

BY-LAWS
of the
MUNICIPAL ELECTRIC AND GAS ALLIANCE, INCORPORATED

A Not-for-Profit Local Development Corporation
under Section 1411 of the Not-For-Profit
Corporation Law of the State of New York

Adopted: October 19, 2001

Revised: November 13, 2002, June 18, 2004, July 7, 2006, October 6, 2006, September 25, 2008,
April 16, 2010, April 24, 2014, May 8, 2014, July 10, 2015, February 2016

ARTICLE 1. THE CORPORATION

Section 1. Name. The name of the corporation shall be the Municipal Electric and Gas Alliance, Incorporated.

Section 2. Offices. The principal office of the Corporation shall be within the County of Tompkins, State of New York. The Corporation may change the location of the principal office by vote of the Board of Directors if it is determined to be in the best interests of the Corporation. The Corporation shall also have offices at such other places within the State of New York as the Board of Directors may from time to time determine to be in the best interests of the Corporation.

Section 3. Purposes. The purpose of the Corporation is to achieve the most competitive prices for electricity and natural gas for its members in order to minimize the cost of energy in the near term. The Corporation also supports energy cost savings in the long-term through promotion of energy conservation and development of alternative energy resources. To accomplish this purpose, the Corporation will:

- a) Aggregate groups of business, residential and municipal utility customers in ways that will be most attractive to providers of electricity and natural gas.
- b) Receive bids in accordance with municipal law, negotiate the best price, and enter into Master Agreements for electricity and natural gas under the most favorable conditions for the utility customer.
- c) Manage the process by which the utility customer contracts with and receives services from the Corporation's selected commodity supplier.
- d) Contract for the professional energy consultants necessary to achieving the Corporation's purpose.
- e) Provide information to the public about the Corporation and the choices available to utility customers through deregulation in New York State.
- f) Interact regularly with the New York State Public Service Commission and other relevant agencies to ensure that the Corporation's objectives are supported at the State level.

Do all lawful activities to implement the strategic plan of the Corporation to accomplish the purposes and objectives stated above.

ARTICLE II – MEMBERSHIP

Section 1. Right to Membership in the Corporation. The right to membership in the Corporation is reserved for county governments that are participating in good faith in the Corporation's programs and purposes, and that have in force one or more agreements with an energy supplier designated by the Corporation providing for the supply of electricity and/or natural gas for the county's own accounts, where such energy supplier was selected and designated through the Corporation's competitive procurement process in compliance with New York State law. A county so qualified under this section is referred to as County within these By-laws. A county may be exempt temporarily from these requirements if the county joined the Corporation at a time when the county already had an existing binding contract with a private company to supply electricity and/or gas, but has formally expressed the intention to participate in subsequent MEGA programs for the purchase of those commodities at the termination of the existing contracting or contracts.

At such time as a county qualifies for membership in the Corporation, the County's Chief Elected Official (the County Executive or, if there is no County Executive, the Chair of the legislative body) will appoint a representative to represent the member at membership meetings and exercise the voting power of the member.

Section 2. Term of Representation. The designated representative will serve from the date of **appointment** until notification to the Corporation that the representative is no longer able to serve **or is to be replaced.**

Section 3. Loss of Membership. A County loses its Membership in the Corporation if it ceases to qualify as defined in Section 1, Right to Membership in the Corporation.

Section 4. Removal of Designated Representative. By written notice to the Corporation, the County's Chief Elected Official may remove or replace that County's Designated Representative with or without cause. The Board of Directors may also remove a Designated Representative but only at a duly noticed special Member meeting called specifically for that purpose. The Designated Representative to be removed shall be given an opportunity to be heard. Upon the approval of a petition to remove a Designated Representative the affected Representative shall be removed and the affected member notified that a new representative should be appointed in the same manner as set forth in Section 1 of this Article.

Section 5. Resignation. A Designated Representative may resign at any time by giving notice to the **Chief Elected Official of his/her county** and by giving notice to the Chairman or Secretary of the Board of Directors of the Corporation. Unless otherwise specified in the notice, the resignation shall take effect upon the receipt thereof by the Board or such officer, the acceptance of the Board or County shall not be required to make the resignation effective.

Section 6. Vacancies. A vacancy shall occur when: a Representative is removed in accordance with Section 4; a Designated Representative resigns in accordance with Section 5 or on the death of a Designated Representative. In such an event the vacancy(s) shall be filled as soon as reasonably possible. A new Representative shall be appointed in the same manner as set forth in Section 1 of this Article.

Section 7. Rights and Powers of Members. The Members shall have and exercise all the rights and powers of corporate membership created by the laws of the State of New York, the Certificate of Incorporation or the By-laws of the Corporation.

Section 8. Annual Meeting. The annual meeting of the Corporation shall be held at such time and place in the first four months of each year, as the Board of Directors may determine, at which the Designated Representatives of the Members will elect a Board of Directors receive the year end financial report from the Treasurer and adopt a budget for the upcoming year, review the general state of the Corporation with the Chairman or President and Chief Executive Officer, and consider such other matters as may be of importance and interest to the Corporation.

Section 9. Member Voting. Each Member shall have one vote. Voting must occur in person or through videoconferencing. Proxy voting is not allowed.

Section 10. Quorum. The presence in person or by telephone conference call of a simple majority of the membership shall be necessary to constitute a quorum at all meetings.

ARTICLE III- BOARD OF DIRECTORS

Section 1. Power of the Board of Directors. The Board of Directors shall have full power and authority to exercise all the powers of the Corporation and shall possess those powers exclusively, unless otherwise provided in these by-laws, including the following:

- (a) Selection and appointment of the President and Chief Executive Officer of the Corporation.
- (b) Prescribe, adopt and amend, from time to time, such policies, rules and regulations as, in their discretion may be deemed essential or convenient for the conduct of the business and affairs of the Corporation.
- (c) Determination of overall program plans and priorities including provisions for evaluating progress.
- (d) Final approval of all program proposals and budgets.
- (e) Election of the officers of the Board.

Section 2. Number and Composition of Directors. The Board of Directors shall have 11 members duly elected by the Corporation at the Annual Meeting. Nine of the members shall be derived from the Corporate membership and two shall be elected at-large from MEGA's participating entities.

Section 3. Board Voting. Each Member shall have one vote. Voting must occur in person or through videoconferencing. Proxy voting is not allowed.

Section 4. Regular Board Meetings. The Board of Directors at each annual meeting shall set the dates, times and location of regular Board meetings to be held during the year.

Section 5. Annual Board Meeting. The annual meeting of the Board of Directors shall be held after the annual meeting of the Corporation at a convenient time and location designated by the Board.

Section 6. Attendance at Board Meetings. The Secretary shall record attendance at each meeting of the Board in the minutes thereof. Absence from the meeting shall be excused, with good cause shown. Three non-excused absences, within a twelve-month period, shall constitute cause for a removal petition to be initiated in accordance with Article IV, Section 6.

ARTICLE IV – OFFICERS

Section 1. Election of Officers. The officers of the Corporation shall be elected from the membership of the Board and shall consist of a Chairman, a Vice-Chairman, a Treasurer, a Secretary and such other officers as the Board may authorize. All officers shall be elected by the Board at its annual meeting and shall serve at the pleasure of the Board. Officers shall hold office for the time of their election until a successor is elected at the next Annual Meeting. Except for the office of the Chairman, the same person may hold any two or more offices.

Section 2. Chairman. The Chairman shall preside at all meetings of the Corporation and the Board of Directors, appoint all committees and sign, on behalf of the Corporation, all deeds, contracts and other formal instruments with the approval of the Board of Directors. The Chairman shall also perform such duties as may from time to time be assigned by the Board and shall serve as an ex-officio member of all committees.

Section 3. Vice-Chairman. During the absence or disability of the President, the Vice-Chairman shall have all of the powers and duties of the Chairman. The Vice-Chairman shall perform such other duties, as the Board shall prescribe.

Section 4. Treasurer. The Treasurer shall maintain the financial records of the Corporation and shall be responsible for reporting the financial condition of the Corporation.

Section 5. Secretary. The Secretary shall ensure that minutes are kept of all meetings.

Section 6. Removal, Resignation, etc.

- (a) The Board with or without cause may remove any officer elected or appointed by the Board.
- (b) In the event of the death, resignation or removal of an officer, the Board in its discretion may elect or appoint a successor to fill the unexpired term.

ARTICLE V – MEETING PROCEDURES

Section 1. Order of Business. The order of business for meetings of the Board of Directors shall use the following general outline as a guide, but not be limited to it:

- Call to Order.
- Establish a quorum.
- Welcome and Introductions.
- Minutes of previous meeting(s).

- Communications.
- Report of the President and Chief Executive Officer
- Report of Other Staff. and Consultants
- Old Business.
- New Business.
- Announcement of next meeting date.
- Adjournment.

Section 2. Parliamentary Authority. The most current edition of Robert’s Rules of Order shall govern the meetings of the Corporation and the Board of Directors in all cases in which they are applicable and in which they are not inconsistent with these by-laws.

Section 3. Minutes

- (a) Written minutes shall be kept at each meeting.
- (b) Minutes shall include a record of all votes on all motions.
- (c) Minutes of the previous meeting shall be distributed to all Members prior to the next meeting.

Section 4. Special Meetings. The Chairman, the Executive Committee or any three Directors may call special meetings at any time.

Section 5. Notice. Written notice of the date, time and location of meetings shall be given by personal delivery, email or by depositing such notice with the United States Post Office at least five days but no more than thirty days prior to such meeting.

Telephonic notice of a Special Meeting may be given provided an emergency exists in which written notice of such meeting would have caused irreparable harm. At such special meeting noticed by telephone, the Chairman shall set forth in the minutes of the meeting the reason(s) for such telephonic notice. The membership present shall by resolution make a finding of fact that irreparable harm would have been caused if notice were made by such other means prior to the conducting of any other business.

Section 6. Quorum. The presence in person or by telephone conference call of a simple majority of the Board of Directors shall be necessary to constitute a quorum at all meetings.

ARTICLE VI – INDEMNIFICATION

The Corporation shall indemnify each Member, each Director, each officer, and, to the extent authorized by the Board of Directors, each person authorized to act for the Corporation or on its behalf, to the full extent to which indemnification is permitted under the Not-For-Profit Corporation Law.

ARTICLE VII – COMMITTEES

Section 1. General Provisions. Standing or ad hoc committees may be created by the Chairman of Board in furtherance of its purposes on an as needed basis. A Director shall chair any such committee. The membership of any committee so created by the Chairman of the Board may consist of non-directors who may vote in the making of any recommendations of that committee to the Board of Directors. Such committees shall serve in an advisory capacity only and may not bind the Corporation.

Section 2. Executive Committee. The Executive Committee shall consist of the Chairman, the Vice-Chairman, the Treasurer, the Secretary and the President and Chief Executive Officer. The Executive Committee shall represent the Board of Directors and shall have power to transact all regular business of the corporation during the period between meetings of the Board in accordance with all operating procedures established by the Board. The presence in person or by telephone conference call of at least three members of the Executive Committee shall be necessary to constitute a quorum at all meetings. All actions and activities of the Executive Committee shall be made available to the Board of Directors at its next regularly scheduled meeting.

Section 3. Governance Committee. The Chairman of the Board shall appoint the Governance Committee annually at the annual meeting. The Governance Committee shall consist of 2 members and will meet as required in person, conference call or other electronic collaborative method to fulfill its duties. The Governance Committee will keep the Board informed of current best practices in corporate governance; update the Alliance's corporate policies and practices; and ensure that directors elected to the Board receive appropriate briefing to serve effectively. Members shall serve until their resignation, retirement, or removal by the Board Governance. Committee members may not be employed by the Alliance or engage in any private business transactions with the Alliance. The governance committee shall report to the Board, at least annually, regarding any proposed changes to policies or governance guidelines.

Section 4. Audit Committee. The Chairman of the Board shall appoint the Audit Committee annually at the annual meeting. The Audit Committee shall consist of 2 members and will meet as required in person, conference call or other electronic collaborative method to fulfill its duties. The Audit Committee's role is to ensure that the Board of Directors fulfills its responsibilities for the Alliance's internal and external audit process, the financial reporting process and the system of risk assessment and internal controls over financial reporting; and to provide an avenue of communication between management, the independent auditors, the internal auditors, and the Board of Directors. The audit committee will meet with the authority's independent auditor at least annually to discuss the financial statements of the authority and shall report to the Board, at least annually, regarding any proposed changes to fiscal policies or financial guidelines.

ARTICLE VIII – FISCAL YEAR

The fiscal year of the Corporation shall begin on April 1 and end on March 31.

ARTICLE IX – CONTRACTS, CHECKS, NOTES, RECORDS, ETC.

Section 1. Execution of Contracts. The Board of Directors, except as these By-laws or the Certificate of Incorporation otherwise provide, may authorize any officer or officers, agent or agents, employee or employees, in the name of and on behalf of the Corporation, to enter into any contract or execute and deliver any instrument, and such authority may be general or confined to specific instances; but, unless

so authorized by the Board of Directors, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable pecuniarily in any amount for any purpose.

Section 2. Loans. No loans shall be contracted on behalf of the Corporation unless specifically authorized by the Board of Directors.

Section 3. Checks, Drafts, Etc. All checks, drafts and other orders for the payment of money out of the funds of the Corporation, and all notes or other evidence of indebtedness of the Corporation, may be signed on behalf of the Corporation by the President and Chief Executive Officer, the Treasurer or, in his absence or unavailability, any other officer.

Section 4. Deposits. All funds of the Corporation not otherwise employed shall be deposited from time to time to the credit of the Corporation in such banks, trust companies or other depositories as the Treasurer may recommend and the Board of Directors approves.

Section 5. Investments. The Board of Directors may authorize the Corporation to contract with an investment advisor and custodian to manage its investments. The investment advisor and/or custodian shall be required to comply with the investment policy approved by the Board of Directors.

Section 6. Books and Records. There shall be kept by the Corporation (1) correct and complete books and records of account, (2) minutes of the proceedings of the Board of Directors and its committees, (3) a current list of the Members, Directors and Officers of the Corporation and their residence addresses, (4) a copy of the Certificate of Incorporation, and (5) a copy of these By-laws.

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 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.

ARTICLE XI – CONFLICTS OF INTEREST

Section 1. Compensation. No part of the net income or net earnings of the Corporation shall inure for the benefit or profit of any private individual. No member, officer or employee of the Corporation shall receive or be lawfully entitled to receive any pecuniary benefits from the operation thereof except as reasonable compensation for services. Members of the Board of Directors may receive an honorarium for attendance at Board meetings and may be compensated for justifiable expenses relating to attendance at meetings or other activities required or appropriate to carrying out the function of a Board member (mileage, telephone calls, etc.)

Section 2. Property Rights of Directors. No director or member of the Corporation shall have any rights or interest in or to the property or assets of the Corporation. In the event that the Corporation is liquidated or dissolved or ceases to actively carry on its business, all of the remaining property and assets of the Corporation net of necessary expenses shall be distributed in accordance with Section 1411 of the Not-for-Profit Corporation Law of the State of New York and any subsequent amendments thereto.

ARTICLE XII – BY-LAW CHANGES

The by-laws may be amended, repealed, or adopted by a vote of two-thirds of the Directors at any regular or special meeting. Any proposed amendment must be presented in writing at a Board meeting and entered on the minutes. The vote thereupon shall not be taken until the next meeting of the Board of Directors.

Throughout the by-laws, words of the masculine gender include the feminine and the neuter, and, when the sense so indicates, words of the neuter gender may refer to any gender.