

POLICY MANUAL

MUNICIPAL ELECTRIC AND GAS ALLIANCE

POLICY: MILEAGE AND TRAVEL REIMBURSEMENTS

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 to and from the destination at the federal mileage reimbursement rate published in December of each year. Hotel accommodations and meals will be reimbursed for actual charges incurred inclusive of gratuity.

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.

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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.

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POLICY: INVESTMENTS

It is the policy of the Municipal Electric and Gas Alliance that investments for the Corporation shall occur with direct input from the Board of Directors. The Executive Director and Treasurer of the Corporation shall research investment strategies and report those to the Board at their regularly scheduled meetings.

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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.

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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.

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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 other members of the Corporation who are appointed to the Board. This action is taken to facilitate payments in a timely manner using members of the Board who are closest in proximity to the Corporation offices, located in Tompkins County. The necessary paperwork will be kept on file at the financial institution(s) holding the Corporation's accounts.

Payments in excess of \$2000 will require the signature of two signatories.

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POLICY: CONFLICT-OF-INTEREST AND DISCLOSURE POLICY

Statement of Policy

Board members owe a fiduciary duty to the Municipal Electric and Gas Alliance (MEGA). They must place and keep the interest of MEGA foremost when considering any transactions involving MEGA and any individual or entity with whom the board member has a relationship.

Board members should not use their position to obtain a benefit for themselves or for their relatives or entities in which they have a material ownership or financial interest.

If a board member or (a) any immediate relative thereof (i.e., spouse, parents, child, step-child, sibling, and any other relative residing in the member's home) or (b) any entity (or affiliate thereof) in which the board member (i) has a material ownership or financial interest or (ii) at which he or she is employed, or, (iii) serves as an officer, director, trustee or paid consultant, has an interest in any transaction or proposed transaction with MEGA, he or she must make full disclosure of such interest or position before any discussion and deliberations relating to such transaction.

"Material ownership or financial interest" for this purpose shall mean an investment or loan which represents either a ten percent (10%) or more equity ownership interest in the entity or a loan (or loans) to such entity which total in excess of five percent (5%) of the entity's reported liabilities.

Any board member who is aware of a potential conflict of interest with respect to any matter coming before the board shall fully disclose the potential conflict and not vote in connection with the matter.

Potential Conflict-of-Interest Statement

I have read the statement of policy regarding conflicts of interest.

To the best of my knowledge and belief, except as disclosed herewith, I do not or have not had a personal or business relationship or interest that may represent a potential competing or conflicting interest, as defined in the statement of policy.

(A) Without exception

(B) Except as described in the attached statement

Date: _____, 20____

Signature: _____

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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 for those payments in excess of \$2,000, by another member of the Board of Directors as outlined in the policy for signatories.

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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:

1. 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.

2. 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.

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3. 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).