



POLICY MANUAL

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POLICY: MILEAGE AND TRAVEL REIMBURSEMENTS, and BOARD PER DIEM

It is the policy of the Municipal Electric and Gas Alliance that the Board of Directors and Staff shall be reimbursed for mileage and travel on corporation business.

Reimbursement will include mileage and tolls to and from the destination at the federal mileage reimbursement rate published annually by IRS. Hotel accommodations and meals will be reimbursed for actual charges incurred inclusive of gratuity. Alcohol purchases will not be reimbursed.

Reimbursement will occur once the expense statement and necessary receipts are received by the Office Manager and approved for payment by the Executive Director and/or designee.

Additionally, MEGA board members can opt to collect a per diem for in-person board meeting attendance. The per diem rate set by the board is \$200 per in person board meeting attended. This per diem is available to all board members who request it when submitting their mileage and travel reimbursement form.

POLICY: STAFF COMPENSATION

It is the policy of the Municipal Electric and Gas Alliance that employees of the Corporation shall be compensated at the rate negotiated with the Board of Directors. Salaries shall be set annually, effective April 1st of each year.

Payment of salaries will occur on or about the last day of each month and will be processed by the Office Manager upon approval of the Executive Director and/or Designee.

POLICY: LOANS

It is the policy of the Municipal Electric and Gas Alliance that under no circumstances shall employees, Directors', or agents of the Corporation be extended credit in the form of a personal loan.

POLICY: FIXED ASSETS

It is the policy of the Municipal Electric and Gas Alliance that a written inventory of fixed assets with a value of \$300 or more will be maintained annually. Fixed assets include all property with an estimated useful life of one year or more.

POLICY: BANK SIGNATORIES

It is the policy of the Municipal Electric and Gas Alliance that signatories on the Corporation bank accounts will be the Executive Director and select members of the Corporation who are appointed to the Board, including the Treasurer and Chair.

The necessary paperwork will be kept on file at the financial institution(s) holding the Corporation's accounts.

Payments in excess of \$5,000 will require the approval of two signatories.

POLICY: FINANCIAL CONTROLS

It is the policy of the Municipal Electric and Gas Alliance that financial oversight will be conducted by the Executive Director, Treasurer, and the Board of Directors. The Office Manager, through authorization of the Executive Director and/or Designee will process payments for services on behalf of the Corporation, reconcile the bank accounts and provide a written update of the Corporation's financial condition at each Board meeting. Payments will be reviewed and signed off on by the Executive Director and the Treasurer, or another member of the Board of Directors as outlined in the policy for signatories.

POLICY: CREDIT CARD USE

It is recommended that MEGA staff switch to using a credit card instead of a debit card. The use of a credit card can be more closely monitored than a debit card. Debit card transactions have already been debited from the account and cannot be reversed or challenged.

Therefore, MEGA will apply for a credit card account with our current bank. Only the Executive Director and other staff, as authorized by the board, from time to time, will be authorized to use the credit card.

The card will only be used to purchase supplies, services, travel, reasonable entertainment directly expensed relating to MEGA business, that have been authorized and budgeted for. All use of this card must conform with the purchasing policies established in this manual. MEGA staff authorized to use a MEGA credit card is required to keep detailed receipts for all purchases and present them to the Executive Director and the Executive Director shall present receipts to the MEGA Board Treasurer for audit and review. Review of charges by the designated party shall be carried out in a timely manner in order to avoid finance or late charges.

The spending limit on the card will not exceed \$15,000 total. Should any person not authorized to use the card make any purchase or any authorized person make any improper purchase, that person will be held responsible for payment personally. Additionally, should inappropriate charges be made, the person using the card for false claims will be held responsible for those charges.

In such instance MEGA may refer criminal charges and/or pursue a civil remedy.

POLICY: PROGRAM ACTIVITY FUNDS

MEGA's mission is to assist energy purchasers in New York State to reduce their costs for consumption of electricity and gas. In addition, MEGA has a mission to encourage and assist its participants to use energy more efficiently and to substitute consumption of carbon-based generation of energy with alternative forms of energy generation.

To carry out this mission, it is proposed that MEGA focus its use of its surplus funds on the following types of activities, and initiate some of these programs:

- **Marketing, education, and advice.** Increase the scope and activity of MEGA's marketing efforts to grow the number of participants who purchase electricity and natural gas through MEGA. The priority of efforts for increased marketing activities will be on municipalities and public agencies at all levels of government. Secondary priorities will be on industry and non-profit organizations. Efforts will be made to serve residential consumers, but they will be given a lower priority. Examples: Such efforts may include direct contact by mail or otherwise, attendance and presentations at association conferences, employment of marketing staff, etc.
- **Education programs** will focus on informing consumers, whether participants in MEGA or not, about ways to reduce energy costs, energy efficiency approaches, alternative energy possibilities, etc. Examples: This can be done through newsletters, advertisements, presentations at meetings (Rotary, etc.), talks in classrooms, etc. It can also be done through the construction of demonstration projects for wind, solar or other forms of alternative energy.
- **Professional advice** can be provided to municipalities, businesses and others when special projects arise that reflect MEGA's mission. Examples: Provide free professional consultation to a municipality or business that is considering an energy-saving or alternative energy project, or establish an in-house service at MEGA to offer professional services at no-cost or subsidized cost to energy consumers.
- **Reduction in the use of energy.** Initiate programs that will assist and encourage MEGA participants to save money by reducing the amount of energy that they use. Examples: The CFL (compact fluorescent light-bulb) program and the LED Holiday Lights program. Efficiency audits also may be made available.
- **Transition to alternative energy.** Provide programs that will encourage and enable MEGA participants to substitute their purchases of hydrocarbon-generated electricity with energy produced from non-hydrocarbon-generating sources. Examples: Provide subsidies to MEGA participants to switch to the higher cost alternative electricity purchases. Develop programs to assist consumers to construct solar, wind or other alternative source facilities for generating electricity (e.g. provide information, professional advice, subsidies).

POLICY: WHISTLEBLOWER POLICY AND PROCEDURES

Purpose

It is the policy of the Municipal Electric and Gas Alliance (MEGA) to afford certain protections to individuals who in good faith report violations of MEGA's Code of Ethics or other instances of potential wrongdoing within the organization. The Whistleblower Policy and Procedures set forth below are intended to encourage and enable employees to raise concerns in good faith and without fear of retaliation or adverse employment action.

Definitions

“Good Faith”: Information concerning potential wrongdoing is disclosed in “good faith” when the individual making the disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing.

“Public Authority Employee”: All board members, and officers and staff employed by the Municipal Electric and Gas Alliance whether full-time, part-time, employed pursuant to contract, employees on probation and temporary employees. The disclosure reasonably believes such information to be true and reasonably believes that it constitutes potential wrongdoing.

“Wrongdoing”: Any alleged corruption, fraud, criminal or unethical activity, misconduct, waste, conflict of interest, intentional reporting of false or misleading information, or abuse of authority engaged in by a MEGA Employee (as defined herein) that relates to the organization.

“Personnel action”: Any action affecting compensation, appointment, promotion, transfer, assignment, reassignment, reinstatement or evaluation of performance.

Section I: Reporting Wrongdoing

All MEGA Employees who discover or have knowledge of potential wrongdoing concerning board members, officers, or employees of MEGA; or a person having business dealings with MEGA; or concerning MEGA itself, shall report such activity in accordance with the following procedures:

- a. The MEGA Employee shall disclose any information concerning wrongdoing either orally or in a written report to his or her supervisor, or to the MEGA’s ethics officer, general counsel, or human resources representative.
- b. All MEGA Employees who discover or have knowledge of wrongdoing shall report such wrongdoing in a prompt and timely manner.
- c. The identity of the whistleblower and the substance of his or her allegations will be kept confidential to the best extent possible.
- d. The individual to whom the potential wrongdoing is reported shall investigate and handle the claim in a timely and reasonable manner, which may include referring such information to the Authorities Budget Office or an appropriate law enforcement agency where applicable.
- e. Should a MEGA Employee believe in good faith that disclosing information within MEGA pursuant to Section 1(a) above would likely subject him or her to adverse personnel action or be wholly ineffective, the Employee may instead disclose the information to the Authorities Budget Office or an appropriate law enforcement agency, if applicable. The Authorities Budget Office’s toll free number (1-800-560-1770) should be used in such circumstances.

Section II: No Retaliation or Interference

No MEGA Employee shall retaliate against any whistleblower for the disclosure of potential wrongdoing, whether through threat, coercion, or abuse of authority; and, no MEGA Employee shall interfere with the right of any other MEGA Employee by any improper means aimed at deterring disclosure of potential wrongdoing. Any attempts at retaliation or interference are strictly prohibited and:

- a. No MEGA Employee who in good faith discloses potential violations of MEGA's Code of Ethics or other instances of potential wrongdoing, shall suffer harassment, retaliation or adverse personnel action.
- b. All allegations of retaliation against a Whistleblower or interference with an individual seeking to disclose potential wrongdoing will be thoroughly investigated by MEGA.
- c. Any MEGA Employee who retaliates against or has attempted to interfere with any individual for having in good faith disclosed potential violations of MEGA's Code of Ethics or other instances of potential wrongdoing is subject to discipline, which may include termination of employment.
- d. Any allegation of retaliation or interference will be taken and treated seriously and irrespective of the outcome of the initial complaint, will be treated as a separate matter.

Section III: Other Legal Rights Not Impaired

The Whistleblower Policy and Procedures set forth herein are not intended to limit, diminish or impair any other rights or remedies that an individual may have under the law with respect to disclosing potential wrongdoing free from retaliation or adverse personnel action.

- a. Specifically, these Whistleblower Policy and Procedures are not intended to limit any rights or remedies that an individual may have under the laws of the State of New York, including but not limited to the following provisions: Civil Service Law § 75-b, Labor Law § 740, State Finance Law § 191 (commonly known as the "False Claims Act"), and Executive Law § 55(1).
- b. With respect to any rights or remedies that an individual may have pursuant to Civil Service Law § 75-b or Labor Law § 740, any employee who wishes to preserve such rights shall prior to disclosing information to a government body, have made a good faith effort to provide the appointing authority or his or her designee the information to be disclosed and shall provide the appointing authority or designee a reasonable time to take appropriate action unless there is imminent and serious danger to public health or safety. (See Civil Service Law § 75-b[2][b]; Labor Law § 740[3]).

POLICY: CAPITALIZATION

Fixed assets should be capitalized when the asset has a useful life of one year or more and provide benefit throughout that period. The asset should be capitalized if its cost is more than \$2,500.

Assets not capitalized should be tracked for insurance and control purposes. Asset costs \$1,000 or more with a useful life of 1 year or more should be tracked as well as all IT equipment.

MEGA has one fixed asset type:

Equipment includes costs of office equipment, machinery, furniture and fixtures, furnishings and similar items.

Capitalizable Costs Associated with Asset Acquisitions:

Equipment Original contract or invoice price; freight, import duties, handling and storage costs; assembling and installation costs; reconditioning costs related to used equipment to make it available for its intended purpose.

Depreciation:

Depreciation is the concept of allocating the cost of equipment over its estimated useful life. MEGA will use the Straight Line Depreciation Method. Depreciation will be calculated and reported annually.

Leased Assets:

A lease of equipment qualifies as a capital lease or an operating lease. All capital leases will be capitalized as equipment and depreciated. Capital leases meet any one of the following criteria:

- The lease transfers ownership at end of the lease term.
- The lease contains a bargain purchase option.
- The lease term is equal to 75% or greater of the estimated economic life of the asset.
- The present value at the beginning of the lease term of the minimum lease payments equals or exceeds 90 % of the fair value of the assets to the lessor at the inception of the lease. Upon entering into a lease, MEGA should request that the vendor provide all the information necessary to determine if the lease is capital or operating.

POLICY: INVESTMENT AND DEPOSIT

Introduction

Municipal Electric and Gas Alliance, Inc (“MEGA”) hereby adopts the following policy and procedures as it pertains to investment and deposit of MEGA Funds.

Scope

This investment and deposit policy applies to all MEGA moneys and other financial resources available for investment on its own behalf or on behalf of any other entity when acting as agent for that other entity.

Objectives

The objectives of MEGA Investment and Deposit Policy and Procedures are four fold:

- To conform with all applicable federal, state and other legal requirements.
- To adequately safeguard the principal amount of funds invested or deposited.
- To provide sufficient liquidity of invested funds in order to meet obligations as they become due; and
- To obtain a rate of return commensurate with market conditions.

Authorization

The authority to deposit and invest funds is delegated to the Treasurer and the Executive Director of MEGA, with quarterly reports to the board of directors.

The Treasurer of MEGA may establish written procedures which shall provide adequate internal controls to ensure a satisfactory level of accountability regarding the management of MEGA funds, with endorsement of Audit Committee.

Ethical Activity

All participants in the investment and deposit process shall seek to act responsibly as custodians of the public trust and shall avoid any transactions that place MEGA funds at unreasonable risk.

All participants involved in the investment and depository process shall refrain from personal business activity that conflict with proper execution of the deposit and investment program.

Diversification

It is the policy of MEGA to diversify its deposit and investments by financial institutions, by invest instruments and by maturity scheduling.

Safekeeping and Collateralization

Eligible securities used for collateralization deposits shall be held by a third party bank, trust company or trust department of the bank subject to security and collateral agreements at the discretion of MEGA.

The security and custodial agreements shall provide that securities held by the bank or trust company or agent of and custodian for, the MEGA will be kept separate and apart from the general assets of the custodial bank or trust company.

The security and collateral agreement shall provide that eligible securities are being pledged to secure MEGA deposits and investments together with agreed upon interest, if any, and any costs or expenses arising out of collection of such deposits upon default.

Permitted Investments

As authorized by General Municipal Law, section 11, MEGA authorizes the Treasurer of MEGA to invest money not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Obligations of the United States of America;
- Obligations guaranteed by the United States of America where payment of principal and interest and guaranteed by the United States of America;
- Obligations of the State of NY;
- Special time deposit accounts;
- Certificates of Deposits; and
- Obligations of public authorities, public housing authorities, urban renewal agencies and industrial development agencies where the general State statutes governing such entities or whose specific enabling legislation authorizes such investments.

POLICY: PROCUREMENT

Purpose

In accordance with Article 18-A of the General Municipal Law (the "GML"), Section 104- b of the GML, and the Public Authorities Accountability Act of 2005, the Alliance is required to adopt procurement policies, which will apply to the procurement of goods and services paid for by the Alliance for its own use and account. The primary objectives of this Policy is to assure the prudent and economical use of public monies in the best interests of the taxpayer, to facilitate the acquisition of goods and services of maximum quality at the lowest possible cost under the circumstances and to guard against favoritism, improvidence, extravagance, fraud and corruption.

Procedures

1. Solicitation Procedures for the Purchase of Commodities, Equipment, Goods or Services.
 - a. Up to \$5,000 per instance – The discretion of the Chair or Executive Director of the Alliance or authorized designee.
 - b. Greater than \$5,000 to \$20,000 per instance – Documented verbal quotations or written/fax/email quotations from at least three vendors.
 - c. Greater than \$20,000 per instance – Written Request for Proposal.
 - d. Notwithstanding the foregoing, should cumulative procurements pursuant to paragraphs a or b above exceed \$50,000 per calendar year for a single vendor, the Alliance shall be required to prepare a Written Request for Proposal for such procurements.
2. Exceptions. Alternative proposals or quotations shall not be required for procurements made through or with respect to:
 - a. New York State – when the Alliance is able to procure commodities, equipment, goods or services through New York State or a member counties contracts, it is unnecessary to obtain quotations or bids;
 - b. State Finance Law Section 175-b (from agencies for the blind or severely handicapped);
 - c. Correction Law Section 186 (articles manufactured in correctional institutions);
 - d. Emergency Procurements – an emergency exists if the delay caused by soliciting quotes would endanger health, welfare, property or an economic development opportunity. Approval of the Chief Executive Officer is necessary, which shall be documented and shall also include a description of the facts giving rise to the emergency.

- e. Sole Source Procurements – A “sole source” means a situation where (i) there is only one possible source from which to produce goods and/or services available in the marketplace, (ii) no other goods and/or services provide substantially equivalent or similar benefits, and (iii) considering the benefits, the cost to the Alliance is reasonable. Unavailability of three (3) vendors who are able or willing to provide a quote.
- f. When such procurements were obtained prior to the adoption of this policy, they may be continued at the discretion of the Board without additional solicitations being sought.

3. Basis for the Award of Contracts.

Contracts will be awarded to the lowest responsible dollar bidder who meets the specifications therefore, except in circumstances that the Alliance determines justify an award to other than the lowest responsible dollar bidder. In making any such determination, the Alliance shall consider relevant factors including, without limitation:

- a. Delivery requirements
- b. Quality requirements
- c. Quantity requirements
- d. Past vendor performance and/or experience
- e. The unavailability of three or more vendors who are able or willing to quote on a procurement.
- f. It may be in the best interests of the Alliance to consider only one vendor who has previous expertise with respect to a particular procurement.
- g. Any procurement excepted from the alternative proposal/quotation requirements as set forth in subdivision 2 of this Section B, and the procurement of professional services in Section E of this Policy.

4. Documentation

- a. A record of all solicitations for alternative proposals or quotations, the response (if applicable), and any determinations pursuant thereto shall be maintained in the procurement file.
- b. For each procurement by the Alliance the chief executive officer of the Alliance or authorized designee shall set forth in writing the category of procurement that is being made and what method of procurement is specified.

- c. Whenever an award is made to other than the lowest responsible dollar bidder the reasons for doing so shall be set forth in writing and maintained in the procurement file.
- d. Whenever the specified number of quotations cannot or will not be secured, the reasons for this shall be indicated in writing and maintained in the procurement file.

Professional Services

Contracts for professional services involve the application of specialized expertise, the use of professional judgment, or a high degree of creativity. Professional services include services which require special education and/or training, license to practice or are creative in nature. Examples are: lawyers, doctors, accountants, and engineers.

Furthermore, professional service contracts often involve a relationship of personal trust and confidence. Procurement of professional services below \$20,000 is not subject to the solicitation procedures contained in Section B (1) of this Policy. Procurement of professional services greater than \$20,000 is subject to the existing "Professional Services RFP Process" as amended from time to time, unless such service was obtained prior to this policy's adoption. Specific professional services not otherwise identified within the "Professional Services RFP Process" are hereby deemed to be so included, as appropriate.

Procurement Lobbying Law

In accordance with Chapter 1 of the Laws of 2005, generally referred to as the "Procurement Lobbying Law", the Alliance shall implement the provision of such

Procurement Lobbying Law for any contract or other agreement for an article of procurement involving an estimated annualized expenditure in excess of \$15,000.

D. Unintentional Failure to Comply.

The unintentional failure to comply with the provisions of Section 104-b of the GML shall not be grounds to void action taken or give rise to a cause of action against the Alliance or any officer thereof.

POLICY: DOCUMENT RETENTION

Purpose

The purposes of this document retention policy are for the Municipal Electric and Gas Alliance to enhance compliance with the Sarbanes-Oxley Act and to promote the proper treatment of MEGA's corporate records.

Section 1. General Guidelines.

Records should not be kept if they are no longer needed for the operation of the business or required by law. Unnecessary records should be eliminated from the files. The cost of maintaining records is an expense which can grow unreasonably if good housekeeping is not performed. A mass of records also makes it more difficult to find pertinent records.

Several categories of documents that warrant special consideration are identified below.

Electronic records are to be treated the same as physical records.

Section 2. Exception for Litigation Relevant Documents.

MEGA expects all officers, directors, and employees to comply fully with any published records retention or destruction policies and schedules, provided that all officers, directors, and employees should note the following general exception to any stated destruction schedule: If you believe, or MEGA informs you, that MEGA records are relevant to litigation, or potential litigation (i.e., a dispute that could result in litigation), then you must preserve those records until it is determined that the records are no longer needed. That exception supersedes any previously or subsequently established destruction schedule for those records.

Section 3. Minimum Retention Periods for Specific Categories.

(a) MEGA Documents. Organizational records include MEGA's articles of incorporation, by-laws and IRS Form 1023, Application for Exemption. These records should be retained permanently. IRS regulations require that Form 1023 be available for public inspection upon request.

(b) Tax Records. Tax records include, but may not be limited to, documents concerning payroll, expenses, proof of contributions made by donors, accounting procedures, and other documents concerning MEGA's revenues. Tax records should be retained for at least seven years from the date of filing the applicable return.

(c) Employment Records/Personnel Records. State and federal statutes require MEGA to keep certain recruitment, employment and personnel information. MEGA should also keep personnel files that reflect performance reviews and any complaints brought against MEGA or individual employees under applicable state and federal statutes. MEGA should also keep in the employee's personnel file all final memoranda and correspondence reflecting performance reviews and actions taken by or against personnel. Employment applications should be retained for three years.

(d) Board and Board Committee Materials. Meeting minutes should be retained in perpetuity in MEGA's Board files. A clean copy of all other Board and Board Committee materials should be kept for no less than three years.

(e) Press Releases/Public Filings. MEGA should retain permanent copies of all press releases and publicly filed documents under the theory that MEGA should have its own copy to test the accuracy of any document a member of the public can theoretically produce against MEGA.

(f) Legal Files. Legal counsel should be consulted to determine the retention period of particular documents, but legal documents should generally be maintained for a period of ten years.

(g) Marketing and Sales Documents. MEGA should keep final copies of marketing and sales documents for at least three years.

a. An exception to the three-year policy may be sales invoices, contracts, leases, licenses, and other legal documentation. These documents should be kept for at least three years beyond the life of the agreement.

(h) Contracts. Final executed copies of all contracts entered into by MEGA should be retained for at least three years beyond the life of the agreement, and longer in the case of publicly filed contracts.

(i) Correspondence. Unless correspondence falls under another category listed elsewhere in this policy, correspondence should generally be saved for two years.

(j) Banking and Accounting. Accounts payable, ledgers and schedules should be kept for seven years. Bank reconciliations, bank statements, deposit slips and checks should be kept for three years. Any inventories of products, materials, and supplies and any invoices should be kept for seven years.

(k) Insurance. Expired insurance policies, insurance records, accident reports, claims, etc. should be kept permanently.

(l) Audit Records. External audit reports should be kept permanently. Internal audit reports should be kept for three years.

Section 4. Electronic Mail.

E-mail that needs to be saved should be downloaded to a computer file and kept electronically or on disk as a separate file. The retention period depends upon the subject matter of the e-mail, as covered elsewhere in this policy.

POLICY: SEXUAL HARASSMENT

Purpose and Goals

MUNICIPAL ELECTRIC AND GAS ALLIANCE, INC. (“MEGA”) is committed to maintaining a workplace free from harassment and discrimination. Sexual harassment is a form of workplace discrimination that subjects an employee to inferior conditions of employment due to their gender, gender identity, gender expression (perceived or actual), and/or sexual orientation. Sexual harassment is often viewed simply as a form of gender-based discrimination, but MEGA recognizes that discrimination can be related to or affected by other identities beyond gender. Under the New York State Human Rights Law, it is illegal to discriminate based on sex, sexual orientation, gender identity or expression, age, race, creed, color, national origin, military status, disability, pre-disposing genetic characteristics, familial status, marital status, criminal history, or status as a victim of domestic violence. Our different identities impact our understanding of the world and how others perceive us. For example, an individual’s race, ability, or immigration status may impact their experience with gender discrimination in the workplace. While this policy is focused on sexual harassment and gender discrimination, the methods for reporting and investigating discrimination based on other protected identities are the same. The purpose of this policy is to teach employees to recognize discrimination, including discrimination due to an individual’s intersecting identities, and provide the tools to take action when it occurs. All employees, managers, and supervisors are required to work in a manner designed to prevent sexual harassment and discrimination in the workplace. This policy is one component of MEGA’S commitment to a discrimination-free work environment.

Goals of this Policy:

Sexual harassment and discrimination are against the law. After reading this policy, employees will understand their right to a workplace free from harassment. Employees will also learn what harassment and discrimination look like, what actions they can take to prevent and report harassment, and how they are protected from retaliation after taking action. The policy will also explain the investigation process into any claims of harassment. Employees are encouraged to report sexual harassment or discrimination by filing a complaint internally with MEGA. Employees can also file a complaint with a government agency or in court under federal, state, or local antidiscrimination laws. To file an employment complaint with the New York State Division of Human Rights, please visit <https://dhr.ny.gov/complaint>. To file a complaint with the United States Equal Employment Opportunity Commission, please visit <https://www.eeoc.gov/filing-charge-discrimination>.

Sexual Harassment and Discrimination Prevention Policy:

1. MEGA’s policy applies to all employees, members of the board of directors, applicants for employment, and interns, whether paid or unpaid. The policy also applies to additional covered individuals. It applies to anyone who is (or is employed by) a contractor, subcontractor, vendor, consultant, or anyone providing services in our workplace. These individuals include persons commonly referred to as independent contractors, gig workers, and temporary workers. Also included are persons providing equipment

repair, cleaning services, or any other services through a contract with MEGA. For the remainder of this policy, we will use the term “covered individual” to refer to these individuals who are not direct employees of the company.

2. Sexual harassment is unacceptable. Any employee or covered individual who engages in sexual harassment, discrimination, or retaliation will be subject to action, including appropriate discipline for employees. In New York, harassment does not need to be severe or pervasive to be illegal. Employees and covered individuals should not feel discouraged from reporting harassment because they do not believe it is bad enough, or conversely because they do not want to see a colleague fired over less severe behavior. Just as harassment can happen in different degrees, potential discipline for engaging in sexual harassment will depend on the degree of harassment and might include education and counseling. It may lead to suspension or termination when appropriate.
3. Retaliation is prohibited. Any employee or covered individual that reports an incident of sexual harassment or discrimination, provides information, or otherwise assists in any investigation of a sexual harassment or discrimination complaint is protected from retaliation. No one should fear reporting sexual harassment if they believe it has occurred. So long as a person reasonably believes that they have witnessed or experienced such behavior, they are protected from retaliation. Any employee of MEGA who retaliates against anyone involved in a sexual harassment or discrimination investigation will face disciplinary action, up to and including termination. All employees and covered individuals working in the workplace who believe they have been subject to such retaliation should inform a supervisor, manager, or MEGA Board member Kim Kinblom, member of the MEGA Board of Directors. All employees and covered individuals who believe they have been a target of such retaliation may also seek relief from government agencies, as explained below in the section on Legal Protections.
4. Discrimination of any kind, including sexual harassment, is a violation of our policies, is unlawful, and may subject MEGA to liability for the harm experienced by targets of discrimination. Harassers may also be individually subject to liability and employers or supervisors who fail to report or act on harassment may be liable for aiding and abetting such behavior. Employees at every level who engage in harassment or discrimination, including managers and supervisors who engage in harassment or discrimination or who allow such behavior to continue, will be penalized for such misconduct.
5. MEGA will conduct a prompt and thorough investigation that is fair to all parties. An investigation will happen whenever management receives a complaint about discrimination or sexual harassment, or when it otherwise knows of possible discrimination or sexual harassment occurring. MEGA will keep the investigation confidential to the extent possible. If an investigation ends with the finding that discrimination or sexual harassment occurred, MEGA will act as required. In addition to any required discipline, MEGA will also take steps to ensure a safe work environment for the employee(s) who experienced the discrimination or harassment. All employees, including managers and supervisors, are required to cooperate with any internal investigation of discrimination or sexual harassment.

6. All employees and covered individuals are encouraged to report any harassment or behaviors that violate this policy. All employees will have access to a complaint form to report harassment and file complaints. Use of this form is not required. For anyone who would rather make a complaint verbally, or by email, these complaints will be treated with equal priority. An employee or covered individual who prefers not to report harassment to their manager or employer may instead report harassment to the New York State Division of Human Rights and/or the United States Equal Employment Opportunity Commission. Complaints may be made to both the employer and a government agency.

Managers and supervisors are **required** to report any complaint that they receive, or any harassment that they observe or become aware of, to MEGA Board member Kim Kinblom at kinblom@megaenergy.org or 518-569-1344.

7. This policy applies to all employees and covered individuals, such as contractors, sub-contractors, vendors, consultants, or anyone providing services in the workplace, and all must follow and uphold this policy. This policy must be provided to all employees in person or digitally through email upon hiring and will be posted prominently in all work locations. For those offices operating remotely, in addition to sending the policy through email, it will also be available on the organization's shared network.
8. All MEGA employees and members of the board of directors are required to complete sexual harassment training on an annual basis and send proof of completion to the executive director or board secretary to be filed and recorded. This training can be completed at the employee's or board member's place of employment (other than MEGA), or through a MEGA-sponsored training.

What Is Sexual Harassment?

Sexual harassment is a form of gender-based discrimination that is unlawful under federal, state, and (where applicable) local law. Sexual harassment includes harassment on the basis of sex, sexual orientation, self-identified or perceived sex, gender expression, gender identity, and the status of being transgender. Sexual harassment is not limited to sexual contact, touching, or expressions of a sexually suggestive nature. Sexual harassment includes all forms of gender discrimination including gender role stereotyping and treating employees differently because of their gender.

Understanding gender diversity is essential to recognizing sexual harassment because discrimination based on sex stereotypes, gender expression and perceived identity are all forms of sexual harassment. The gender spectrum is nuanced, but the three most common ways people identify are cisgender, transgender, and non-binary. A cisgender person is someone whose gender aligns with the sex they were assigned at birth. Generally, this gender will align with the binary of male or female. A transgender person is someone whose gender is different than the sex they were assigned at birth. A non-binary person does not identify exclusively as a man or a woman. They might identify as both, somewhere in between, or completely outside the gender binary. Some may identify as transgender, but not all do. Respecting an individual's gender identity is a necessary first step in establishing a safe workplace.

Sexual harassment is unlawful when it subjects an individual to inferior terms, conditions, or privileges of employment. Harassment does not need to be severe or pervasive to be illegal. It can be any harassing behavior that rises above petty slights or trivial inconveniences. Every instance of harassment is unique to those experiencing it, and there is no single boundary between petty slights and harassing behavior. However, the Human Rights Law specifies that whether harassing conduct is considered petty or trivial is to be viewed from the standpoint of a reasonable victim of discrimination with the same protected characteristics. Generally, any behavior in which an employee or covered individual is treated worse because of their gender (perceived or actual), sexual orientation, or gender expression is considered a violation of MEGA's policy. The intent of the behavior, for example, making a joke, does not neutralize a harassment claim. Not intending to harass is not a defense. The impact of the behavior on a person is what counts. Sexual harassment includes any unwelcome conduct which is either directed at an individual because of that individual's gender identity or expression (perceived or actual), or is of a sexual nature when:

- The purpose or effect of this behavior unreasonably interferes with an individual's work performance or creates an intimidating, hostile or offensive work environment. The impacted person does not need to be the intended target of the sexual harassment;
- Employment depends implicitly or explicitly on accepting such unwelcome behavior; or
- Decisions regarding an individual's employment are based on an individual's acceptance to or rejection of such behavior. Such decisions can include what shifts and how many hours an employee might work, project assignments, as well as salary and promotion decisions.

There are two main types of sexual harassment:

- Behaviors that contribute to a hostile work environment include, but are not limited to, words, signs, jokes, pranks, intimidation, or physical violence which are of a sexual nature, or which are directed at an individual because of that individual's sex, gender identity, or gender expression. Sexual harassment also consists of any unwanted verbal or physical advances, sexually explicit derogatory, or discriminatory statements which an employee finds offensive or objectionable, causes an employee discomfort or humiliation, or interferes with the employee's job performance.
- Sexual harassment also occurs when a person in authority tries to trade job benefits for sexual favors. This can include hiring, promotion, continued employment or any other terms, conditions, or privileges of employment. This is also called quid pro quo harassment.

Any employee or covered individual who feels harassed is encouraged to report the behavior so that any violation of this policy can be corrected promptly. Any harassing conduct, even a single incident, can be discrimination and is covered by this policy.

Examples of Sexual Harassment

The following describes some of the types of acts that may be unlawful sexual harassment and that are strictly prohibited. This list is just a sample of behaviors and should not be considered exhaustive. Any employee who believes they have experienced sexual harassment, even if it does not appear on this list, should feel encouraged to report it:

- Physical acts of a sexual nature, such as:
 - ◊ Touching, pinching, patting, kissing, hugging, grabbing, brushing against another employee's body, or poking another employee's body; or
 - ◊ Rape, sexual battery, molestation, or attempts to commit these assaults, which may be considered criminal conduct outside the scope of this policy (please contact local law enforcement if you wish to pursue criminal charges).
- Unwanted sexual comments, advances, or propositions, such as:
 - ◊ Requests for sexual favors accompanied by implied or overt threats concerning the target's job performance evaluation, a promotion, or other job benefits;
 - » This can include sexual advances/pressure placed on a service industry employee by customers or clients, especially those industries where hospitality and tips are essential to the customer/employee relationship;
 - ◊ Subtle or obvious pressure for unwelcome sexual activities; or
 - ◊ Repeated requests for dates or romantic gestures, including gift-giving.
- Sexually oriented gestures, noises, remarks or jokes, or questions and comments about a person's sexuality, sexual experience, or romantic history which create a hostile work environment. This is not limited to interactions in person. Remarks made over virtual platforms and in messaging apps when employees are working remotely can create a similarly hostile work environment.
- Sex stereotyping, which occurs when someone's conduct or personality traits are judged based on other people's ideas or perceptions about how individuals of a particular sex should act or look:
 - ◊ Remarks regarding an employee's gender expression, such as wearing a garment typically associated with a different gender identity; or
 - ◊ Asking employees to take on traditionally gendered roles, such as asking a woman to serve meeting refreshments when it is not part of, or appropriate to, her job duties.

- Sexual or discriminatory displays or publications anywhere in the workplace, such as:
 - ◊ Displaying pictures, posters, calendars, graffiti, objects, promotional material, reading materials, or other materials that are sexually demeaning or pornographic. This includes such sexual displays on workplace computers or cell phones and sharing such displays while in the workplace;
 - ◊ This also extends to the virtual or remote workspace and can include having such materials visible in the background of one's home during a virtual meeting.
- Hostile actions taken against an individual because of that individual's sex, sexual orientation, gender identity, or gender expression, such as:
 - ◊ Interfering with, destroying, or damaging a person's workstation, tools or equipment, or otherwise interfering with the individual's ability to perform the job;
 - ◊ Sabotaging an individual's work;
 - ◊ Bullying, yelling, or name-calling;
 - ◊ Intentional misuse of an individual's preferred pronouns; or
 - ◊ Creating different expectations for individuals based on their perceived identities:
 - » Dress codes that place more emphasis on women's attire;
 - » Leaving parents/caregivers out of meetings.

Who Can be a Target of Sexual Harassment?

Sexual harassment can occur between any individuals, regardless of their sex or gender. Harassment does not have to be between members of the opposite sex or gender. New York Law protects employees and all covered individuals described earlier in the policy. Harassers can be anyone in the workplace. A supervisor, a supervisee, or a coworker can all be harassers. Anyone else in the workplace can also be harassers including an independent contractor, contract worker, vendor, client, customer, patient, constituent, or visitor.

Sexual harassment does not happen in a vacuum and discrimination experienced by an employee can be impacted by biases and identities beyond an individual's gender. For example:

- Placing different demands or expectations on black women employees than white women employees can be both racial and gender discrimination;
- An individual's immigration status may lead to perceptions of vulnerability and increased concerns around illegal retaliation for reporting sexual harassment; or
- Past experiences as a survivor of domestic or sexual violence may lead an individual to feel re-traumatized by someone's behaviors in the workplace.

Individuals bring personal history with them to the workplace that might impact how they interact with certain behavior. It is especially important for all employees to be aware of how words or actions might impact someone with a different experience than their own in the interest of creating a safe and equitable workplace.

Where Can Sexual Harassment Occur?

Unlawful sexual harassment is not limited to the physical workplace itself. It can occur while employees are traveling for business or at employer or industry sponsored events or parties. Calls, texts, emails, and social media usage by employees or covered individuals can constitute unlawful workplace harassment, even if they occur away from the workplace premises, on personal devices, or during non-work hours.

Sexual harassment can occur when employees are working remotely from home as well. Any behaviors outlined above that leave an employee feeling uncomfortable, humiliated, or unable to meet their job requirements constitute harassment even if the employee or covered individual is at home when the harassment occurs. Harassment can happen on virtual meeting platforms, in messaging apps, and after working hours between personal cell phones.

Retaliation

Retaliation is unlawful and is any action by an employer or supervisor that punishes an individual upon learning of a harassment claim, that seeks to discourage a worker or covered individual from making a formal complaint or supporting a sexual harassment or discrimination claim, or that punishes those who have come forward. These actions need not be job-related or occur in the workplace to constitute unlawful retaliation. For example, threats of physical violence outside of work hours or disparaging someone on social media would be covered as retaliation under this policy.

Examples of retaliation may include, but are not limited to:

- Demotion, termination, denying accommodations, reduced hours, or the assignment of less desirable shifts;
- Publicly releasing personnel files;
- Refusing to provide a reference or providing an unwarranted negative reference;
- Labeling an employee as “difficult” and excluding them from projects to avoid “drama”;
- Undermining an individual’s immigration status; or
- Reducing work responsibilities, passing over for a promotion, or moving an individual’s desk to a less desirable office location.

Such retaliation is unlawful under federal, state, and (where applicable) local law. The New York State Human Rights Law protects any individual who has engaged in “protected activity.” Protected activity occurs when a person has:

- Made a complaint of sexual harassment or discrimination, either internally or with any government agency;
- Testified or assisted in a proceeding involving sexual harassment or discrimination under the Human Rights Law or any other anti-discrimination law;
- Opposed sexual harassment or discrimination by making a verbal or informal complaint to management, or by simply informing a supervisor or manager of suspected harassment;
- Reported that another employee has been sexually harassed or discriminated against; or
- Encouraged a fellow employee to report harassment.

Even if the alleged harassment does not turn out to rise to the level of a violation of law, the individual is protected from retaliation if the person had a good faith belief that the practices were unlawful. However, the retaliation provision is not intended to protect persons making intentionally false charges of harassment.

Reporting Sexual Harassment

Everyone must work toward preventing sexual harassment, but leadership matters. Supervisors and managers have a special responsibility to make sure employees feel safe at work and that workplaces are free from harassment and discrimination. Any employee or covered individual is encouraged to report harassing or discriminatory behavior to a supervisor, manager or Kim Kinblom. Anyone who witnesses or becomes aware of potential instances of sexual harassment should report such behavior to a supervisor, manager, or MEGA Board member Kim Kinblom.

Reports of sexual harassment may be made verbally or in writing. A written complaint form is attached to this policy if an employee would like to use it, but the complaint form is not required. Employees who are reporting sexual harassment on behalf of other employees may use the complaint form and should note that it is on another employee’s behalf. A verbal or otherwise written complaint (such as an email) on behalf of oneself or another employee is also acceptable.

Employees and covered individuals who believe they have been a target of sexual harassment may at any time seek assistance in additional available forums, as explained below in the section on Legal Protections.

Supervisory Responsibilities

Supervisors and managers have a responsibility to prevent sexual harassment and discrimination. All supervisors and managers who receive a complaint or information about suspected sexual harassment, observe what may be sexually harassing or discriminatory behavior, or for any reason suspect that sexual harassment or discrimination is occurring, are required to report such suspected sexual harassment to MEGA Board member Kim Kinblom. Managers and supervisors should not be passive and wait for an employee to make a claim of harassment. If they observe such behavior, they must act.

Supervisors and managers can be disciplined if they engage in sexually harassing or discriminatory behavior themselves. Supervisors and managers can also be disciplined for failing to report suspected sexual harassment or allowing sexual harassment to continue after they know about it.

Supervisors and managers will also be subject to discipline for engaging in any retaliation.

While supervisors and managers have a responsibility to report harassment and discrimination, supervisors and managers must be mindful of the impact that harassment and a subsequent investigation has on victims. Being identified as a possible victim of harassment and questioned about harassment and discrimination can be intimidating, uncomfortable and re-traumatizing for individuals. Supervisors and managers must accommodate the needs of individuals who have experienced harassment to ensure the workplace is safe, supportive, and free from retaliation for them during and after any investigation.

Bystander Intervention

Any employee witnessing harassment as a bystander is encouraged to report it. A supervisor or manager that is a bystander to harassment is required to report it. There are five standard methods of bystander intervention that can be used when anyone witnesses harassment or discrimination and wants to help.

1. A bystander can interrupt the harassment by engaging with the individual being harassed and distracting them from the harassing behavior;
2. A bystander who feels unsafe interrupting on their own can ask a third party to help intervene in the harassment;
3. A bystander can record or take notes on the harassment incident to benefit a future investigation;
4. A bystander might check in with the person who has been harassed after the incident, see how they are feeling and let them know the behavior was not ok; and
5. If a bystander feels safe, they can confront the harassers and name the behavior as inappropriate. When confronting harassment, physically assaulting an individual is never an appropriate response.

Though not exhaustive, and dependent on the circumstances, the guidelines above can serve as a brief guide of how to react when witnessing harassment in the workplace. Any employee witnessing harassment as a bystander is encouraged to report it. A supervisor or manager that is a bystander to harassment is required to report it.

Complaints and Investigations of Sexual Harassment

All complaints or information about sexual harassment will be investigated, whether that information was reported in verbal or written form. An investigation of any complaint, information, or knowledge of suspected sexual harassment will be prompt, thorough, and started and completed as soon as possible. The investigation will be kept confidential to the extent possible. All individuals involved, including those making a harassment claim, witnesses, and alleged harassers deserve a fair and impartial investigation.

Any employee may be required to cooperate as needed in an investigation of suspected sexual harassment. MEGA will take disciplinary action against anyone engaging in retaliation against employees who file complaints, support another's complaint, or participate in harassment investigations.

MEGA recognizes that participating in a harassment investigation can be uncomfortable and has the potential to re-traumatize an employee. Those receiving claims and leading investigations will handle complaints and questions with sensitivity toward those participating.

While the process may vary from case to case, investigations will be done in accordance with the following steps. Upon receipt of a complaint, MEGA Board member Kim Kinblom:

1. Will conduct a prompt review of the allegations, assess the appropriate scope of the investigation, and take any interim actions (for example, instructing the individual(s) about whom the complaint was made to refrain from communications with the individual(s) who reported the harassment), as appropriate. If complaint is verbal, request that the individual completes the complaint form in writing. If the person reporting prefers not to fill out the form, Kim Kinblom will prepare a complaint form or equivalent documentation based on the verbal reporting;
2. Will take steps to obtain, review, and preserve documents sufficient to assess the allegations, including documents, emails or phone records that may be relevant to the investigation. Kim Kinblom will consider and implement appropriate document request, review, and preservation measures, including for electronic communications;
3. Will seek to interview all parties involved, including any relevant witnesses;
4. Will create a written documentation of the investigation (such as a letter, memo or email), which contains the following:
 - a. A list of all documents reviewed, along with a detailed summary of relevant documents;

- b. A list of names of those interviewed, along with a detailed summary of their statements;
 - c. A timeline of events;
 - d. A summary of any prior relevant incidents disclosed in the investigation, reported or unreported; and
 - e. The basis for the decision and final resolution of the complaint, together with any corrective action(s).
- 5. Will keep the written documentation and associated documents in a secure and confidential location;
 - 6. Will promptly notify the individual(s) who reported the harassment and the individual(s) about whom the complaint was made that the investigation has been completed and implement any corrective actions identified in the written document; and
 - 7. Will inform the individual(s) who reported of the right to file a complaint or charge externally as outlined in the next section.

Legal Protections and External Remedies

Sexual harassment is not only prohibited by MEGA, but it is also prohibited by state, federal, and, where applicable, local law.

The internal process outlined in the policy above is one way for employees to report sexual harassment. Employees and covered individuals may also choose to pursue legal remedies with the following governmental entities. While a private attorney is not required to file a complaint with a governmental agency, you may also seek the legal advice of an attorney.

New York State Division of Human Rights:

The New York State Human Rights Law (HRL), N.Y. Executive Law, art. 15, § 290 et seq., applies to all employers in New York State and protects employees and covered individuals, regardless of immigration status. A complaint alleging violation of the Human Rights Law may be filed either with the New York State Division of Human Rights (DHR) or in New York State Supreme Court.

Complaints of sexual harassment filed with DHR may be submitted any time within three years of the harassment. If an individual does not file a complaint with DHR, they can bring a lawsuit directly in state court under the Human Rights Law, within three years of the alleged sexual harassment. An individual may not file with DHR if they have already filed a HRL complaint in state court.

Complaining internally to MEGA does not extend your time to file with DHR or in court. The three years are counted from the date of the most recent incident of harassment.

You do not need an attorney to file a complaint with DHR, and there is no cost to file with DHR.

DHR will investigate your complaint and determine whether there is probable cause to believe that sexual harassment has occurred. Probable cause cases receive a public hearing before an administrative law judge. If sexual harassment is found at the hearing, DHR has the power to award relief. Relief varies but it may include requiring your employer to take action to stop the harassment, or repair the damage caused by the harassment, including paying of monetary damages, punitive damages, attorney's fees, and civil fines.

DHR's main office contact information is: NYS Division of Human Rights, One Fordham Plaza, Fourth Floor, Bronx, New York 10458. You may call (718) 741-8400 or visit: www.dhr.ny.gov.

Go to dhr.ny.gov/complaint for more information about filing a complaint with DHR. The website has a digital complaint process that can be completed on your computer or mobile device from start to finish. The website has a complaint form that can be downloaded, filled out, and mailed to DHR as well as a form that can be submitted online. The website also contains contact information for DHR's regional offices across New York State.

Call the DHR sexual harassment hotline at 1(800) HARASS3 for more information about filing a sexual harassment complaint. This hotline can also provide you with a referral to a volunteer attorney experienced in sexual harassment matters who can provide you with limited free assistance and counsel over the phone.

The United States Equal Employment Opportunity Commission:

The United States Equal Employment Opportunity Commission (EEOC) enforces federal anti-discrimination laws, including Title VII of the 1964 federal Civil Rights Act, 42 U.S.C. § 2000e et seq. An individual can file a complaint with the EEOC anytime within 300 days from the most recent incident of harassment. There is no cost to file a complaint with the EEOC. The EEOC will investigate the complaint and determine whether there is reasonable cause to believe that discrimination has occurred. If the EEOC determines that the law may have been violated, the EEOC will try to reach a voluntary settlement with the employer. If the EEOC cannot reach a settlement, the EEOC (or the Department of Justice in certain cases) will decide whether to file a lawsuit. The EEOC will issue a Notice of Right to Sue permitting workers to file a lawsuit in federal court if the EEOC closes the charge, is unable to determine if federal employment discrimination laws may have been violated or believes that unlawful discrimination occurred by does not file a lawsuit.

Individuals may obtain relief in mediation, settlement or conciliation. In addition, federal courts may award remedies if discrimination is found to have occurred. In general, private employers must have at least 15 employees to come within the jurisdiction of the EEOC.

An employee alleging discrimination at work can file a "Charge of Discrimination." The EEOC has district, area, and field offices where complaints can be filed. Contact the EEOC by calling 1-800-669-4000 (TTY: 1-800-669-6820), visiting their website at www.eeoc.gov or via email at info@eeoc.gov.

If an individual filed an administrative complaint with the New York State Division of Human Rights, DHR will automatically file the complaint with the EEOC to preserve the right to proceed in federal court.

Local Protections

Many localities enforce laws protecting individuals from sexual harassment and discrimination. An individual should contact the county, city or town in which they live to find out if such a law exists. For example, employees who work in New York City may file complaints of sexual harassment or discrimination with the New York City Commission on Human Rights. Contact their main office at Law Enforcement Bureau of the NYC Commission on Human Rights, 22 Reade Street, 1st Floor, New York, New York; call 311 or (212) 306-7450; or visit www.nyc.gov/html/cchr/html/home/home.shtml.

Contact the Local Police Department

If the harassment involves unwanted physical touching, coerced physical confinement, or coerced sex acts, the conduct may constitute a crime. Those wishing to pursue criminal charges are encouraged to contact their local police department.

Conclusion

The policy outlined above is aimed at providing employees at MEGA and covered individuals an understanding of their right to a discrimination and harassment free workplace. All employees should feel safe at work. Though the focus of this policy is on sexual harassment and gender discrimination, the New York State Human Rights law protects against discrimination in several protected classes including sex, sexual orientation, gender identity or expression, age, race, creed, color, national origin, military status, disability, pre-disposing genetic characteristics, familial status, marital status, criminal history, or domestic violence survivor status. The prevention policies outlined above should be considered applicable to all protected classes.

POLICY: CODE OF ETHICS

PURPOSE

The Municipal Electric and Gas Alliance (MEGA) has adopted this policy to ensure that its employees and officers abide by the same Code of Ethics that applies to all state and local government agencies. This policy establishes clear standards of conduct designed to promote integrity, impartiality, accountability, and public confidence; prevent actual or perceived conflicts of interest; protect confidential information and organizational resources; and ensure that all MEGA business is conducted in the public interest.

1. No officer or employee of the MEGA should disclose confidential information acquired

by him or her in the course of his or her official duties nor use such information to further his or her personal interests.

2. No officer or employee of MEGA should use or attempt to use his or her official position to secure unwarranted privileges or exemptions for himself or herself or others, including but not limited to, the misappropriation to himself, herself or to others of the property, services or other resources for private business or other compensated non-governmental purposes.
3. An officer or employee of MEGA should not by his or her conduct give reasonable basis for the impression that any person can improperly influence him or her or unduly enjoy his or her favor in the performance of his or her official duties, or that he or she is affected by the kinship, rank, position or influence of any party or person.
4. An officer or employee of MEGA should abstain from making personnel investments in enterprises which he or she has reason to believe may be directly involved in decisions to be made by him or her or which will otherwise create substantial conflict between his or her duty in the public interest and his or her private interest.
5. An officer or employee of MEGA should endeavor to pursue a course of conduct which will not raise suspicion among the public that he or she is likely to be engaged in acts that are in violation of his or her trust.
6. No officer or employee of MEGA shall, directly or indirectly, sell goods or services to any person, or entity that is licensed by, regulated by, or subject to rates established by the public organization in which the officer or employee serves. This prohibition also applies to any firm or association in which the officer or employee is a member and to any corporation in which the officer or employee directly or indirectly owns or controls a substantial portion of the stock.

POLICY: CONFLICT OF INTEREST

PURPOSE

Municipal Electric and Gas Alliance Inc. (the “**corporation**”) has adopted this policy to ensure that its directors, officers, or key persons act in the Corporation’s best interest. The Corporation shall comply with this policy when considering whether to enter into a transaction that may benefit the private interest of, or provide an excess benefit to, a private individual or entity. Such transactions are governed by the Internal Revenue Code, U.S. Department of Treasury regulations, and the New York Not-for-Profit Corporation Law. This policy is intended to supplement state and federal laws governing conflict of interests applicable to nonprofit and tax-exempt organizations.

A “**conflict of interest**” arises if a director, officer, key person, committee member or any

relative thereof, has an existing or potential business, financial or personal interest or holds an elected or appointed position that could impair or might reasonably appear to impair the exercise of independent, unbiased judgment in the discharge of his or her responsibilities to the Corporation.

The term “**financial interest**” for purposes of this definition includes, but is not limited to, a direct or indirect (i) ownership or investment interest in any entity with which the corporation or an affiliate has a transaction or arrangement; (ii) compensation arrangement with the corporation or with any entity or individual with which the corporation has a transaction or arrangement; or (iii) potential ownership or investment interest in, or compensation arrangement with, any entity or individual with which the Corporation is negotiating a transaction or arrangement.

For purposes of clarity, conflicts of interest include related party transactions.

Prior to initial election or appointment and annually thereafter, each director, officer or key person shall disclose to the Corporation the existence of any actual or potential conflicts of interest and all related material facts by completing a conflict of interest disclosure form (“**Disclosure Form**”). The corporation must provide disclosure forms to each director, officer or key person, assure their completion, and monitor the disclosed relationships. All disclosure forms must be submitted to the executive director and made available to all members of the governing board or authorized committee of the board.

In addition, each director, officer or key person must confirm that he or she has (a) read and understands the conflict of interest policy; (b) agrees to comply with this conflict of interest policy, and; (c) understands the corporation is a non profit and in order to maintain its federal tax exemption it must engage primarily in activities which accomplish one or more of its tax-exempt purposes.

ARTICLE IV: PROCEDURES

1. Continuing Duty to Disclose

Each officer, director, or key person must disclose the existence of an actual or potential Conflict of Interest to the governing board, or a committee of the board, orally or in writing, as soon as practicable after it arises.

2. Determining Whether a Conflict of Interest Exists

- h. If the (i) disclosing officer, director or key person and (ii) board or committee considering the issue giving rise to the actual or potential conflict of interest agree that an actual conflict of interest exists, that board or committee must follow the procedure provided in Article IV, Section 3.a. below. There are additional review procedures required for related party transactions under Article IV, Section 3.b.
- i. If either the (i) disclosing officer, director or key person or (ii) the board or committee considering the issue giving rise to the Conflict of Interest is unsure whether an actual conflict of interest exists, that board or committee must assure that the governing board or authorized committee of the board is informed of the disclosure and all relevant facts.

- j. After (i) consideration of the disclosure and all relevant facts and (ii) any discussion deemed appropriate by the governing board or authorized committee of the board with the disclosing officer, director or key person, such person shall leave the meeting of the governing board or authorized committee of the board while the determination of the conflict of interest is deliberated and voted upon. If it is determined that the interest results in a conflict of interest, it will be reviewed according to the procedures listed under Article IV, Section 3.a. below. If it is determined that the interest is a related party transaction, the procedures listed under Article IV. Sections 3.a. and 3.b. will be followed.

3. Procedures for Addressing Actual Conflicts of Interest

a. Procedural Requirements for All Actual Conflicts of Interest

- i. The officer, director or key person with a conflict of interest may present information, as background, that he or she has related to the issue to be voted upon to the governing board or authorized committee of the board, but may not be present during any deliberations or voting related to the issue giving rise to the conflict of interest.
- ii. The officer, director or key person with a conflict of interest may not make any attempt to improperly influence the deliberation or voting on the issue to be voted upon.
- iii. The existence and resolution of a conflict of interest must be documented in the corporation's minutes of any meeting at which the conflict of interest was discussed, or voted upon, in accordance with Article IV hereof.

b. Additional Procedural Requirements for Related Party Transactions

- i. In addition to the requirements imposed in Article IV, Section 3.a above, the chairperson of the governing board or authorized committee of the board shall, to the extent available, investigate alternatives to the proposed related party transaction. The chairperson may delegate this responsibility to a director or a committee.
- ii. After exercising due diligence and reviewing any identified alternative arrangements or transactions, the governing board, or authorized committee of the board, shall make the determinations set forth below, without the presence or participation of the related party:
 - 1. Whether the corporation is able to obtain with reasonable efforts a more advantageous transaction or arrangement from a person or entity that would not give rise to a related party transaction.
 - 2. If not, whether the related party transaction (a) is in the corporation's best interest, (b) for the corporation's own benefit, and (c) whether it is fair and reasonable.

- iii. If the governing board, or authorized committee, determines by a majority vote that the Related Party Transaction is in the corporation's own best interest, for its own benefit, and is fair and reasonable, it may enter into the related party transaction.

4. Violations of the Conflicts of Interest Policy

- a. If the governing board or authorized committee of the board has reasonable cause to believe an officer, director or key person has failed to disclose actual or potential conflicts of interest, it shall inform such person of the basis for such belief and afford him or her an opportunity to explain the alleged failure to disclose.
- b. If, after hearing the officer, director or key person's response and after making further investigation as warranted under the circumstances, it is determined that he or she did fail to disclose an actual or potential conflict of interest, the governing board or authorized committee of the board shall take appropriate disciplinary and corrective action.

5. Compensation

- a. Persons who receive compensation, directly or indirectly, from the Corporation, whether as employees or independent contractors, are precluded from membership on any committee of the board whose jurisdiction includes the payment of compensation to any person.
- b. A director may deliberate and vote on matters concerning compensation paid by the corporation to members of the governing board that is to be made available or provided to all members of the governing board on the same or substantially similar terms.

ARTICLE V: RECORDS OF PROCEEDINGS

All minutes of the corporation shall contain:

1. The names of the persons who disclosed or otherwise were found to have an actual or potential conflict of interest, the nature of the actual or potential Conflict of Interest, any action taken to determine whether a conflict of interest was present, and the decision as to whether a conflict of interest in fact existed.
2. The names of the persons who were present for discussions, deliberations and votes relating to the proposed transaction or arrangement giving rise to the Conflict of Interest, the content of the discussion, including any alternatives to the proposed transaction or arrangement, and a record of any votes taken in connection with the proceedings.

ARTICLE VI: PERIODIC REVIEWS

To ensure the corporation operates in a manner consistent with charitable purposes and

does not engage in activities that could jeopardize its tax-exempt status, the corporation shall conduct periodic reviews. The periodic reviews shall, at a minimum, include the following subjects:

1. Whether compensation arrangements and benefits are reasonable, based on competent survey information.
2. Whether partnerships, joint ventures, and arrangements with management and service companies conform to the corporation's written policies, are properly recorded, reflect reasonable investment or payments for goods and services, further charitable purposes and do not result in inurement, impermissible private benefit or in an excess benefit transaction.

ARTICLE VII: USE OF OUTSIDE EXPERTS

When conducting the periodic reviews as provided for in Article VII, the Corporation may, but need not, use outside advisors. If outside advisors are used, their use shall not relieve the governing board of its responsibility for ensuring periodic reviews are conducted.

POLICY: FREEDOM OF INFORMATION LAW (FOIL)

The Municipal Electric and Gas Alliance (MEGA), in compliance with guidance from the New York State Authorities Budget Office, has adopted a Freedom of Information Law (FOIL) policy consistent with Article 6, Sections 84–90 of the New York State Public Officers Law. The Board of Directors has adopted the FOIL Policy as a stand-alone policy document.

ANNUAL CONFLICT OF INTEREST DISCLOSURE FORM OF THE MUNICIPAL ELECTRIC AND GAS ALLIANCE INC.

This form shall be completed upon initial appointment AND annually thereafter by individuals who serve, or during the past year have served, as an officer, Key Person or member of the governing body of Municipal Electric and Gas Alliance Inc. (the "Corporation") or any of its Affiliates. By completing this form, you are showing ethical behavior and attentiveness to good business judgment in a transparent manner. You are also complying with laws that relate to the organization's not-for-profit and tax-exempt status. Unless otherwise set forth herein, all capitalized words shall have the meaning set forth in the Conflict of Interest Policy.

INSTRUCTIONS: Please answer the following questions, to the best of your knowledge, as they may apply to you or any of your relatives, and as they apply currently or in the past three (3) years. Attach additional explanation page(s) as needed. Forward any questions you have to the President of the Corporation.

1. Do you or any of your Relatives hold, or have you or a Relative held, any position as an owner, shareholder, member, manager, partner, director, trustee, officer, Key Person or consultant for a business entity that has done business, is doing business or seeks to do business with the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

2. Except as stated in your answer to Question 1, do you or any Relative have, or have you or a Relative had, a business, financial or employment relationship with, or any other interest in, any business entity that has done business, is doing business or seeks to do business with the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

3. Except as stated in your answer to Questions 1 and 2, have you or any Relative received or enjoyed, directly or indirectly, any gift, entertainment, compensation, reward, or other benefit during the past year from any business entity that has done business, is doing business or seeks to do business with the Corporation or any Affiliates of the Corporation?

NO YES

IF YES, PLEASE EXPLAIN:

4. Are you or any of your Relatives an owner, director, officer or employee of any auditing or accounting firm that has worked on the audit of the Corporation or any Affiliates of the Corporation at any time during the past three (3) years?

NO YES

IF YES, PLEASE EXPLAIN:

5. Are you, or is a Relative, or in the past three (3) years have you or a Relative been an employee of the Corporation or any Affiliates of the Corporation with direct compensation in excess of \$10,000.00?

NO YES

IF YES, PLEASE EXPLAIN:

6. Have you, or has any Relative received a loan, or do you or any Relatives owe any outstanding amount on a loan, or received or enjoyed, directly or indirectly, any gift, grant or other assistance from the Corporation or any Affiliates of the Corporation?

NO YES

IF YES, PLEASE EXPLAIN:

7. Do you have a family relationship or a business relationship with any other individual who is an officer, governing board member or Key Person the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

8. Are you, or to your knowledge is any Relative, a member of the governing board, an officer, Key Person, or consultant to, or have any other interest in any other business entity other than the Corporation or any Affiliates of the Corporation?

NO

YES

IF YES, PLEASE EXPLAIN:

ACKNOWLEDGEMENT:

I hereby acknowledge that I have received a copy of Municipal Electric and Gas Alliance Inc. conflict of interest policy and that I have read, understand and agree to comply with said policy. I have read this conflict of interest disclosure form and answered the questions to the best of my knowledge. I understand the Municipal Electric and Gas Alliance Inc. is a non-charitable organization and that in order to maintain its federal tax exemption they must engage primarily in activities which accomplish one or more of their tax-exempt purposes. I understand that I have an affirmative obligation at all times to report any changes in my responses that may result from changes in circumstances before my next annual disclosure is due.

PRINT NAME: _____

SIGNED: _____

Title(s) or position(s) held within the Corporation: _____

DATE: _____