizing Group

JPA Housekeeping Memo

August 2, 2021

To: **Leaders and legal counsel of municipalities** that have voted to join the Community Power Coalition of New Hampshire (CPCNH) by entering into the Joint Powers Agreement (JPA)

From: **Lebanon Assistant Mayor Clifton Below** on behalf of the CPCNH Organizing Group including Hanover Town Manager Julia Griffin; Cheshire County Deputy Administrator Rod Bouchard; Nashua Energy Manager Doria Brown; and Harrisville Select Board Chair Andrea Hodson

RE: **Proposed Housekeeping Revisions and Substantive Addition to the Joint Powers Agreement in the Definition of "Projects"**

Hello,

Over the last six months of review of the JPA documents by numerous attorneys and others, including ourselves, some housekeeping issues have come to our attention. These include a few minor typos, incorrect cross references, missing definitions, and a few substantive inconsistences in the proposed CPCNH JPA and By-laws that should be clarified. Also, a substantive definition of "Project" is added that includes electric vehicle (EV) charging infrastructure as a type of facility that could be developed as a Project by Members. It is the consensus of the organizing group that now is the best time to make these changes, before the JPA is first executed.

We would like the leaders and/or legal counsel of the communities that have voted to join the Coalition by adopting the JPA to review these and indicate if they have any objection to these revisions. Ideally, we might reach a consensus on this at our next organizing group meeting on Thursday 8/5 at 10am. At the latest, if a consensus is reached before the end of August, we can still get the revisions submitted to the NH Attorney General in time to secure approval for conformity with NH law before our proposed Oct 1 effective date for the JPA and actual incorporation.

Under RSA 53-A: The Attorney General has 30 days to approve or disapprove from the date of receipt and if they don't object within those 30 days the revisions would be deemed approved. When we first submitted the JPA to the A.G. at the end of last December it was turned around with approval well within the 30 days.

At your convenience, these proposed revisions could be brought to the attention of your governing body, before or after AG approval, but before Oct. 1. Depending on the text of your original approval, you may want to secure explicit approval for the revisions.

A complete copy of the JPA, including attachments, with edits shown in track changes is being transmitted with this memo. Also attached is a clean copy. Page references below are to the tracked changes version. All these proposed edits have been reviewed with Attorney Michael Postar of the law firm DWGP that has been advising the organizing group through its engagement with the City of Lebanon.[1] The proposed revisions are explained in the overview in sequential order in the Overview below.

A Substantive Addition in the Definition of "Project"

A definition for the term "Project" is added on page 15, Attachment A, Definitions. This is important because section 7.12 of the Articles of Agreement (p. 18) grants CPCNH the power to: *"Acquire, purchase, finance, offer, arrange, construct, maintain, utilize and/or operate one or more Projects as that term is defined in the JPA"*. Although Article X of the JPA generally describes Projects, a definition was missing. Although "Project" was probably generally understood to include revenue producing facilities such as electric generation and storage projects, for example development of a community solar with storage facility, that needs to be spelled out and we overlooked last fall. So please carefully review the proposed definition on page 15.

This definition of "Project" includes the explicit possibility of developing and owning electric vehicle charging infrastructure.[2] There is also an "elastic clause" at the end of the definition that allows Projects to be otherwise defined by the Board of Directors, which has to approve Projects and set general policy for them in any case. This allows the Board in the future to adjust what might be considered a project if it differs from the given descriptions in parts (i) and (ii), within the powers granted to the Corporation. Participation in Projects are always optional under separate Project Contracts and Cost Sharing Agreements that each Member would opt-into, typically through a vote of their

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[1] More information about DWGP and the process by which they were retained is explained near the bottom of "Our History" on this page: https://www.cpcnh.org/about.

[2] The authority for potentially sponsoring projects that invest in electric vehicle charging infrastructure comes from three of the statutes referenced in our Purpose statement (Article II, §2, p. 3 of the JPA) and the grant of powers under Article 7 of the Articles of Agreement:

- RSA 53-E:3, II grants community power aggregations ("CPAs") to "provide for: (1) The supply of electric power. (2) Demand side management. . . (4) Meter reading. . . (6) Other related services." EV charging infrastructure Is how electric power is supplied to EVs and is part of the provision of demand side management, meter reading and other related services. It is the point at which CPAs might meter and sell electricity to mobile customers within their service territory at public charging stations. RSA 236:133 also enables such public charging stations.
- RSA 374-D:2 Powers. – Municipalities may design, develop, acquire, and construct small scale power facilities at sites owned or leased by them or otherwise made available to them for a period at least equal to the term of any financing undertaken under this chapter. Municipalities may operate, or may enter into contracts for the operation of, such facilities on such terms and conditions as the governing board may determine. Power produced by such facilities may be transmitted and distributed by a municipality to any user of power or to any public utility, at such price and on such terms and conditions as may be agreed to by the governing board.
- RSA 374-D:3 Authorization and Issuance of Bonds. – I. Any municipality, when authorized by a 2/3 vote as prescribed in RSA 33, may borrow money through the issuance of bonds or notes to finance the design, development, and acquisition or construction costs, or its share of such costs, of a small scale power facility. Such costs to be financed may include the costs of all equipment necessary for the production, distribution, and transmission of electrical energy . . . "
- RSA 33-B enables the use of revenue bonds by municipalities for revenue-producing facilities which includes in its definition "facilities for the production, generation, transmission, or distribution of electricity."

Public EV charging infrastructure is typically revenue producing and these are facilities that are certainly part of how electricity is transmitted, distributed, and supplied to end use customers.

governing or legislative body, which may depend on whether revenue bonding is involved or what the Member's electric aggregation plan calls for.

Overview of JPA Housekeeping Revisions

***Page 1,* Minor Edits**: As communities vote to join and execute the JPA they will be added to the original document up until the initial execution. A couple of cross-references to terms defined in context are added or put in quotation marks.

***Page 2,* Minor Edit:** Adds cross reference to the "Corporation" as synonymous with "CPCNH".

Clarification, Article 1, §1, Definitions: A careful read reveals that many capitalized terms are defined in context when first used and not necessarily in Attachment A. The changed text just makes this clearer than the statement "unless the context requires otherwise."

Corrected References, Article 1, §3, Revision of Attachment: Strike the reference to Attachments B and C as administrative matters as they are quite substantive, to make clear they are subject to provisions of Article XVI, §2, Amendments concerning amendments to the JPA.

***Page 3,* Corrected References, Article II, §1, Creation of the Corporation:** Corrects a reference to the Articles of Agreement as Attachment B (which was incorrectly referenced as Attachment A).

Article III, Powers. Corrects reference to Attachment B as the Articles of Agreement instead of the By-Laws. The Powers of the CPCNH are stated identically in both documents, but the Articles of Agreement is the more fundamental document where these will be publicly available on the NH Secretary of State's website.

***Page 4,* Substantive Clarification, Article IV, §6, Membership, Continuing Obligations:** A phrase at the end of the first sentence is deleted. This pertains to the continuing obligations of a withdrawn or terminated Member under any Project Contract or Cost Sharing Agreement. The deleted phrase added: *"and for any claims, demands, damages or liabilities arising from the Member's participation in the Corporation through the date of its withdrawal or involuntary termination."* On the face of it such a deletion might appear to be a substantive change. However, the effect of this clause at the end was constrained by Article XII, LIMITATION ON LIABILITY OF MEMBERS, that reads simply *"No debt, liability, or obligation of the Corporation shall be a debt, liability, or obligation of any Member unless otherwise specified and agreed to by individual Members under a Cost Sharing Agreement or Project Contract under this Agreement."* The deleted text was intended to refer to liabilities incurred, but not paid or fulfilled, prior to the termination of Membership under Cost Sharing Agreements or Project Contracts while the opening part of the sentence more spoke to the continuing obligation going forward. In any case, since it might be construed at creating a liability outside of a Cost Sharing Agreement or Project contract, it is better to delete and just make sure that this issue is clearly addressed within such agreements as they are developed with the initial Board of Directors.

Pages 4-5, ***Minor Edits, Article V, §3, Cost Sharing Agreements:*** "Costs" gets capitalized as it first becomes a defined term of art, meaning "costs, expenses, debts, and liabilities," where applicable through the end of Section 4 on page 5.

Page 6, ***Minor Edit & Corrected Reference, Article VII, Board of Directors, Powers and Duties:*** the main JPA itself is added to the Articles of Agreement and By-Laws as documents that specify matters pertaining to the Board of Directors since the Committees of the Board are specified in Article IX of the JPA.

Page 7, ***Minor Edit and Slightly Substantive Addition, Article IX, Committees, §3, Executive Committee:*** Membership is capitalized as a defined term of art. This section creates an Executive Committee once we have more than 11 Members comprised of the four officers and the "Immediate Past President." It provides that if the Immediate Past President is no longer a Director or declines the Board may appoint another Director to serve on the committee. However, current text does not provide for the case where there is no Immediate Past President, such as when the Executive Committee is first constituted. This change gives the Board the option of appointing another Director, in addition to the 4 officers, to the Executive Committee if there is no Immediate Past President.

Page 9, ***Clarifying Division of Section, Article X, Projects, Section 2, Right to Participate in Projects:*** The latter part of this section, except for last sentence, didn't really fit under the heading "Right to Participate" and is better split off under a new section heading "Project Participation and Terms." The last sentence of the original paragraph, now part of new Section 3, is moved up to still be the last sentence under Section 2. The remaining sections of this Article are renumbered.

Clarifying Flexibility Added, Section 4(b) under General Project Voting Guidelines: Additional text provides flexibility to participating Members in a particular Project to agree to voting terms other than the presumptive 80% threshold, with 2 parties minimum for making decisions.

Page 11, ***Substantive Clarification and Addition, Article XVI, §2, Amendments:*** The following sentence is added: *"Attachments B and C, the Articles of Agreement and By-Laws, may be amended by a vote of at least 2/3 (two-thirds) of the votes cast by the Members at a Membership Meeting at which a quorum is present pursuant to the terms specified in Article IX of the By-Laws."* This allows the Articles of Agreement and By-Laws to be amended by the terms specified in Article IX of the By-Laws, (with notice and a 2/3 or greater vote) at Regular or Special Meetings of the Membership, in addition to being adopted at Annual Meetings, as this section otherwise limits the occasion to adopt amendments to the main JPA to only Annual Meetings of the Membership. The ability to amend the By-Laws at a time other than once a year at the Annual Meeting could be important at some point in the future, for instance, to satisfy a precondition for a financing or to correct an unforeseen glitch. The same 2/3 vote of the Membership is required to amend each of the 3 organizational documents, but amendments to the By-Laws and Articles of Agreement that receive a 2/3 or greater vote would not be subject to being blocked by 2 or more dissenting Members with 50% or more of the population as could be amendments to the core JPA. Both the core JPA and the By-Laws have certain key provisions, like the amendment sections, that can only be amended by approval of each Member's governing body, so it is important to get this right from the beginning.

Page 13, ***Deletion of Superfluous Text, after Article XVII, General Provisions, Section 7:*** Text is deleted at end of the core JPA that dangles without a section number: "REFERENCE TO Joint Powers Agreement." To the extent the deleted text isn't axiomatic it seems redundant to the provisions of Article 1 on p. 2 regarding "Definitions and Attachments" as well as Article XVI, §2, Amendments. Attorney Postar and I agreed that this could be deleted as it adds nothing to the Agreement.

Page 14-15, ***Additions and Clarifications, Attachment A, Definitions:*** Many definitions of capitalized terms have been added pursuant to Article 1, Section 1. Some that are obvious and/or clearly defined in context at first use were not added to Attachment A. Many that were added to Attachment A are further defined in cross-referenced context, such as sometimes in the By-Laws even though the first use of the term might be in the core JPA. As previously explained, the definition of "Project" is a substantive addition to the JPA. A few more material definitions that are not much defined in cross references, if at all, include: 11: Enterprise Risk Management Policy; 17: Project Contract; and 21: Regular Meeting. The Enterprise Risk Management Policy definition reflects a general and common understanding of the term, along with details specific to energy portfolio risk management.

Definition of "Annual Retail Electricity Load": Currently there is a rather vague statement that when a Member CPA has less than 12 whole months of load to compare against all Member's Annual Retail Electricity Load for G&A cost allocation, the number is to be extrapolated from the most recent whole months. This may not be the most equitable way to do this and isn't further detailed, so rather than try to work out the best approach and details now, under the new language this issue is to be fleshed out and resolved in the Cost Sharing Agreement to be developed and separately agreed to by each Member.

Page 20, ***Minor Edit, Attachment B, Article of Agreement of the Corporation:*** Some signature lines for the incorporators were added. Five minimum are required. Each initial Party to the JPA could have a representative sign as an incorporator but is not required to do so. Upon filing at the Secretary of State's office CPCNH will exist and we want the incorporators to meet in person to at least adopt the By-Laws and hopefully transition to the first full blown meeting of the Board of Directors. Ideally the incorporator for each Member should be the intended initial Director or alternate but does not have to be. Nor do they need to be the person executing the JPA, which can be done in advance and by counterpart.

Page 24, ***Reference Correction, Attachment C, Corporation By-Laws, §3.9, Continuing Obligation:*** An incorrect reference to Article IV, Section 7 of the JPA, which doesn't exist, is corrected to reference Section 6 instead. This correction already appears in some copies of the JPA, as it was caught early on.

Page 26, ***Correction of Term in Section Heading, §5.4, Board of Directors, Non-Voting Members:*** This section Is not about "non-voting Members" but is rather about the option for the Board to add non-voting persons to the Board based on their expertise or as liaisons to other organizations, so the correct term In the section heading should be "Non-Voting Directors."

Resolution of Conflicting Terms, §5.6, Board of Directors, Election: The current provision states that Directors shall be elected by a majority vote of the Members attending each Annual Membership Meeting, but this is in direct conflict with Section 4.5, Vote Necessary to Take Action [at Annual Membership Meeting of CPCNH] that states: "*A plurality vote of the Members in attendance at a Membership meeting shall be necessary to elect any Director.*" As New Hampshire law generally provides for elections to be decided by a plurality of the votes, it makes sense to apply that standard to Directors who will be elected "at-large" in multi-seat elections. In other words, if, say 4 seats on the Board were up for vote in a given year and there were 9 or more candidates with each Member having 4 votes to cast, it is possible that all 4, 3, 2, 1 or no candidates would receive a majority vote, but 4 will have the most votes, the plurality, to fill the 4 available seats.

Pages 26-27, Minor Edits and Resolution of Conflicting Terms, §5.7, Board of Directors, Number: Correct defined terms are used and the current provision that the size of the Board's membership it to be increased or decreased by amendment to the By-Laws is deleted in favor of recognizing the allowance given to vary the size of the Board between 11 and 21 with the requirement in Section 4.1, Annual Membership Meeting of CPCNH that the notice for such meetings "shall set forth the number of Directors to be elected by the Members." Obviously, the Board of Directors would need to determine this in advance of the Annual Meeting to include it in the notice.

Page 34, Adoption Statement at the end Attachment C: This is amended to both conform with the statutory requirement language at RSA 292:6 and to reflect that the Articles of Agreement at Article 3 make the incorporators the initial board for adopting the By-Laws.

Thank you again for your collaboration and support and please don't hesitate to email or call me if you have any questions.

Yours truly,

Clifton.Below@LebanonNH.gov

Assistant Mayor ⌿ City of Lebanon ⌿ (603) 667-7785 (M)

On Behalf of the CPCNH Organizing Group

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

10. NEW BUSINESS:

10.C – APPOINTMENT OF CITY REPRESENTATIVE AND ALTERNATE REPRESENTATIVE TO THE COMMUNITY POWER COALITION OF NEW HAMPSHIRE

BACKGROUND

At its February 3, 2021 meeting, the City Council acted to authorize the Mayor to make appointments of the City's representative and alternate to the Community Power Coalition of New Hampshire, in consultation with the City Manager. The Joint Power Agreement (JPA) calls for the governing body (the City Council) to make the appointments. While a vote to delegate that authority may be legally acceptable, out of an abundance of caution it would be better for the Council to vote to make such appointments.

The Mayor, after consulting with the City Manager and Assistant Mayor recommends that Assistant Mayor Clifton Below be appointed to serve as the City's representative to the Community Power Coalition of New Hampshire (CPCNH) and Lebanon Energy Advisory Committee (LEAC) Vice Chair T. Gregory Ames, III be appointed to serve as the City's alternate representative. Bio sketches for each are attached. These were part of a National Science Foundation proposal related to Lebanon Community Power that was proposed by Professor Amro Farid at the Thayer School of Engineering at Dartmouth that the City was collaborating with. Unfortunately, the proposal was not selected for funding, but the bio sketches are useful.

ACTION

MOVED, that the Lebanon City Council hereby appoints Assistant Mayor Clifton Below to serve as the City's primary representative to the Community Power Coalition of New Hampshire and appoints Lebanon Energy Advisory Committee Vice Chair T. Gregory Ames, III to serve as the City's alternative representative.

BE IT FURTHER MOVED, that these appointments are effective until further action by the Council to rescind or replace with other appointees.

Included in this Section:

1. Clifton S. Below, Assistant Mayor, NSF Biographical Sketch
2. Thomas Gregory Ames, III, Vice Chair of Lebanon Energy Advisory Committee, NSF Biographical Sketch

NAME: Clifton C. Below

POSITION TITLE & INSTITUTION: City of Lebanon Asst. Mayor & Chair Lebanon Energy Advisory Comm.

A. PROFESSIONAL PREPARATION

(see PAPPG Chapter II.C.2.f.(i)(a))

INSTITUTION	LOCATION	MAJOR/AREA OF STUDY	DEGREE (if applicable)	YEAR (YYYY)
Dartmouth College	Hanover, NH	Geography & Environmental Studies	B.A.	1980
Southern NH Universtiy	Manchester, NH	Community Economic Development	M.S. C.E.D. (Master of Science in Community Economic Development)	1985

B. APPOINTMENTS

(see PAPPG Chapter II.C.2.f.(i)(b))

From - To	Position Title, Organization and Location
2015 - present	City Councilor, City of Lebanon, NH 03766 (elected), Assistant Mayor, 2019 - present
2014 - present	Member, Lebanon Energy Advisory/Electric Aggregation Committee, Chair, 2015 -present
2005 - 2012	Commissioner, New Hampshire Public Utilities Commission, Concord, NH
2006 - 2011	Member, National Association of Regulatory Utility Commissioners (NARUC) Energy Resources & Environment Committee; Co-Vice-Chair, 2009-2011
2008 - 2011	Member, FERC-NARUC Smart Grid/Demand Response Collaborative
2006 - 2011	Member, New England Conference of Public Utility Commissioners (NECPUC), Vice President, 9/09-9/10; President, 9/10-9/11
2008 - 2010	Member, Electric Power Research Institute (EPRI), Energy Efficiency/Smart Grid Public
2009 - 2011	Advisory Group; Member, EPRI Advisory Council to the Board of Directors
2007 - 2011	Member, Regional Evaluation, Measurement & Verification (EM&V) Forum, Steering Committee, Northeast Energy Efficiency Partnership, Co-Chair, 2011
2006 - 2011	Agency Head representative, RGGI (Regional Greenhouse Gas Initiative),
2007 - 2011	RGGI, Inc.; Director & Secretary (2007-2009); Vice-Chair (2009-2011).
1998 - 2004	New Hampshire State Senator, District 5, numerous Committee memberships & Chairs
1997 - 2004	National Conference of State Legislatures, Advisory Council on Energy, Chair 2001-2004
1992 - 1998	NH State Representative, Member, Science, Technology & Energy Committee

C. PRODUCTS
(see PAPPG Chapter II.C.2.f.(i)(c))
Products Most Closely Related to the Proposed Project

S. O. Muhanji, C. Below, T. Montgomery and A. M. Farid, "Enabling a Shared Integrated Grid via New England Energy Water Nexus," 2019 IEEE International Symposium on Technology and Society (ISTAS), Medford, MA, USA, 2019, pp. 1-6, doi: 10.1109/ISTAS48451.2019.8938013. (https://ieeexplore.ieee.org/document/8938013)

S. O. Muhanji, S. Golding, T, Montgomery, C, Below and A. M. Farid, "A Distributed Economic Model Predictive Control Design for a Transactive Energy Market Platform in Lebanon, NH," 2020, arXiv:2012.04058 [eess.SY]. (https://arxiv.org/abs/2012.04058)

Tebbetts, H., Huber, L., Below, C., "Technical Statement Regarding Time-of-Use (TOU) Model", New Hampshire Public Utilities Commission (NHPUC) Docket No. 17-189, Liberty Utilities Petition to Approve Battery Storage Pilot Program, available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2017/17-189/LETTERS-MEMOS-TARIFFS/17-189_2018-11-19_GSEC_TECH_STATEMENT_TOU.PDF
This TOU rate model, developed in large part by C. Below, was approved for Liberty's Battery pilot and for a residential EV charging tariff. It has been described by the Regulatory Assistance Project as "the most advanced modern rate design in New England."

Other Significant Products, Whether or Not Related to the Proposed Project

C. Below, "Direct Testimony of Clifton C. Below," NHPUC Docket No. DE 16-576, Electric Distribution Utilities Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators, 10/24/17. This concerns conceptualization of RTP pilot and is available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-576/TESTIMONY/16-576_2016-10-24_LEBANON_DTESTIMONY_C_BELOW.PDF, with Attachments at:
https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-576/TESTIMONY/16-576_2016-10-24_LEBANON_ATT_DTESTIMONY_C_BELOW.PDF, with "Rebuttal Testimony of Clifton C. Below" available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-576/TESTIMONY/16-576_2016-12-22_COL_RTESTIMONY_C_BELOW.PDF

D. SYNERGISTIC ACTIVITIES
(see PAPPG Chapter II.C.2.f.(i)(d))

C. Below, "Testimony of Clifton C. Below," NHPUC Docket # DE 19-064, Liberty Utilities Request for Change in Rates, 12/6/19. This testimony concerns enabling municipalities to own their own smart street lights with communicating adaptive controls, including built-in revenue grade meters. A settlement agreement approved by the Commission enabled the City's Smart Street Lighting LED conversion project now underway, the first in the state to allow kWh credit for dimming of street lights. Available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-064/TESTIMONY/19-064_2019-12-09_COL_TESTIMONY_BELOW.PDF.

Community Power Coalition of New Hampshire, Member of ad hoc organizing group.

NAME: Clifton C. Below

POSITION TITLE & INSTITUTION: City of Lebanon Asst. Mayor & Chair Lebanon Energy Advisory Comm.

A. PROFESSIONAL PREPARATION
(see PAPPG Chapter II.C.2.f.(i)(a))

INSTITUTION	LOCATION	MAJOR/AREA OF STUDY	DEGREE (if applicable)	YEAR (YYYY)
Dartmouth College	Hanover, NH	Geography & Environmental Studies	B.A.	1980
Southern NH Universtiy	Manchester, NH	Community Economic Development	M.S. C.E.D. (Master of Science in Community Economic Development)	1985

B. APPOINTMENTS
(see PAPPG Chapter II.C.2.f.(i)(b))

From - To	Position Title, Organization and Location
2015 - present	City Councilor, City of Lebanon, NH 03766 (elected), Assistant Mayor, 2019 - present
2014 - present	Member, Lebanon Energy Advisory/Electric Aggregation Committee, Chair, 2015 -present
2005 - 2012	Commissioner, New Hampshire Public Utilities Commission, Concord, NH
2006 - 2011	Member, National Association of Regulatory Utility Commissioners (NARUC) Energy Resources & Environment Committee; Co-Vice-Chair, 2009-2011
2008 - 2011	Member, FERC-NARUC Smart Grid/Demand Response Collaborative
2006 - 2011	Member, New England Conference of Public Utility Commissioners (NECPUC), Vice President, 9/09-9/10; President, 9/10-9/11
2008 - 2010	Member, Electric Power Research Institute (EPRI), Energy Efficiency/Smart Grid Public
2009 - 2011	Advisory Group; Member, EPRI Advisory Council to the Board of Directors
2007 - 2011	Member, Regional Evaluation, Measurement & Verification (EM&V) Forum, Steering Committee, Northeast Energy Efficiency Partnership, Co-Chair, 2011
2006 - 2011	Agency Head representative, RGGI (Regional Greenhouse Gas Initiative),
2007 - 2011	RGGI, Inc.; Director & Secretary (2007-2009); Vice-Chair (2009-2011).
1998 - 2004	New Hampshire State Senator, District 5, numerous Committee memberships & Chairs
1997 - 2004	National Conference of State Legislatures, Advisory Council on Energy, Chair 2001-2004
1992 - 1998	NH State Representative, Member, Science, Technology & Energy Committee

C. PRODUCTS
(see [PAPPG Chapter II.C.2.f.(i)(c)]())
Products Most Closely Related to the Proposed Project

S. O. Muhanji, C. Below, T. Montgomery and A. M. Farid, "Enabling a Shared Integrated Grid via New England Energy Water Nexus," 2019 IEEE International Symposium on Technology and Society (ISTAS), Medford, MA, USA, 2019, pp. 1-6, doi: 10.1109/ISTAS48451.2019.8938013. (https://ieeexplore.ieee.org/document/8938013)

S. O. Muhanji, S. Golding, T, Montgomery, C, Below and A. M. Farid, "A Distributed Economic Model Predictive Control Design for a Transactive Energy Market Platform in Lebanon, NH," 2020, arXiv:2012.04058 [eess.SY]. (https://arxiv.org/abs/2012.04058)

Tebbetts, H., Huber, L., Below, C., "Technical Statement Regarding Time-of-Use (TOU) Model", New Hampshire Public Utilities Commission (NHPUC) Docket No. 17-189, Liberty Utilities Petition to Approve Battery Storage Pilot Program, available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2017/17-189/LETTERS-MEMOS-TARIFFS/17-189_2018-11-19_GSEC_TECH_STATEMENT_TOU.PDF
This TOU rate model, developed in large part by C. Below, was approved for Liberty's Battery pilot and for a residential EV charging tariff. It has been described by the Regulatory Assistance Project as "the most advanced modern rate design in New England."

Other Significant Products, Whether or Not Related to the Proposed Project

C. Below, "Direct Testimony of Clifton C. Below," NHPUC Docket No. DE 16-576, Electric Distribution Utilities Development of New Alternative Net Metering Tariffs and/or Other Regulatory Mechanisms and Tariffs for Customer-Generators, 10/24/17. This concerns conceptualization of RTP pilot and is available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-576/TESTIMONY/16-576_2016-10-24_LEBANON_DTESTIMONY_C_BELOW.PDF, with Attachments at:
https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-576/TESTIMONY/16-576_2016-10-24_LEBANON_ATT_DTESTIMONY_C_BELOW.PDF, with "Rebuttal Testimony of Clifton C. Below" available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2016/16-576/TESTIMONY/16-576_2016-12-22_COL_RTESTIMONY_C_BELOW.PDF

D. SYNERGISTIC ACTIVITIES
(see [PAPPG Chapter II.C.2.f.(i)(d)]())

C. Below, "Testimony of Clifton C. Below," NHPUC Docket # DE 19-064, Liberty Utilities Request for Change in Rates, 12/6/19. This testimony concerns enabling municipalities to own their own smart street lights with communicating adaptive controls, including built-in revenue grade meters. A settlement agreement approved by the Commission enabled the City's Smart Street Lighting LED conversion project now underway, the first in the state to allow kWh credit for dimming of street lights. Available at:
https://www.puc.nh.gov/Regulatory/Docketbk/2019/19-064/TESTIMONY/19-064_2019-12-09_COL_TESTIMONY_BELOW.PDF.

Community Power Coalition of New Hampshire, Member of ad hoc organizing group.

BS-2 of 2

AGENDA
LEBANON CITY COUNCIL
SEPTEMBER 15, 2021

10. NEW BUSINESS:

10.D – DISCUSSION OF INTERVIEW & SELECTION PROCESS FOR MEMBERS OF THE DIVERSITY, EQUITY & INCLUSION (DEI) COMMISSION

BACKGROUND

On July 21, 2021, the City Council acted to create a commission to address the issues of diversity, equity, and inclusion in the City with the objective of educating and developing conversations in the community regarding these issues, specifically by:

1. Enhancing the City's support for a welcoming environment encouraging cooperation, tolerance, and respect among and by all persons living, working, and visiting the city;

2. Serving as a resource for City government and the community by providing information, education, and communication that facilitates a better understanding and celebrates differences; and

3. Advising the City government to ensure the community is united amongst diversity, where everyone is equally respected, valued, needed, and cherished.

The appointment of commissioners will be very important. In communities where DEI commissions, or similarly named bodies have been effective, members include those who have a desire to bring the community together. Commission members who have credibility in the community and a reputation for working with others who may have a different point of view will be critical to the success of a DEI commission in the City of Lebanon.

ACTION

The Council is asked to decide on an interview and selection process for appointment of members to the commission.

Included in this Section:

1. Ordinance 2021-07

THE CITY OF LEBANON ORDAINS AS FOLLOWS:

ORDINANCE NO. **2021-07**

An Ordinance to Amend the Code of the City of Lebanon, Chapter 31, Boards, Committees and Commissions, to add a new section to establish the Diversity, Equity and Inclusion Commission.

Section 1. Chapter 31 of the Code of the City of Lebanon is hereby amended to add a new section, Article XIII as follows:

ARTICLE XIII, DIVERSITY, EQUITY and INCLUSION COMMISSION

§31-52. ESTABLISHMENT; MEMBERSHIP; QUALIFICATIONS.

Pursuant to Chapter C419:23 of the Lebanon City Charter, there is hereby established a Diversity, Equity and Inclusion Commission. The Commission shall be comprised of no more than nine (9) voting members appointed by the City Council, including: two (2) City Councilors and seven (7) members of the public. The City Manager or his/her designee shall be a permanent non-voting member of the commission.

The Public Representatives shall be residents of the City of Lebanon and shall be appointed by the City Council and their terms shall be staggered for periods of two years. The City Council representatives shall be appointed by the Mayor annually.

In determining each member's qualifications, the appointing authority shall take into consideration the appointee's ability to assist in the purpose of the commission and their willingness to serve. The appointing authority will seek a broad representation of the community at large.

Commission members will serve without compensation and subject to applicable City policies. Commission members must comply with the City's ethics policies and shall refrain from promoting or pursuing personal interests while acting as a member or representing the City.

The Commission shall have assistance from City staff, as designated by the City Manager. The Commission shall comply with the rules of decorum as established by the City Council.

§31-53. PURPOSE/CHARGE/MISSION.

The Diversity, Equity and Inclusion Commission is hereby established for the purposes of:

1. Enhancing the City's support for a welcoming environment encouraging cooperation, tolerance, and respect among and by all persons living, working and visiting the city

2. Serving as a resource for City government and the community by providing information, education, and communication that facilitates a better understanding and celebrates our differences.

3. Advising the City government to ensure the community is united amongst diversity, where everyone is equally respected, valued, needed, and cherished.

§31-54. DUTIES AND RESPONSIBILITIES.

The duties and responsibilities of the Diversity, Equity and Inclusion Commission will include:

1. Providing recommendations to the City Manager and City Council that would identify opportunities to address diversity and equity issues, promote inclusion/diversity programs, and provide guidance to create a more accessible, safe, welcoming and inclusive government and community.

2. Enhancing communication across and among the community to promote awareness, understanding and the value of cultural, ethnic and religious differences.

3. Promoting equity among all persons relative to gender, race, ethnicity, religion, age, gender identity, sexual orientation.

4. Promoting inclusion in the workplace, the community and City government.

5. Coordinating economic development activities amongst City representatives and private organizations at the request and direction of the City Council.

6. Establishing a dialogue with City residents to understand the needs and concerns of the community; with local business owners to understand challenges and hindrances to the enhancement of diversity, equity and inclusion.

7. Reporting quarterly to the City Council in accordance with Council directives.

8. Working in partnership with the City Manager and Staff to achieve the objectives of ensuring diversity, equity and inclusion in the City.

Section 2. Severability

The provisions of this ordinance are delated to be severable, and if any section, subsection, sentence, clause or part thereof, for any reason, is held to be invalid or unconstitutional by a court of competent jurisdiction, such decision shall not affect the validity of the remaining sections, subsections, sentences, clauses or part of this ordinance.

Section 3. Effective Date

This Ordinance shall become effective upon passage.

This Ordinance was adopted by the City Council on July 21, 2021 and is hereby authenticated by the undersigned as required by Section C419:22 of the City Charter.

CITY OF LEBANON

DocuSigned by:

By: Timothy McNamara

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Timothy J. McNamara, Mayor

By: DocuSigned by: Kristin Kenniston
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Kristin M. Kenniston, City Clerk

Effective Date: July 21, 2021
Date of Publication of Notice of Public Hearing: July 10, 2021
Date of Public Hearing: July 21, 2021
Date of Adoption: July 21, 2021
Date of Notice of Adoption: August 5, 2021
Date of Recording of the Ordinance by the City Clerk: August 5, 2021