

ESMEC

Eastern Shore of Maryland Educational Consortium

ENERGY TRUST

202 Chesterfield Avenue • Centreville, MD 21617 • (P) 410-758-2403, ext. 132 • (F) 410-758-0046 • E-Mail: consor@qacps.k12.md.us

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

October 13, 2005 MINUTES

- I. Call to Order and Quorum** – A quorum was established by Vice Chairman Milton Nagel. Present were: Tom Kappra, Karina Jackson, Tim Brooke, Fay Miller, Tony Cucina, Robin Landgraf, Roger Daugherty, Deanna Alessi, Bruce Ford, Vince Tolbert and Allison Canada

Also present: Allan Gorsuch, Sid Pinder, Jeff Rank, and Gene Adkins.

- II. Approval of Minutes** – Upon a motion by Fay Miller, seconded by Robin Landgraf, the August 11, 2005 minutes were unanimously approved.

- III. Finance Report** - Robin Landgraf presented and reviewed the finance report dated 9/30/05.

- IV. Managers Report - Allan Gorsuch commented on the following:**

A. Communications

1. Somerset Government - Discussed Somerset County making quarterly payments of their FY 2006 Budget Assessment.
2. St. Michael's Utility Commission - In regards to this letter, explained that Conectiv allowed us to place these accounts. The PSC said they would not make us go back to the St. Michaels Utilities Commission, that everyone has a right to go outside. The ruling was that Conectiv allowed that to happen, and there was no going back.
3. Legal Services - Copies of the new Statement of Billing Policy from Funk & Bolton were distributed in the packets.

- B. Authority to Act for Entity - A response from Chip MacLeod on Trustee Authority for Fuel Oil was distributed in response to questions being raised regarding a Trustee's authority to enter into contracts without additional authority or approval from their boards. Allan Gorsuch commented that Trustees needed to make sure they are pre-approved by the school board on whatever the issue is. In the matter of fuel oil, the default is if you don't participate, you still pay part of the costs.

- C. Electricity Purchasing Strategies - A listing of recommended strategies from SRC was distributed and discussed.

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Upon a motion by Robin Landgraf to re-approve the SRC recommended strategies as presented, seconded by Rodger Daugherty, the strategies were unanimously approved.

- D. Senate Special Commission on Electric Utility Regulation - Allan Gorsuch advised he had attended the Senate Finance session and distributed information from that meeting. Went on to say that more and more counties are now becoming concerned, because it is now affecting them. All of the energy utilities divested supply divisions, so there is no going back and becoming regulated again. Senator Pipken raised the issue of rates being lower on the Western Shore than here on the Eastern Shore. The response to this was that transmission problems here on the Shore are being alleviated with new construction and may be getting other suppliers to come here, making for greater competition.
- E. P.S.C. Pilot on Municipal Aggregation - The PSC will be conducting a pilot program allowing one or more municipalities to aggregate so they can go to the market and take advantage of deregulation. The PSC wants to see if this will work. Not sure exactly where that pilot program will be yet. More information will be shared as it becomes available.
- F. Other - Allan Gorsuch advised the revised Fee Policy dated August 11, 2005 was included in the packets, along with Electric Deregulation Update - Conectiv Type II SOS Rate Structure Starting June 1, 2006 from SRC.

Cecil Community College shared their Board Resolution - changing the wording for purchase of electric only to reflect other services also associated with the Energy Trust. Allan Gorsuch asked that other non-school districts go back and take a look at their documents to confirm that other services, such as fuel bids, etc. would be covered in their resolutions, if that was the process they used.

V. SRC Report - Noel Chesser

A. Fuel Oil Bid - Noel reviewed the fuel oil bid received. After considerable discussion those counties interested were asked to respond back to the ESMEC office by Tuesday, October 18th so that the bid process can move forward. A meeting with Choptank Electric will be scheduled in order to get a better understanding of why they are not players in energy deregulation.

B. Market Report - Noel discussed the PLC Predictor Service and expressed that those who have taken a pro-active approach have seen 5-10% savings. Reminded all that the demand charge is now based on five hours selected during the summer when energy was in greatest demand, usually between 2:00 and 6:00 p.m. Discussed Demand Management Programs and how the UBI tool is useful for this, i.e., use per square foot, cost per square foot, etc.

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C. Other - After reviewing the market report, it was suggested that Noel meet with the superintendents to brief them on this as well as discuss other considerations for savings. Noel was asked to come up with a Cost Avoidance document to make available to the superintendents on why the Trust is doing what they are doing and how they calculate and determine that their efforts are worthwhile. Allan Gorsuch will work with Noel on this document.

It was also suggested by Allan Gorsuch that Noel Chesser conduct a pre-session presentation at the 2006 Annual Superintendents and Board Members Retreat held at Harbourtowne Golf Resort and Conference Center in St. Michaels, MD.

Milton Nagel advised the SRC had been invited to present at the ASBO seminar on Conserving Energy, to be held at the Anne Arundel Board of Education on December 16, 2005.

Noel discussed information regarding "BRCPC" (Baltimore Regional Cooperative Purchasing Consortium) and a block index structure. Discussed the benefits from a risk management standpoint and supplier response. Will keep the Trust apprised of this process. A presentation on this purchase structure will be presented at the next meeting.

There being no further business, the meeting adjourned at 12:15 with lunch.

The next meeting is scheduled for Thursday, November 10, 2005 at 9:30 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

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