



**Minutes of the Board of Directors of the Municipal Electric and Gas Alliance**  
**– April 26, 2013**

Present: Doug Barton, Rick Blythe, Mary Pat Hancock, Jack Wheeler, Michael Stamm, Heather Brown, David Allen, Steve Hoover

Guests: Gordon Boyd, EnergyNext; Katy Vescio, NYSAC

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 Barton called the meeting to order at 11:31 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. Allen, and unanimously adopted by voice vote to approve the minutes of January 25, 2013 as written.

**Administration**

**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. She continues to work with Madison County. They have received current offers and she is hopeful. She noted she has been working with that County since 2006.

**Special Project Director's Report**

Mr. Stein reported briefly on the strategic planning session held yesterday and stated the group continues to focus on retention and exploring new opportunities that might exist for the organization to become involved with. .

## **Treasurer's Report**

### **Quarterly Royalty Report**

The third quarter royalty report was distributed with the agenda packet. Royalties were approximately \$153,000 for the quarter.

### **Discretionary Funds Policy Overview**

Mr. Hoover provided the Discretionary Funds Policy for review. This item will be brought to the Board for approval at the July 2013 meeting.

### **Old Business**

None

### **New Business**

None

### **Adjournment**

It was Moved by Mr. Stamm, seconded by Ms. Brown and unanimously adopted by voice vote of members present to adjourn the meeting at 12:25 p.m.

**April 25, 2013 Executive Director Report  
Ron Feldstein Executive Director MEGA**

***Despite several disappointments related to participant retention, MEGA continues to thrive and increase its distinction as a major participant in energy procurement in New York State.***

**Budget**

As our Treasurer will report, fiscal 2012-13 will repeat decades of financial success for MEGA. This years' expansion of staff costs were expected to draw some from our reserves, however this will not be the case. Increased energy usage has enabled our royalties to meet or exceed budget projections. Spending will show nearly a 10% reduction over budget. Thus MEGA will show a net gain in income over \$25K. Coupled with the potential loss of some participants, we will estimate next year's expenditures to be the same level of this year, slightly over a half million dollars. 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.

**Procurement**

Competitive bids were due for electricity, renewables, and natural gas in the Central Hudson, and Orange & Rockland Utilities. Existing programs in those areas run through September 2013,

It became abundantly clear that the Board's decision to regionalize county energy procurement bidding would not work in the cases of Central Hudson and probably Orange & Rockland Utilities. Orange County through its legal department was not able to finalize agreements to host these supplier bids.

To expedite the Central Hudson bidding process Genesee County was contacted and graciously agreed to host the procurement. Our thanks to Hon. Mary Pat Hancock and her elected officials and staff for again providing MEGA with excellent service and effectiveness. Bids were authorized in December and awarded in January.

MEGA/EnergyNext continued to consult with Orange County staff regarding the Orange & Rockland Utility procurement. In nearly a year, no ground was gained in these negotiations. County officials could not agree to terms and conditions that had already received review and approval from several counties and county attorneys and New York State officials. Policies and procedures are constantly under review by MEGA's counsel. For example, the State Comptroller's Office issued new guidelines concerning municipalities piggy-backing on outside county contracts. We reviewed these guidelines several times with counsel and have been assured we are in compliance.

As was the case with the Central Hudson we felt that an Orange County bidding process would not occur in a timely fashion. We believe it would best serve the Orange & Rockland participants and suppliers if we identified another county to authorize the bids. In late March NYSAC officials notified us that Orange County would not host the procurement, would withdraw from MEGA participation and do its own bidding and aggregating. No rationale or explanation was supplied.

We have decided not to do procurement in the Orange & Rockland Utility region. Since the County of Orange represents the vast majority of the utility load, any MEGA supplier agreement

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would probably not reflect the kind of savings MEGA always offers. We will be in contact with participants and offer assistance.

Undoubtedly we are experiencing a trend in the southern region of MEGA's atlas towards independent bidding and consultant relationships. This is the case in Rockland and Orange Counties and the city of Poughkeepsie. We firmly believe that MEGA and its suppliers do and will continue to offer quality and economical service. Couple this with the available expert consultation from EnergyNext and, NYSAC, as well as the special programs and opportunities offered, MEGA will continue to grow. Testimony is the recent additions of the Village of Lake George and Albany Airport's natural gas.

### **Recruitment**

We continue to focus on recruiting participants as discussed at last year's annual meeting, and repeated in our 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.

Significant recruitment attention was focused on the public schools. At NYSAC's encouragement, MEGA invested in membership and participation with New York State School Boards Association. MEGA exhibited at the NYSBBA annual conference and spoke at a focus group. Good contacts were achieved with NYSSBA personnel and we did learn that attendance at the annual meeting of the New York State School Business Officials conference would be more appropriate and productive. We have enrolled.

We continue to believe that we can achieve increased participation via connecting with ancillary public organizations as well as the multitude of municipalities still out there. In addition to the many NYSAC events we attend and the aforementioned school business managers we will also attend the State Managers Association Conference, The New York State Association of Municipal Purchasing Officials (SAMPO) and the Firemen's Association of the State of New York (FASNY). NYSAC has also indicated a willingness to communicate with community college personnel.

### **Newsletter**

Following this meeting, we will publish the first of a series of periodic MEGA Newsletters This electronic publication will contain appropriate articles and information. We will attempt to expand our participant list to include past and potential individuals and organizations.

### **Office of General Services**

We have developed a relationship with the Retail Energy Supply Association (RESA) and its chief lobbyist Paul Powers. RESA is a group of retail energy suppliers who support competitive retail energy markets. RESA is keeping a close eye on OGS and has open communication with MEGA.

Recently, NYSAC advised us that Senator O'Mara submitted bill creating a bulk energy-purchasing program at OGS (S.3640). This is puzzling, as we know OGS was already given the authority to do this in the Tax Cap bill (Chapter 97 of 2011).

### **Authorities Budget Office**

We continue to file the appropriate records and audits. We have not been sighted as delinquent.

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### **Energy Management Training Institute**

MEGA will be sponsoring its third Energy Management Training Institute in conjunction with NYSAC's Fall Seminar in Saratoga Springs. Supported by MEGA scholarships covering the cost of the program, municipal energy managers will have the opportunity to participate in a one-day comprehensive seminar and earn a certificate of completion. This year's Institute will have a focus on the application of compressed natural gas opportunities in municipal energy programs and services.

### **Quarterly Report April 2013– Customer Relations Manager**

Dan Murphy (Integritys), Todd Loucks (Hess) and I met with Madison County legislative committee on 17 April to discuss MEGA offers for electricity and gas and, hopefully, move this to the full Board of Supervisors for action.

Made a major presentation to a Sullivan County legislative committee (a number of other legislators attended) at Heather Brown's request. Met new County Manager. This is the type of opportunity we need to encourage in our other counties. It is the best way to keep MEGA known as new legislators and staff comes on board. Resulted in fast action on renewal of contracts.

Visited Oswego County and met with Corporate Member Fred Maxon, County Purchasing Director. Fred provided an introduction to City of Oswego Purchasing Director. Following up on that.

Made a presentation with Gordon to the Village of Lake George. Contracts already executed! We also met with Administration and Public Works officials in the City of Glens Falls. They are still full service with National Grid and the outlook for joining MEGA seems very promising. Offers in the pipeline.

Attended the Adirondack Intercounty Meeting in March in Saratoga Springs. Made a brief "reminder about MEGA" presentation and distributed literature packets. At least half of their member counties are already in MEGA and we will keep following up with the others – Washington in particular. Follow up info requested from Town of Ilion and Town of Charlton (presentation set for 18 April). Advertising in the NYS Legislative Gazette in Special Adirondack Issue. I will continue to attend this and the Western Intercounty meetings as often as I can.

Will begin attending Western Intercounty meetings beginning in May. Meeting is in Cattaraugus County and will be tied in with other meetings in that area (see next paragraph)

The NYSAC Legislative Conference Feb 4-6 resulted in several important contacts. We were able to secure a meeting time with Wayne County (met with County Administrator, Board Chair and staff on 25 Feb; offers in process), established a first step connection into Seneca County, and make key connections in Chautauqua County (many munis there but interested in gas).

MEGA corporate rep from Cattaraugus County, Crystal Abers, will help me set up some meetings now that the weather is breaking. Help also available from the Real Property Tax Director who is a friend of Doug Barton. Two Dutchess County legislators interested in MEGA and, now that the political scene has changed, there might be possibilities to reopen discussions there.

Trial protocol with Todd Loucks, Hess representative continues. He copies me on all offers and I follow up with a note after his initial contact offering MEGA assistance and more detailed information about the program. Next step is to get these contacts into SUGAR for additional

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follow up. Will confer with Todd on either its success or lack of impact before continuing after the end of June.

Gearing up for Exhibit season at SAMPO (NYS Purchasing Officials May 8<sup>th</sup>, NYSSBO (NYS School Business Officers June 3<sup>rd</sup> through 5<sup>th</sup>), and NYS ICMA (County, city, village administrators May 20<sup>th</sup>-22<sup>nd</sup>). Special targeted one-page handouts with Participation Form on back developed for NYSSBO (sample attached)

Met with NYSAC staff to begin planning for Energy Track in September and to discuss monitoring of OGS activities on energy purchasing. Possible update at meeting.