



**Minutes of the Board of Directors of the Municipal Electric and Gas Alliance**  
**– April 25, 2014**

Present: Michael Stamm, Mary Pat Hancock, Jack Wheeler, Steve Hoover, Mark Sachetti, Mark Taylor, Bob Edwards

Guests: Gordon Boyd, EnergyNext; Katy Vescio, NYSAC, Doug Barton, Rick Blythe

Excused: Heather Brown, Crystal Abers

Staff: Ron Feldstein, Executive Director; Barbara Blanchard, Customer Relations Manager; Stu Stein, Director of Research and Planning; Jennifer Luu, Office Manager

**Call to Order and Approval of Agenda**

President Stamm called the meeting to order at 11:42 a.m.

**Approval of Agenda**

It was Moved by Ms. Hancock, seconded by Mr. Taylor and unanimously adopted by voice vote to approve the agenda as presented.

**Approval of Minutes**

It was Moved by Ms. Hancock, seconded by Mr. Taylor and unanimously adopted by voice vote to approve the minutes of January 27, 2014 as written.

**Administration**

**Resolution 14-4 – Adoption of By-Law Amendment Establishing Emeritus Members**

It was Moved by Mr. Taylor, seconded by Mr. Wheeler and unanimously adopted by voice vote of members present.

RESOLVED, That the by-laws are amended as follows to reflect the addition of Section X Emeritus Members:

Section X. Emeritus Members. In order for the MEGA Board of Directors to utilize the experience gained from prior participation as a member or officer of the MEGA Board, and in order to provide additional expertise to the Board or to supplement the work of sitting Board members that may require extensive commitments of time and energy, the MEGA Board may appoint previous Board members to serve as Emeritus Members. Emeritus Members are appointed by the Chair of the MEGA Board with the approval of the full board.

An Emeritus Member may attend all official meetings of the Board or its committees, and participate in all discussions and deliberations but does not have the right to vote on matters that come before the Board. He or she shall not be counted to constitute a quorum for Board

Municipal Electric and Gas Alliance, Inc.  
Board of Director's Meeting  
April 25, 2014

meetings but an Emeritus Member may be appointed to a special board committee. He or she may serve as chair of that committee and may vote as a member that special Board committee.

An Emeritus Member may receive reimbursement for out of pocket expenses in accordance with MEGA's travel and reimbursement policies.

**Resolution No. 14-5 - Resolution of Appreciation for Service to MEGA and Appointment as Emeritus Member – Douglas W. Barton**

It was Moved by Ms. Hancock, seconded by Mr. Edwards and unanimously adopted by voice vote of members present.

WHEREAS, Douglas W. Barton has faithfully represented Tioga County on the MEGA Board of Directors since 2004, and has served as President since 2012, and

WHEREAS, his contributions to and support of MEGA's program of energy procurement as well as efforts to expand the development and use of renewable energy sources, is greatly appreciated by other MEGA Board members and staff, now therefore be it

RESOLVED, That the MEGA Board of Directors as well as all Corporation representatives extend a heartfelt thanks to Doug and in accordance with Section X. of the Bylaws of the Municipal Electric and Gas Alliance do hereby extend the title of Member Emeritus to Mr. Barton.

**Resolution No. 14-6 - Resolution of Appreciation for Service to MEGA and Appointment as Emeritus Member – Richard R. Blythe**

It was Moved by Ms. Hancock, seconded by Mr. Wheeler and unanimously adopted by voice vote of members present.

WHEREAS, Richard R. Blythe has faithfully represented Broome County on the MEGA Board of Directors since 2002, and

WHEREAS, his contributions to and support of MEGA's program of energy procurement as well as efforts to expand the development and use of renewable energy sources, is greatly appreciated by other MEGA Board members and staff, now therefore be it

RESOLVED, That the MEGA Board of Directors as well as all Corporation representatives extend a heartfelt thanks to Richard and in accordance with Section X. of the Bylaws of the Municipal Electric and Gas Alliance do hereby extend the title of Member Emeritus to Mr. Blythe.

**Resolution No. 14-7- Resolution of Appreciation for Service to MEGA – David W. Allen**

It was Moved by Ms. Hancock, seconded by Mr. Taylor and unanimously adopted by voice vote of members present.

WHEREAS, Dave Allen has faithfully represented Livingston County on the MEGA Board of Directors since 2008, and

WHERAS, his contributions to and support of MEGA's program of energy procurement as well as efforts to expand the development and use of renewable energy sources, is greatly appreciated by other MEGA Board members and staff, now therefore be it

RESOLVED, That the MEGA Board of Directors as well as all Corporation representatives extend a heartfelt thanks to Dave and wish him all the best in his retirement.

**Resolution - By-Law Amendment Changing Executive Director to President/CEO, President to Chairman and Vice-President to Vice Chairman – Lay on the Table**

It was Moved by Mr. Edward, seconded by Ms. Taylor and unanimously adopted by voice vote of members present to lay the resolution on the table. It was noted by Mr. Feldstein that roles will not change. (see excerpt from Mr. Feldstein's report).

Nonprofit senior managers are called, "executive director" instead of chief executive officer in order to avoid the business connotation which the latter name evokes. ... It also distinguishes them from members of the (volunteer) board of directors from non-executive directors who are not actively involved in running the corporation.

About 1980, nonprofit organizations began to mirror business organizations managerially. Many developed marketing departments, installed complex information technology, and a few even hired experienced business executives to head their organizations. The older philosophy of "avoiding the businesses connection" was quickly being eroded.

Nonprofit boards, after 1980, when hiring new senior managers, offered titles of president/CEO and made bylaw provisions for other persons in the senior management teams to become vice presidents. Nonprofit board chairs can do their job well without final CEO operating authority. Traditionally, chairs are volunteer personnel who should focus board activities on strategic issues not operational concerns.

I believe the time has come for MEGA to enlist this change in titles. Too often business colleagues including ESCO personnel, municipal managers and others are confused with MEGA's leadership model. Often times the Board President will be contacted regarding operational or business issues. Discontented contacts will often get in touch with volunteer leadership when displeased with the staff's reply to a particular demand or issue.

Changing the title of MEGA's Executive Director to president/CEO can positively influence the organization's internal and external perceptions. How leaders and organizations are perceived by stakeholders are realities with which leaders must deal, whether or not the perceptions are accurate. Providing the chief staff officer with the president/CEO title can help develop more desirable internal and external perceptions of the strength of an organization and the responsibilities of the person leading it.

**Executive Director's Report**

Mr. Feldstein recapped his report as distributed with the agenda packet. It is included at the end of the minutes.

**Customer Relations Manager's Report**

Ms. Blanchard's report was distributed with the agenda packet and it is included at the end of the minutes.

### **Special Project Director's Report**

Mr. Stein's report was distributed with the agenda packet and it is included at the end of the minutes.

### **Treasurer's Report**

#### **Quarterly Royalty Report**

Mr. Salerni provided an overview of the royalty report, noting the first quarter royalties are up 15% due in part to a 13% increase in the number of heating days this winter. Gas usage is up 35% over the same period over last year.

### **Consultant's Report**

Mr. Boyd reported the Rockland County bids have been received and contracts will be executed with M&R Gas. He noted Integrys had the lowest pricing, but they took several exceptions.

### **NYSAC Report**

Ms. Vescio reported NYSAC is busy with analysis of the State budget. The Governor and Public Service Commission have announced an energy modernization plan to improve the electric grid and technologies. The Governor has also announced additional funding to the NY Sun Program. The Program is part of the Governor Cuomo's commitment to protect the environment and lower energy costs for all New Yorkers by improving the efficiency and reliability of the electric grid.

### **Old Business**

None

### **New Business**

None

### **Adjournment**

It was Moved by Mr. Hoover, seconded by Mr. Taylor and unanimously adopted by voice vote of members present to adjourn the meeting at 11:42 a.m.

## **Executive Director Report Ron Feldstein Executive Director MEGA**

### **Budget**

As our Treasurer will report, fiscal 2013-2014 will reiterate decades of financial calm for MEGA. This year's expansion of marketing costs were expected to draw some from our reserves. Investments in allied association sponsorships including participation in events and publications brought anticipated extra expenditures and participants. Future expenditures in these and other marketing areas will be reduced by up to 75% under the terms of the new contracts with NYSAC and EnergyNext. To be on the side of cautiousness, we have increased expenditures and income by a conservative 6% for 2014-15. We have lost very few participants during the fiscal year and have been adding many new accounts. Additionally, as energy prices have risen as has the total degree days, our royalty income climbs. As you are well aware, in the energy industry, the number of variables affecting pricing is abundant. Utility bills are always a moving target, and MEGA's budgeting is certainly connected.

### **Procurements**

Competitive bids were let and opened for electricity, renewables, and natural gas in the Orange & Rockland Utility. Rockland County stepped up to host the procurement. As of this writing bids were still being analyzed. Our thanks to Paul Brennan and Rockland's elected officials and staff for stepping up and providing MEGA with excellent service and professionalism.

MEGA completed renewable energy procurements in partnership with Tompkins County that may set the stage for significant and historical statewide investment in solar and micro hydroelectric renewable energy generation options for municipalities. Recently adopted rules at the NYS Public Service Commission and the new renewable legislation enacted by Gov. Cuomo and the state legislature have set the stage for such renewable power sources to work with Counties and other municipal governments and provide electricity at extremely favorable rates and terms. Contracts were awarded to Gravity Renewables Inc. and Solar City Inc. Both organizations and MEGA staff have been extremely busy marketing these new programs. The expectations are very positive based upon many meetings and presentations and feedback across the State.

### **Recruitment**

We continue to focus on recruiting new participants in accordance with our Mission and Strategic Plan. Barbara Blanchard has logged hundreds of miles consulting with prospects as well as reaffirming relationships with ongoing participants. The establishment of the Customer Relations Manager's position has enabled a more constant and quality contact with existing and prospective participants. Undoubtedly, this will be reflected in a more desirable level of participant recruitment and retention.

We continue to believe that we can achieve increased participation via connecting with ancillary public organizations as well as the huge number of municipalities still out there. In addition to the many NYSAC events to which we subscribe, we continue to attend the State School Business Officials meetings, the State and City Managers Association, the State Association of Municipal Purchasing Officials (SAMPO), the Conference of Mayors and the Association of Towns. We are recognized sponsors of NYSAC, the Conference of Mayors and the Association of Towns.

### **Authorities Budget Office**

We continue to file the appropriate records and audits. We have been sighted as delinquent and are investigating the basis.

## **Partner Agreements**

### **NYSAC/MEGA Agreement**

A revised five year partnership agreement with NYSAC commenced on January 17th. The MEGA President had appointed a subcommittee to study and make recommendations for the successor agreement. The committee consisted of the President, Mr. Barton; the Treasurer, Mr. Hoover; Mr. Salerni from EnergyNext and the Executive Director. Despite the committee's recommendation to change the commission structure from a 50:50 split of post-January 2008 customers to a 70:30 split, NYSAC preferred to remain with the half split.

NYSAC agreed to share appropriate marketing costs with MEGA and EnergyNext. These reasonable costs will be split evenly with MEGA.

NYSAC entered an agreement with Solar City Inc. to provide renewable energy. This agreement is separate and apart from the MEGA/Tompkins County renewable program. NYSAC will provide MEGA with 50% of its royalty fees received from Solar City from entities that choose to use non-MEGA procurement for their solar energy projects, with the exception of the following counties: Orange, Westchester, Nassau, Suffolk, Dutchess, and Putnam. There will be no sharing of royalties with these counties. NYSAC has fully demonstrated its active support in marketing the MEGA/Solar City program throughout New York State.

NYSAC and MEGA refined and established to a comprehensive, contractual marketing **plan that obligates NYSAC to furnish defined assistance and support.**

### **MEGA/EnergyNext Agreement**

The succeeding EnergyNext/MEGA agreement provides for cost sharing of marketing expenses with MEGA and NYSAC. E/N will contribute 50% of MEGA's marketing expenses excluding MEGA personnel travel expenses. The agreement provides for a two year extension through March 31, 2017.

## **By-Law Changes**

### **Member Emeritus**

The Board of Directors will vote on the establishment of a new class of MEGA leadership, ***Emeritus Member***. Individuals have served this organization with great distinction and resourcefulness. Departure from MEGA leadership creates a void in providing historical connections, network connections as well as ingenuity, imagination and energy. Awarding ***Emeritus*** Memberships will provide continuity, expertise and family to the continued success of the MEGA program.

### **President/CEO and Chairman and Vice-Chairman**

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Municipal Electric and Gas Alliance, Inc.  
Board of Director's Meeting  
April 25, 2014

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### **Customer Relations Manager's Report Barbara Blanchard, Customer Relations Manager**

Contacted all O&R participants including Mamakating (T), West Haverstraw (V), Clarkstown (T). Bloomingburg FD to inform them about O&R bid schedule and request letter of intent to be sent to Rockland County Purchasing.

Began systematic check on MEGA contact info in Sugar paired with outreach to major participants as per marketing plan. Goal is to ensure good current contact name(s) and inform participants of changes in MEGA administration. This is going to bear fruit but is pretty frustrating. Don't always get a prompt response (or any response) and follow up phoning is problematic.

Reached out to Yates County Highway Supr. Dave Hartmann, who participated in our last year's Energy Tract. His one building outside of the Penn Yan muni system is under contract with another provider but we will touch base toward the end of the year. Not a huge energy user but would put one more county in the green category. Gas may also be a possibility there.

Prep for NYSAC Conference, materials, press release, etc. including remote net metering rollout planning. Spent a fair amount of time and effort ensuring that all 5 NYS legislators who sponsored the legislation were fully informed and invited to attend press event which, unfortunately, had to be cancelled due to the severe storm. Disappointing but there is much interest in this opportunity and both Solar City and Gravity Renewables are aggressively pursuing leads.

Set up meeting with Chemung County RAMS (Rural Area Mayors and Supervisors) through Steve Hoover and Southport Supervisor. Seemed receptive and follow up notes sent to all.

Packet of info and letter sent to new Montgomery County Manager, Matthew Ossenfort. Made initial contact for meetings in Allegany and Montgomery Counties re: meeting in spring. Jeff Hills and Dan Murphy prepared to support this effort.

Attended Conference of Mayors with Gordon and Ron. Excellent contact opportunities.

Municipal Electric and Gas Alliance, Inc.  
Board of Director's Meeting  
April 25, 2014

Contacted CofM attendees that indicated an interest in MEGA. One response so far with invite to do presentation in Lewis County. Working with Mayor of Harrisville to set that up.

Began discussion with Jennifer and NYSAC re: website redo. Mark Taylor has agreed to be a part of the discussions as this project moves forward. Expect a Request for Quotes to go out following MEGA Annual Meeting. NYSAC will put this together working from our specifications.

Contacted Schenectady County re: solar meeting contact person. Good opportunity to touch base with staff there.

Responded to various referrals from Katy Vescio. Contacted V and T of Lake George re: proposal by Overseas Lease Group for RNM solar using Washington County site. Requested bid documents and other info. Provided Town of Clinton in Dutchess County with materials on basic MEGA program and net metering renewable program. Keeping up on referrals from NYSAC through Katy which are coming at a faster rate than we have seen

Attended meetings in Sullivan and Otsego County with Gordon and Dan Leary re: solar potential. Facilitated receipt of bid documents from Jefferson County to Todd Loucks for gas bid. Participated in a meeting with the Saratoga County Water Authority arranged by Jim Reale, Integrys. Results not yet known.

Continue to work on website specs and development of new brochure concept.

**Director of Research and Planning**  
**Stuart W. Stein, Director of Research and Planning**

During the past quarter, my research efforts focused almost entirely on gathering basic data for those counties that have joined the MEGA program. Collection and analysis of this data about population, schools and other local activities guides the developing of a marketing strategy for each county. Occasionally, the data also reveal other marketing opportunities (e.g. concentrations of private schools, clustering of economic activities such as wineries in the Finger Lakes, etc.) Priority is given to those counties which have membership on the MEGA Board of Directors plus those that have appointed members to the Corporate Board. This conforms to the plan that I outlined at previous board meetings to involve sitting board members in helping our staff to reach out to municipal leaders in each of their counties to inform them about the benefits of joining MEGA and to encourage them to do so.

The data collection process is moving ahead, albeit more slowly than I had anticipated, due to my continuing battle with health issues - Lyme disease and Babesiosis - all caused by a tick or some other insect bite. (Be careful when working in the garden this summer !) Nevertheless, I was able to make considerable progress with the data collection project. These county-data reports already have been put to use in marketing efforts in a few counties. My goal is to complete this phase of the project for the more than 30 MEGA counties in the next 3 or 4 months.