

Mark E. Miller, C.P.M., Chairman
Milton E. Nagel, C.P.A., Vice Chairman
R. Allan Gorsuch, Ed.D, Manager

August 8, 2002 MINUTES

- I. Call to order** – Chairman, Mark Miller called the meeting to order at 10:00 a.m.

A quorum was acknowledged with the following Trustees in attendance: Bill Cain, Tony Cucina, Gary McCabe, Erin Thornton, and Sandy Smith.

Also present were Charles Cawley, David Downes, Allan Gorsuch, Michael Spears and Tom Tyson.
- II. Approval of Minutes** – Upon a motion by Bill Cain, seconded by Sandy Smith, the minutes were unanimously approved.
- III. Presentation on Hedge Contracts** – Allan Gorsuch introduced Nancy Noppenberger, Jon Efkin and Ed Bianchi of Bank of America. Each gave a brief personal background history. Information on Energy Risk Management was handed out. They discussed in some depth their areas of focus; natural gas and heating oil, and described the concept of Hedge contracts.

Dave Downes was asked to put together a spreadsheet, to be sent to each county to be completed and returned to Downes Associates, requesting information on the types of fuels they use, who the contracting agent is, and when their contract expires.
- IV. Correspondence** - Allan Gorsuch reviewed correspondence received by the Trust and distributed copies.
- V. Audit Agreement – FY 2002** – Allan Gorsuch distributed copies of the quote received from Beatty, Satchell & Company LLC. Upon a motion by Sandy Smith, seconded by Tony Cucina, it was unanimously decided to allow Beatty, Satchell to do the audit for the Trust.
- VI. Finance Report – June 30, 2002** – Allan Gorsuch advised all revenue had been collected under the budget. Reiterated that Chip MacLeod would not be present at the meetings unless decided otherwise, in an attempt to minimize expenses.
- VII. Tariff Review Master Agreement** – David Downes will have a draft agreement to the Trust within the next 10 days and will discuss at next meeting scheduled for October.
- VIII. Marketing Report** - David Downes distributed the August 8, 2002 Electric Market Report from Downes and Associates and discussed each item listed in bold. David Downes pointed out to the Trust that AES NewEnergy was sold to Constellation who now owns the ESMEC Energy Trust contract.

- IX. RFP Update** – David Downes explained the sale of accounts to Constellation and the handling of the Trust accounts. David is expecting to be able to go back out for pricing towards the end of September, early October.

David Downes distributed information on Northeast Utilities and discussed the need for interval data from each county. Shared with the group that they were not able to get pricing unless they were able to provide the interval data.

Advised the Trust that Queen Anne's was able to obtain the interval data on their accounts and did indeed enter into a short-term agreement with 6 of their accounts for 9 months, with a \$44,000.00 savings. ***David Downes recommended that each county contact Conectiv and obtain the interval data on each of their accounts.***

Discussed several issues of concern relating to the language in the terms and conditions of doing business with Select Energy and the fact they will keep hammering at these issues until they can reach an agreement. Will be using the counties load data from accounts that have not already been placed. It is David Downes' goal to have 5-6 suppliers.

On a motion by Gary McCabe, seconded by Sandy Smith and unanimously approved, it was decided to have David Downes and Dr. Gorsuch work on the language in order to come to an agreement on a contract.

- X. Maryland Energy Consortium** – David Downes addressed this area and spoke about his meeting with Stephen Rosenstein and gave an update as to where they are to date. Discussion ensued on counties that might have signed a form with them a few years ago. David advised that Chip MacLeod had already looked over this agreement and expressed that it was non-exclusive and there were no obligations associated with the signing of the form. Allan Gorsuch will send to each participant a draft letter to be used in forwarding written notification of those who have signed such an agreement to the Maryland Energy Consortium.

David Downes asked that Dr. Gorsuch follow-up for possible future prospects.

- XI. Other** – Gary McCabe expressed concern about the \$2,500.00 quote for the audit being high. Allan Gorsuch advised he would talk to John Keen.

Upon a motion by Mark Miller and seconded by Gary McCabe the meeting adjourned at 12:40 p.m.

The next meeting will be **October 10, 2002** from 10:00 a.m. to 12:00 noon at the Queen Anne's County Board of Education.

Respectfully submitted,

R. Allan Gorsuch, Ed.D.
Manager, ESMEC Energy Trust