



Minutes of the Board of Directors of the Municipal Electric and Gas Alliance
– April 24, 2015

Present: Michael Stamm , Mary Pat Hancock, Heather Brown, Steve Hoover, Bob Edwards, Crystal Abers, Karen Sullivan

Ex-Officio: Rick Blythe

Corporate Members Attending: John Driscoll, Lee Ann Tinney

Excused: Mark Taylor, Jack Wheeler

Guests: Gene Salerni, Gordon Boyd, EnergyNext; Katy Vescio, NYSAC; Martha Sauerbrey, Tioga County; John Callucio (City of Schenectady)

Staff: Ron Feldstein, Executive Director; Barbara Blanchard, Customer Relations Manager; Doug Barton, Business Relations Manager; Jennifer Luu, Office Manager; Jonathon Wood, Counsel

Call to Order and Approval of Agenda

Chairman Stamm called the meeting to order at 11:47 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. Abers, seconded by Ms. Brown and adopted by voice vote with Ms. Sullivan abstaining to approve the minutes of February 4, 2015 as written.

Administration

Amendment to By-Laws – Lay on the Table

The bylaws reflect changes regarding voting and the establishment of a Governance and Audit Committee. The changes are being made to comply with NYS Authorities Budget Office requirements. It was Moved by Mr. Edwards, seconded by Ms. Brown and unanimously adopted by voice vote of members present to lay the bylaws on the table for action at the July 2015 Board meeting.

President's Report

Mr. Feldstein reviewed the Strategic Planning session held yesterday. There was much discussion about staff resources required to keep up with and participate effectively in all the regulatory changes under consideration. There was also extensive discussion about the solar

and hydro programs which are expected to produce \$71,000 in one time revenues. The group also discussed the need to more specifically track revenue sources e.g., solar, hydro, CNG. A major theme was the need to focus more on the education of our customers who are the reason for our success. Consider help in evaluating programs.

Mr. Feldstein also summarized a detailed step-by-step description of our bid process so that all members and the public completely understand our approach and methodology. See document Bidding Process Summary Memo at the end of the minutes. Mr. Feldstein did not have a written report for this meeting; noting a lot his efforts were focused on preparing for the strategic planning activities.

Customer Service Manager's Report

Ms. Blanchard reviewed the new customers and the losses over the last year, noting the addition of three cities – Elmira, Olean and the Kingston Water District, 17 towns, and 7 new villages in addition to several school districts. Mr. Salerni provided information and statistics on our customer base: 35 counties, 14 cities, 75 towns, 42 villages, 37 other municipal entities and 42 schools and colleges in addition to the businesses and residential customers we serve.

It was noted that when we lose customers it generally is either a mistake and the customer has been slammed by less reputable ESCO reps or a change in administration leads to a "let's try it ourselves" attitude. Additions far exceed losses to the customer base.

Business Services Manager's Report

Mr. Barton reviewed the work leading up to the Strategic Planning session and distributed notes.

Treasurer's Report

Quarterly Royalty Report

Mr. Salerni reviewed the quarterly royalty report. He stated that MEGA is now responsible for \$60 million in energy spending on 550,000 kwh of electricity and 12,000 therms of gas. Revenues were up due to new customers and increased usage.

Consultant's Report

Mr. Boyd Gordon reviewed the memo describing restructuring of EnergyNext. After 28 years in business, EN will be formally affiliated with the Satori organization out of Chicago. This will mean a scale up of diversity and expertise. The game plan for the future, distributed at the Strategic Planning session, noted Satori's experience with Community Choice Aggregation in Illinois. The press release describing the merger is available for anyone interested. Briefly, Salerni and Boyd will retain the office in Saratoga and we should not experience any loss of service, in fact they will be looking to add resources in the coming months.

NYSAC Report

Ms. Vescio noted that NYSAC was pleased to see Essex County join the MEGA group. The Chair of the Essex Board of Supervisors is the incoming NYSAC President. With regard to the solar and hydro programs, 19 counties are now working with SolarCity and 3 with Gravity Renewables. Mr. Boyd and Mr. Feldstein both noted the critical role Steve Acquario and NYSAC played in getting the PSC to reverse a decision affecting our renewables program that would have resulted in many of these projects losing critical advantages with respect to project financing.

The NYSAC Finance School was held May 13-15 in Lake Placid. The Fall Seminar will be September 21-23 in Albany. This is an opportunity to present new energy-related workshops, possibly the Community Choice Program, provide an update on REV, NY Prize and other PSC related activities.

Old Business

None

New Business

None

Announcements

The July meeting will be held in the Capital District and include a trip to the new NYSISO facility and possibly to Chittenden Falls to see a micro-hydro project.

Adjournment

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