

MINUTES OF THE FEBRUARY 17, 2026 SELECT BOARD MEETING

MEMBERS PRESENT: Board Members Chair Mike Houghton, Vice Chair Allison Knab, Joe Anderson

ALSO PRESENT: Town Administrator Tim Roache, Finance Administrator Lori Ruest

At 7:00pm Mr. Houghton opened the meeting and asked for a motion on the draft minutes. Mr. Anderson motioned to approved the minutes from February 2, 2026. Ms. Knab seconded the motion. All voted in favor.

Mr. Houghton recognized Grahame Emanuel, who presented his proposed Eagle Scout project. Mr. Emanuel explained that he plans to construct a custom ballot box modeled after the Town's historic ballot box and to create an accompanying pamphlet on civic engagement and the history of the ballot box. He hopes to present the completed project at Town Meeting.

He described his fundraising efforts, including hosting a spaghetti supper, and outlined the leadership components of the project, such as coordinating a woodworking group to teach scouts relevant skills. He is seeking donated materials. His preliminary cost estimate for the ballot box is approximately \$550. He also reviewed project phases, including his research work with the Stratham Historical Society.

In response to questions, Mr. Emanuel noted that there are no specific design requirements beyond including a lock. Town Clerk Ms. Bakie expressed enthusiasm for the project. Mr. Emanuel shared a sample image and further design details. The Board was supportive and thanked him for the presentation.

The Board next addressed the request for access to Town-owned land off Lovell Road. Mr. Roache explained that Attorney Elena Smith of DTC, representing Mr. Velasquez, is seeking permission to cross Town property to conduct surveying and wetlands analysis related to the potential purchase of the landlocked Bacon parcel, which has a deeded right-of-way but no frontage. Attorney Smith stated that the deeded 50-foot right-of-way crosses a portion of the Town parcel, and preliminary information suggests possible wetlands. The request is to access the property from Gifford Farm Road to complete surveying and wetlands delineation. Mr. Anderson confirmed that the applicant is simply seeking permission to enter Town land to survey their parcel.

It was noted that the work would involve only hand tools. The applicant also intends to map wetlands on both the Bacon parcel and the Town parcel as part of due diligence. If access from Lovell Road proves feasible without impacting wetlands, that may ultimately be used instead.

Ms. Price shared that she had met with Mr. Velasquez and noted that similar requests have come before the Board in the past, with permission granted for surveying only and no guarantees regarding future access or development. The Board had no concerns with allowing surveying. The applicant also reported contacting Unitil regarding potential utility access.

Mr. Anderson moved to allow access across Town property to reach Lot 22 (the Bacon parcel) for surveying purposes. Ms. Knab seconded the motion. All voted in favor. Mr. Houghton asked that the Town Administrator be notified prior to entering the property.

The Board next took up the Rollins Hill Farm agenda item. Mr. Anderson, as an abutter, recused himself from the discussion. Ms. Price explained that portions of the development were deeded to the HOA in 2017, including the condominium roadways, but the Town did not accept the cul-de-sac at that time because construction was incomplete. When she later reviewed the outstanding bond and received as-builts from Jones & Beach, it became clear that the cul-de-sac still needed to be formally deeded to the Town before the bond could be released. Ms. Price presented a signed 2017 quitclaim deed for the cul-de-sac, which Town Counsel confirmed remains valid. Acceptance of the deed is the next step toward releasing the bond and formalizing Town ownership of the cul-de-sac, which the Town has already been maintaining. Mr. Houghton summarized that the Town is now completing what was agreed to in 2017, following confirmation that all required work has been satisfactorily completed. Ms. Price noted that the former DPW Director had no concerns.

Ms. Knab moved to accept the quitclaim deed for the Rollins Hill Farm cul-de-sac. Mr. Houghton seconded the motion. Mr. Houghton recognized former Town Administrator Paul Deschaine, who clarified that the cul-de-sac surrounds an existing T-shaped public right-of-way; Ms. Price confirmed the deed covers the perimeter created by the development. The motion passed unanimously. Ms. Price stated her office will record the deed.

Mr. Houghton moved to the community power discussion. Matt O'Keefe, Chair of the Energy Commission, along with members Paul Deschaine and Charlie Case, provided an update on Stratham Community Power and the performance of its current supplier, the Community Power Coalition of New Hampshire (CPCNH). They noted that while the first two rate periods in early 2024 offered savings compared to Unitil's default rate, the last four rate periods—including the one beginning in February—have shown steadily increasing costs relative to the utility default.

The Commission did not make any recommendations but outlined three possible paths for the Board's consideration:

1. **Status Quo:** Continue participation in CPCNH, provide periodic updates through Town communications, and ensure residents understand how to opt out if they choose.
2. **Withdrawal from CPCNH:** Begin the formal process to leave CPCNH while retaining the ability to operate a community power program. This would require resolving any outstanding financial obligations before release.
3. **Withdrawal and Transition to a New Supplier:** Leave CPCNH and seek bids from alternative suppliers, with the Energy Commission managing the process.

The Commission also explained the implications for residents who opt out mid-rate-period, including temporary placement on Unitil's variable rate before returning to the fixed default rate in August.

Mr. Case provided additional context regarding CPCNH's recent financial challenges. He noted that CPCNH had initially delivered strong savings and built reserves, but a risk-related decision made by the new CEO in fall 2024—without full board involvement—reduced hedging levels and forced CPCNH to purchase more power on the spot market during a colder-than-expected winter. This contributed to significant losses and the need for substantial working capital borrowing. Mr. Anderson observed that these issues are unlikely to resolve quickly.

The Commission emphasized that other towns are asking similar questions and exploring their options. They reiterated their willingness to support whichever direction the Board chooses and to assist residents who wish to opt out.

Mr. Case provided further context on the uncertainty surrounding future electricity rates. He noted that the State has not yet determined how utilities will recover their recent default-supply losses, a decision that will influence how competitive CPCNH can be. Eversource had proposed recovering its losses through a surcharge on distribution bills, but the State rejected the approach because it would have required CPCNH customers to subsidize utility default supply costs. As a result, it remains unclear how or when utilities will recoup their losses, and default rates beginning August 1 may rise.

Mr. Case explained that while CPCNH may be more expensive in the short term, the organization believes it remains the stronger long-term option. However, rising costs across the region—including natural gas prices, ISO-NE charges, renewable energy requirements, and weather-related volatility—affect all suppliers.

He reported that CPCNH's financial challenges stem in part from a risk-related decision made by its former CEO, which reduced hedging and forced greater reliance on the spot market during a colder-than-expected winter. CPCNH is now borrowing significant working capital—potentially up to \$18 million—and is in the process of hiring a new CEO and operations lead.

Mr. Case shared that a CPCNH representative, Andrew Hatch, acknowledged that CPCNH cannot currently provide a reliable estimate of when reserves will return to positive levels. The representative offered to meet with the Board if desired.

Mr. Deschaine added historical context, noting that Stratham's enrollment in community power has remained stable at roughly 71–73% since launch, with limited resident feedback. He explained that the most recent rate period includes a two-cent increase intended to help rebuild reserves, with hopes of improvement by August, though no guarantees can be made given the organization's youth and the number of unforeseen challenges.

Mr. Case concluded that the Commission has examined whether CPCNH can remain cost-competitive with utility default rates. While the answer is not yet clear—due in part to uncertainty about future utility rates—CPCNH could become more competitive once borrowing costs and other temporary pressures subside.

The Board continued its discussion with the Energy Commission regarding Stratham Community Power. Mr. Houghton noted that the rate comparison and the three outlined options do not

present a clear or straightforward path, and he questioned whether alternative community power rates could be evaluated without withdrawing from CPCNH. Mr. Deschaine explained that while individual residents may choose third-party suppliers on their own, those options cannot serve as the Town's default. Mr. O'Keefe added that competitive supply rates are publicly available through the Department of Energy, though most short-term promotional rates are not competitive with CPCNH.

Mr. Anderson observed that market conditions have changed significantly. Mr. Houghton stated that, given the inherent volatility of energy markets in the Northeast, a full withdrawal from CPCNH does not appear practical. He felt that maintaining the current approach allows residents to make individual choices while the Town continues to provide information.

Mr. Anderson agreed, noting that residents can easily opt out on their own and may benefit from doing so as early as March 1. He emphasized the importance of clearly communicating the opt-out option, particularly for residents on fixed incomes who may be sensitive to cost increases. He also referenced Bow's recent decision to begin the withdrawal process and CPCNH's inability to provide that town with a clear reserve reconciliation figure.

Ms. Knab supported the "do nothing" approach for now and suggested revisiting the issue at a later date.

Mr. O'Keefe stated that CPCNH appears to be struggling in several areas, as reflected in recent rate trends. He noted that CPCNH's early rate advantages were partly due to differences in procurement practices, and that CPCNH successfully pushed the PUC to require utilities to change their procurement policies—changes that have benefited all New Hampshire ratepayers. However, he also expressed concern that CPCNH has at times acted outside its own policies, which he views as a red flag. He supported the "Do Nothing" approach for now, with strong communication to residents about opt-out options, but said that if CPCNH remains uncompetitive in the August rate period, the Town may need to reconsider its long-term participation.

Mr. Anderson agreed and suggested the Town should understand, from its own perspective, what the withdrawal process would entail should the Board choose that path in the future. Ms. Knab concurred and recommended seeking guidance from Town Counsel.

Mr. O'Keefe noted that Bow's withdrawal process is complicated because it must first exit a county-level aggregation before leaving CPCNH, but their experience may clarify the steps and milestones involved. He added that more information will be available once summer rate filings are released.

Mr. Anderson said Town Counsel should review RSA 53, the PUC 2200 rules, and the Town's agreement with CPCNH to identify any procedural hurdles, noting that withdrawal is a lengthy process.

Mr. O'Keefe noted that the Town previously conducted a legal review before entering the CPCNH agreement and believes the withdrawal rules are clear and not overly complex. The

greater challenge would be determining any costs owed to CPCNH before withdrawal, particularly related to long-term power procurement on Stratham's behalf. Mr. Anderson reported that Bow was told by CPCNH representative Andrew Hatch that withdrawal could take one to three years, which appears inconsistent with the written agreement.

Mr. Deschaine explained that the Commission has closely monitored CPCNH's situation since late 2024 and has evaluated several scenarios. He reiterated the three primary options:

1. **Do Nothing**, allowing residents to make individual choices.
2. **Full Withdrawal**, which would return the Town to Unitil's default supply, though future default rates are unknown.
3. **Withdrawal and Transition to a Third-Party Supplier**, which could allow recovery of any negative reserve balance through rates.

He noted that the most recent estimate (November 1) showed a negative reserve of approximately \$58,000 attributable to Stratham. Under the statute, tax dollars cannot be used to cover this amount, so any repayment would need to be incorporated into electricity rates if the Town withdrew.

Mr. O'Keefe added that CPCNH's current rate period includes a two-cent per kilowatt-hour premium intended to rebuild reserves, and CPCNH expects to return to a positive reserve position this spring. However, it remains unclear how any long-term procurement costs would be reconciled if Stratham chose to exit.

Mr. Deschaine explained that several challenges facing CPCNH stem from factors outside its control. ISO is a regional-wide power brokerage for transmissions into the region. ISO charges vary by utility, with Unitil customers facing higher transmission-related costs due to higher peak loads in southern New Hampshire. These costs were not fully understood when CPCNH began modeling rates, and ISO's irregular settlement schedule makes month-to-month forecasting difficult. He emphasized that CPCNH is a young organization still learning its cost structure, and that current reserve estimates remain approximate.

He added that determining a withdrawal cost would require CPCNH to finalize all outstanding data for a specific withdrawal date, which contributes to uncertainty. Bow has encountered similar issues, creating a "catch-22" in which the town cannot determine a withdrawal date without knowing the cost, and CPCNH cannot determine the cost without a date. He also noted that Bow's decision to pursue withdrawal followed a divided initial vote to join CPCNH. Mr. Deschaine suggested there may be value in observing how other communities navigate the withdrawal process before Stratham makes any decisions.

Ms. Knab said she intends to speak with a Bow Select Board member who also serves in the Legislature.

Mr. O'Keefe added that the Energy Commission continues to monitor trends, uncertainties, and best practices, and is in regular communication with other towns and third-party suppliers. He emphasized that the Commission's goal is to stay informed and ensure the Board is aware of developments affecting Stratham residents.

Mr. Houghton observed that the Public Utilities Commission appears to be operating in the background at this stage. Mr. O’Keefe explained that because electricity supply is an open commodity market, the PUC’s role is limited; while it has updated utility procurement rules in ways that benefit ratepayers, it has not yet decided how utilities will recover their under-collections from prior rate periods. That decision will affect all customers, including those not on utility default supply.

Mr. Deschaine noted that evaluating third-party suppliers would require a detailed load profile, which CPCNH currently maintains for Stratham. Obtaining that information would effectively signal to CPCNH that the Town is exploring alternatives, which may or may not be advantageous.

Mr. O’Keefe said the Commission does not believe bringing CPCNH representatives to the Board at this time would be productive and instead wanted to provide background from their own analysis. Mr. Deschaine added that unless the Board strongly preferred a different direction, the Commission’s recommended approach remains unchanged.

Mr. Case offered to provide Board members with a copy of his written remarks, and the Board accepted.

Mr. Deschaine also noted that the Town’s municipal electric accounts, which are coming off the RPC group rate, were intentionally not enrolled in CPCNH and are planned to move to Unitil’s default supply. He advised staff to watch for the transition on upcoming bills.

Mr. Roache asked about messaging and who would prepare it. Mr. O’Keefe said the Energy Commission will draft the communication, similar to prior updates included in Select Board newsletters. The message will summarize the new rate period, direct residents to the Stratham Community Power webpage (which provides opt-out instructions), and clearly explain that residents who opt out before August will be placed on Unitil’s variable rate for the remainder of the period.

Mr. Anderson suggested prominently updating the Energy Commission’s webpage with this information and linking it in the Select Board Newsletter. Staff will proceed with that update.

The Board thanked the Commission for the information and for attending the meeting.

Mr. Houghton introduced the DPW request for authorization to order 2026 truck replacements. He noted that the request aligns with prior discussions but expressed concern that the Town budget has not yet been approved. The Board agreed to take no action at this time and asked that the request be resubmitted after the budget is finalized.

Mr. Roache explained that DPW Director Trevor Batchelder is requesting to switch department cell service from Verizon to AT&T FirstNet to improve connectivity and to add a line for the new Facilities Maintenance Lead. FirstNet holds the contract for first responders, and the transition is expected to be straightforward. The Board agreed the change made sense.

APPOINTMENTS

Ms. Knab motioned to appoint Kim Williams to a three year position on the Heritage Commission to fill the vacant alternate seat to expire at town meeting 2027. Mr. Houghton seconded the motion. All voted in favor.

TOWN ADMINISTRATION

Mr. Roache gave highlights from the departments.

Fire Department - Chiefs from Newmarket, Newfields, and Stratham continue discussions aimed at greater cooperation, recognizing the challenges of operating independently. Stratham recently led an active-shooter training and continues to lead in EMS and paramedic training.

Parks & Recreation - TMAC is updating its charge and will return with recommendations after Town Meeting. A new contract has been executed with the Exeter Area Chamber of Commerce for the Food Truck Festival.

Finance - Comcast franchise fee revenue continues to decline as more residents drop cable service. Staff will monitor the impact. The Finance Department is reconsidering investment options for excess funds and is now in discussions with TD Bank rather than joining the investment pool. The Finance Director also requested moving the monthly financial report to the first meeting of each month to allow for full reconciliation and more accurate reporting.

Planning - Ms. Price is updating internal processes for handling building permits and inspection requests.

Town Clerk - Official town and absentee sample ballots are posted in the hallway. Ballot machine testing is scheduled for February 25.

Library - Circulation is up 14%. AARP tax assistance is experiencing high demand.

Town Administration - Preparations are underway for Town Meeting and Voter Information Night. Senator Shaheen's office is accepting congressionally directed spending requests, with applications due March 6. Projects must be shovel-ready. Possible submissions include SHP bathrooms at the 4-H barn, the roof project, or Stevens Park improvements. Longer-term opportunities may include water system or PFAS-related projects.

Mr. Roache reported that work continues on the noise ordinance. He noted that the Lane property lease is in the signature folder and that he has been attempting to schedule a walk-through. The Board agreed on March 11 at 10:00 am for the site visit. Mr. Anderson reminded him that the walk-through constitutes a public meeting and must be properly noticed.

Mr. Roache also confirmed that he reviewed Town contracts for DEI-related language and found none. Mr. Houghton motioned to authorize the Town Administrator to execute a notice confirming the Town has reviewed its DEI-related provisions. Mr. Anderson seconded the motion. All voted in favor.

Mr. Houghton asked Mr. Roache to review the estimated tax rate spreadsheet and the material planned for Town Meeting. Mr. Roache explained that during budget preparation, the goal was to keep the tax rate increase at or below 3%. He clarified that the EMS Special Revenue Fund had been omitted from the earlier 2024–2025 spreadsheet model, creating a discrepancy. It should have been shown as an offsetting revenue, and it is now correctly included in the 2026 budget.

Ms. Ruest verified the updated figures against the DRA's MS-636, confirming that the net appropriations figure of \$5,724,822 matches the State filing. The Town had previously used \$550,000 in fund balance to reduce the tax impact. With the corrected treatment of the EMS Special Revenue Fund, the projected tax rate decreases from approximately \$2.20 to \$2.17, allowing the Town to use less fund balance. Mr. Roache summarized that the issue stemmed from not applying the offset initially. Once corrected, the Town could reach the desired tax rate target without additional fund balance use. The Board agreed that the resulting 2.7% increase was an appropriate place to land.

Mr. Roache reviewed plans for Voter Information Night on Thursday, March 5. Ms. Price will present the zoning articles via slideshow, and Mr. Roache will present the Warrant Articles. He explained that he organized the presentation from a voter's perspective by grouping articles into those with a tax impact, those funded by fund balance, and those funded by revenues.

Mr. Houghton noted that fund balance use is still a tax impact. Mr. Roache reviewed the Operating Budget from past Town Reports and found the average annual increase to be approximately 3.75%, meaning this year's operating budget is close to historical norms. He plans to explain that the operating budget reflects all expenses and revenues required to run Town government, highlighting staffing levels, the grant-funded 13th police officer, fire operations, and teen programming. He also referenced the "dollar bill" slide showing the distribution of tax dollars, with the Town portion at \$2.20.

Ms. Knab expressed concern about the perception that the Town and School District are being pitted against each other, noting comments she has heard from School Budget Committee members. She does not support framing the Town's share as "only 16%," as it can be interpreted as blaming the schools. She emphasized that broader state funding issues contribute to school budget pressures.

Mr. Houghton felt the dollar bill slide remains a useful visual for taxpayers to understand where their tax dollars go and said it is not intended to compare or criticize the school budget.

Mr. Roache continued reviewing his presentation, including the CIP overview. He plans to explain the purpose of the CIP without going into project-level detail, noting items such as town-wide technology and server upgrades, MC improvements, restroom projects, and LED lighting. The CIP reflects a 9% decrease from the prior year. He will also explain Article 11 (Capital Reserve), including the \$400,000 breakdown.

He reviewed additional warrant articles, including the Fire Tower and Keyless Access System. His goal is to clearly answer the question, "Why am I doing this?" for voters. Mr. Houghton suggested reorganizing some items and emphasized the importance of highlighting safety, security, data integrity, and the age of existing systems as key reasons for the proposed investments.

Mr. Roache reviewed several remaining warrant articles for the Town Meeting presentation:

- Article 12 – EMS Special Revenue Fund: Revenues generated from ambulance calls are deposited into this fund and used to support EMS operations.
- Article 15 – Cemetery Lot Sales: Proceeds from the sale of cemetery lots will be directed back into cemetery maintenance.
- Article 16 – Right-of-Way Transfer: This article proposes conveying a right-of-way to an abutting property owner.
- Optional Veteran’s Credit: This article corrects changes made under HB 99, which eliminated the ability to combine the former \$4,000 and \$750 veteran credits. The proposed article restores the ability for eligible veterans to receive the same total benefit in a single combined credit.

Mr. Roache said he would incorporate the Board’s suggested changes into his presentation. The Board continued reviewing the presentation details and then walked through the Town Meeting agenda, including identifying individuals to read the Dedication and Memoriam and determining which Board members would move, second, and speak to each article.

At 8:52pm Mr. Houghton motioned to go into a non-public session in accordance with RSA 91-A:3, II(d). Mr. Anderson seconded the motion. All voted in favor.

At 9:15pm Mr. Houghton motioned to come out of the non-public session. Mr. Anderson seconded the motion. All voted in favor.

Ms. Knab motioned to allow the Town Administrator to move with an offer for the Haley property in the amount of \$58,800 to be expended from the Land Conservation Fund . Mr. Anderson seconded the motion. All voted in favor.

At 9:17pm Mr. Houghton motioned to adjourn. Ms. Knab seconded the motion. All voted in favor.

Respectfully submitted,

Karen Richard
Recording Secretary