



(EASTERN SHORE OF MARYLAND EDUCATIONAL CONSORTIUM)
ESMEC ENERGY TRUST

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

**January 8, 2009
MINUTES**

- I. Call to Order/Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Fay Miller, Robin Landgraf, Charles Connolly, Karen Marshall, and Mike Spears.

Also present: Allan Gorsuch, Jeff Rank, Herb Mills, Gene Adkins, Harold Higgins, Noel Chesser and Bert Wilson.

- A. Approval of Minutes – Upon a motion by Milton Nagel, seconded by Fay Miller, the November 13, 2008 minutes were unanimously approved.
- B. Finance Report – The finance report dated 12/31/2008 was distributed and reviewed by Robin Landgraf.

Upon a motion by Fay Miller, seconded by Milton Nagel the finance report was unanimously approved as presented.

Other – Charles Connolly gave audit report findings from the review of transactions conducted by himself, Milton Nagel and Mike Spears earlier in the morning. Charles shared that all transactions appeared to be in order and had proper documentation attached and asked the Energy Trust Participants to accept their review of the transactions as presented.

Upon a motion by Fay Miller, seconded by Karen Marshall and unanimously approved, the audit report was accepted as presented.

II. Managers Report

- A. Communications – Allan Gorsuch noted the article in the Star Democrat on, “Solar systems powering more California agribusinesses.” He mentioned Sun Edison working with Montgomery County schools installing solar panels and noted the tax credits and renewable energy credits associated with the installation of these solar panels. Advised that participants will likely be contacted regarding the same and that it may be worth taking a look at.
- B. Applications for Membership – Upon a motion by Mike Spears, seconded by Robin Landgraf the applications for the Town of Elkton, Town of Millington and Town of Sudlersville were accepted and unanimously approved.
- C. Marketing - Allan Gorsuch advised he had a meeting with the Town of Betterton on the 13th and anticipated there would be several more towns submitting applications for membership in the future.

- D. Legislation/PSC – Allan Gorsuch discussed HB1509/SB14 Energy Generation Projects and advised this essentially gives additional authority to MEA to aggregate for residential accounts.

Also made mention of SB4 Environmental Permitting Process and the restrictions associated with this bill adding that Maryland is already considered a restrictive state.

- E. Other – Allan Gorsuch included in the packets information from the PSC dated November 26, 2008. Bert Wilson commented there were liquidity issues. Same issues with the banking. The suppliers do not have necessary financial resources.

Allan Gorsuch handed out a copy of an e-mail to the Mayor of Crisfield regarding energy management and explained to the Trust that during conversations with the Mayor he immediately recognized there was a mix up and this e-mail was an attempt to clarify that information previously discussed. Allan Gorsuch also made it very clear that although he is involved in other aspects of the energy business, he tries to separate and make very clear his involvement with the Energy Trust and should this ever impose problems or questions that he be addressed personally.

III. Consultants Report

- A. Billing Rate for March to June – Noel recommended **billing rates for Mar – June to be 9.5¢**

Upon a motion by Milton Nagel and seconded by Charles Connolly, the recommendation by Noel Chesser for the 9.5¢ billing rate from March – June, was unanimously approved.

- B. Block Portfolio Report – Bert reviewed the portfolio in detail discussing market projections and the progress on power supply contracts.

Discussed the hedge status (see page 4 of portfolio report) and Bert recommended buying 5 megawatts thru 2011 and to purchase, within the next couple months, another 5 megawatts around the clock. Mark Miller reminded everyone that the philosophy was to buy at a reasonable rate.

Milton Nagel stated he felt the Trust should act on the advice of Consultants and taking into consideration the current market conditions recommended that they deviate from the policy and accelerate these purchases.

Upon a motion by Milton Nagel to purchase 5 megawatt thru 2011 and another 5 megawatt round the clock, seconded by Mike Spears it was unanimously approved.

Regarding the budget, Bert Wilson recommended to budget 10¢ Kwh for the portfolio. He did say it was on the high side, but they would adjust later in the year if needed.

There being no other business the meeting adjourned at 12:00 p.m. with lunch.

The next meeting is scheduled for Thursday, March 12, 2009 at 10:00 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

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