

ESMEC

Eastern Shore of Maryland Educational Consortium

ENERGY TRUST

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

October 10, 2002 MINUTES

I. Call to order – Chairman, Mark Miller called the meeting to order at 9:00 a.m.

A quorum was acknowledged with the following Trustees in attendance: Tim Brooke, Bill Cain, Charles Connolly, Robin Landgraf, Gary McCabe, Fay Miller, Mark Miller, and Kelly Wood.

Also present were David Downes, and Allan Gorsuch.

II. Approval of Minutes – Upon a motion by Fay Miller, seconded by Bill Cain, the August minutes were unanimously approved.

III. Finance Report – Robin Landgraf distributed the finance report as of 10/9/02.

IV. Communications - Allan Gorsuch handed out an updated Participant List and addressed the following:

Advised the Trust they would be billed their 5% of estimated savings sometime after the first of the year.

Advised Milton Nagel called and was not able to make today's meeting.

Reminded participants that the person they have listed as their *coordinator* is who Downes Associates contacts regarding the bidding process.

Handed out information on the PSC developing safety net against high electric rates and pointed out what may occur in reference to state legislative efforts to extend SOS (standard offer service) rate.

Gave the Trust a website to visit: www.md-electric-info.com for information made available to the public. He also suggested to the trustees that they start sending information to their Superintendents to be presented to the Board Members.

Discussed invitation from Maryland Energy Administration to attend forum being held on November 13, 2002 at University of Maryland University College. Information will be forwarded to all participants via e-mail.

V. Marketing – Allan Gorsuch advised he spoke to Nick Vacirca, Delaware Department of Education. Allan Gorsuch and Dave Downes will be attending a meeting in Dover on November 19, 2002. They will have representatives there from all of the Delaware School Systems. The purpose of attending the meeting is to market the Energy Trust.

VI. Audit Committee Proposal – Allan Gorsuch advised he spoke with John Keene of Beatty, Satchell & Company, LLC., regarding lowering the estimate to audit the Energy Trust's financial statements. After considerable discussion, John Keene advised price was firm. Allan Gorsuch suggested that the Trust appoint an Energy Trust Audit Committee to review the financial statements in connection with the trust.

Mark Miller recommended Milton Nagel to Chair the Audit Committee.

Upon a motion by Gary McCabe and seconded by Charles Connolly and unanimously approved, it was decided Milton Nagel would serve as Chairman of the Audit Committee. (See updated ESMEC Energy Trust Audit Committee Charter attached.)

VII. Legal Services Contract – Reviewed Funk & Bolton costs associated with representing the Energy Trust. David Downes pointed out overhead costs that Funk & Bolton did not charge separately for and expressed his views in working with Chip McLeod. Also pointed out Chip's knowledge on the subject in comparison with other attorney's knowledge and billing policies.

Allan Gorsuch will respond to Chip McLeod and let him know the Trust will look at his fee schedule in the spring when they look at the budget.

Allan Gorsuch advised he will also look into the going rate for other services.

VIII. Maryland Energy Consortium – Allan Gorsuch discussed the results of his meeting with Steve Rosenstein. It was decided that the MEC was not able to offer services to the Trust.

IX. Performance Contracting – Allan Gorsuch handed out and discussed the following documents on performance contracting:

- **Energy Performance Contracting**
- **E-mail information from Brad North, CESource** – Allan Gorsuch pointed out their web address: www.cesource.com
- **Information on Energy Services Coalition - \$100 Membership Fee**
- **5 Steps to Successful Energy Performance Contracting**

Fay Miller advised of a meeting scheduled in Kent County with a representative from the Maryland Energy Administration who did not show up.

X. Energy Risk Management – Hedge Contracts – It was decided the Trust is not ready to do anything with this and would need legal input to move forward. Put on hold.

XI. Account Placement Update/Schedule – David Downes handed out Status of Load Data as of October 9, 2002 and discussed the handling of data. Downes Associates will be in touch with each participant as to how far back they need their data.

David Downes advised if counties did renovations, they needed to let Downes Associates know so the information can be flagged and watched closely.

Charles Connolly volunteered to fax a copy of his electricity bill, with high-lighted areas of information needed by Downes Associates, to each county upon request.

Mark Miller gave status on software being developed. Said it was very close to being done and has been a very challenging project. Will advise when program is up and running.

David Downes handed out a Survey on Fuel Costs, which he asked be returned by December 1, 2002. Went over the information required and will send the electronic version of this to each participant.

XII. Select Energy Contract – Allan Gorsuch expressed concern over entering into contracts to obtain bids on something and then giving the successful bidder the opportunity to change their pricing.

David Downes advised they had met with Select Energy at their office in Salisbury and discussed their concerns and went through options.

Discussion ensued regarding the pros and cons of short term and long term agreements and how the wording of such agreements may address the price change concerns.

XIII. Other

David Downes pointed out he had a fax on Incorrect Classification and Electric Accounts – Budget Estimate that didn't make it in time for this meeting,. This will be addressed at the November meeting.

After finding one medium size account that wasn't carried over, David Downes stressed the importance of having someone in each county double check the statements to make sure they are accurate.

Upon a motion by Fay Miller, seconded by Bill Cain, and unanimously approved, the meeting adjourned at 11:30 a.m.

The next meeting will be **November 14, 2002** from **9:00** a.m. to **11:00** a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

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