

 <p>COMMUNITY POWER COALITION OF NEW HAMPSHIRE</p>	FINANCE COMMITTEE – MINUTES	
	Meeting Type:	Finance Committee
	Meeting Location:	Lebanon City Hall, Lebanon, NH
	Meeting Date:	Monday, August 21, 2023
	Meeting Time:	Noticed for 9am

Finance Committee Members in Attendance:

- Clyde Carson, Finance Committee Chair
- Kimberley Quirk, Treasurer, Town of Enfield
- Clifton Below, CPCNH Chair, City of Lebanon

Finance Committee Members in Virtual Attendance:

- Kathleen Kelley, Town of Randolph
- Henry Noel, City of Berlin
- Andrea Hodson, Town of Harrisville
- Paul Looney, Town of Walpole

Missing:

- April Salas, Town of Hanover
- Terry Clark, Cheshire County

Other Attendees:

- Brian Callnan, CEO
- Henry Herndon, Dir of Member Ops

Called to order: 9:02am

Review/Approval of Minutes from 7/17/23 – Kim moved to approve, seconded by Clyde; approved by unanimous consent.

Accounting Services

We have signed agreements with ecoCFO and expect to start working with them officially on Sept 1. We hope to introduce some members from ecoCFO at our next board meeting on August 31.

In the end this was a very competitive process with 7 applicants, narrowed down to 2. Brian and Kim interviewed applicants, called references and finally decided on ecoCFO, based in Portsmouth, NH. Their

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fees are based on hourly work and cost associated with the job function (CFO, Controller or Book keeper), so we think this will be the best use of our funds. Brian and Ascend have good knowledge of the financials associated with this business and the upcoming Director of Administration might also bring some financial or book keeping capabilities, so it makes sense to just pay for what we need from our Accounting firm.

Finance Report

After only 4 months of serving loads, CPCNH has reached a first milestone of having a cash flow positive month! The revenues that came in this month meet the operational expenses. We still have obligations to pay back our contractors who took deferred compensation and we need to build up our reserves to meet our policy goals, but this is an important milestone that we should acknowledge.

We discussed a slightly different revenue reporting that we will use for this month’s Variance Report to the Board. Instead of trying to match revenues to exactly when customers used their electricity, we will use the “Bills Rendered” method (commonly used by Utilities), which puts revenues in the month they were billed by the Utility.

This ends up matching revenues with expenses more closely on the Variance report, and matches up better with Quickbooks reporting.

Note that we expect our financial reporting to continue to evolve, especially over the next few months as we get our accounting firm on board.

Director Looney asked how we are accounting for RECs. They have been included and rolled up in the Variance report, but don’t yet have a line item in the Quickbooks reporting. Treasurer Quirk will work on that with the new Accounting firm.

We reviewed how the money flows through our accounts: Revenues come into the Lockbox from our customers. On the 21st of each month CPCNH submits a “Form of Regular Monthly Distribution Date Certificate” to allow transfers to our partners for our Energy purchases and Market Participant ISO payments and expenses. After that distribution, anything that is left in the Lockbox account over \$1M (minimum to be left in) is transferred to the Reserves account.

CPCNH can then transfer money from the Reserves account to the Operating Account to pay salaries, other vendors, rent, and other expenses. Once we reach the minimum dollar in the Reserve Account (based on our Policy for minimum sustainable reserves), we will start tracking individual community reserves. Right now we expect to reach that minimum in 2-3 years from the start of launching services.

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Budgeting for 2024

Chair Carlson brought up the process we should use to start budgeting for 2024 and beyond. CEO Callnan described Ascend’s roll in providing forecast of revenue and expenses associated with customer income and energy purchases and rolling up the rest of the operating expenses, which have come from the board via committees, chairs, and members in the past.

Going forward, as CEO Callnan hires his staff, these budget numbers will come from staff to be reviewed by the Finance Committee and presented to the board. Director Kelly mentioned that we should have an Audit firm in place for 2024 and need to account for those fees.

We will look for that first draft of the budget from CPCNH staff for the September Finance Committee meeting, which will be Monday, Sept 18th in Keene.

Rate Setting Meeting

We are expecting and trying to plan early for the next rate setting meeting which is likely to be very close to the end of the year. Since many people are on break the last week in December, we hope to get information out as soon as possible when the Utilities set their dates for filing new rates and what that means to our Rate Setting meetings.

CPCNH Chair Below reported that Unitil has proposed filing new rates on Dec 1. If all the Utilities can file in the first week of December, we might be able to use our 3rd Monday in December meeting (Dec 18) to deliberate our rate recommendations. That is the optimistic perspective. If it doesn’t work out, we may need to schedule a meeting that last week of December.

The meeting was adjourned by unanimous consent at 9:59am.

Submitted by

Treasurer Quirk