

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

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

**OCTOBER 8, 2003
MINUTES**

- I. Call to Order and Quorum** – A quorum was established by Chairman Mark Miller. Present were: Tony Cucina, Charles Connolly, Tim Brooke, Gary McCabe, Milton Nagel, Michael Spears, Sandy Smith, and Robin Landgraf.

Also present was Allan Gorsuch and John Borders of the Queen Anne's County Board of County Commissioners.

- II. Approval of Minutes** – Upon a motion by Sandy Smith, seconded by Milton Nagel, the August 13, 2003 minutes were unanimously approved.

- III. Finance Report** - Allan Gorsuch distributed finance reports, submitted by Robin Landgraf, representing the Trust's Fiscal Agent, for the month ending September 30, 2003. Other Income amount shown represents the new member (Queen Anne's County Board of County Commissioners) and Cecil County Government's payment of \$231.85 from Invoice dated 2-24-03 for 5% assessment.

- IV. Communications** - Allan Gorsuch showed a packet of PSC information and advised information being received is forwarded to David Downes or Chip MacLeod accordingly.

Allan Gorsuch shared information received on Case 8909 and had copies available for those who were interested.

Distributed copies of a letter from Senator E. J. Pipkin, information on Electric Market Competition, Newspaper article, "Maryland Consumers to Get a Big Jolt," along with information on the political effect of the blackout in Northeast.

- V. Trust Agreement Amendments** - Allan Gorsuch advised the Trust he took the proposed agreement reflecting the proposed expansion of the Board of Trustees, as discussed at the last meeting, to the Superintendents for review and approval. Allan Gorsuch advised the Trust to carefully read over the document and the changes, and if any flags went up to please contact him. He will be taking the information back to the Superintendents' meeting on October 30th for approval, at which time he will ask Chip MacLeod to review the bylaws and make any necessary changes.

Allan Gorsuch pointed out in Article IV Operations of the Trustees, Item (3) how important this is for the non-trustees to give them a voice in decision-making.

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Upon a motion by Mark Miller, seconded by Milton Nagel and unanimously approved, it was decided to notify participants (non-voting) of the option to nominate a trustee and an alternate trustee and to ask them to send their nominations to the Trust.

- VI. Scope of Services** - Allan Gorsuch reviewed the Scope of Services from Downes Associates. Many options were discussed in the attempt to manage these costs. Allan Gorsuch advised the Trust he was meeting with David Downes on Thursday, October 9, 2003, and extended an open invitation to any participant to join him in attempting to fine tune this Scope of Services Agreement to meet the goals of the Trust. The purpose of the meeting is also to meet Drew Van Dopp, who will be replacing John Sharpe, who has been handling the input data from each participant.

Allan Gorsuch also distributed copies of the September 18, 2003 August Invoice from Downes Associates, Inc.

- VII. Fee Policy Revision** - Allan Gorsuch discussed the need to include into the fee policy a revision stating any participant rejecting the recommended placement of accounts still be accountable for the 5% savings assessment. He explained that as of now, this cost is being passed on to all other participants affecting their overall savings. Upon a motion made by Gary McCabe, seconded by Milton Nagel, the proposed revised Fee Policy was unanimously approved.
- VIII. I360 Pilot** - Robin Landgraf shared the highlights of her meeting with i360 and advised they are now in the stage of trying to figure out how best to retrieve Queen Anne's County data from Conectiv. She advised i360 reduced their fees by 50% for this pilot program and explained that the programs are developed to best suite the needs of the individual boards.
- IX. Marketing Report** - Allan Gorsuch discussed the September 17, 2003 press release entitled, "Shore Educational Energy Trust Reaches 1.7 Million Dollars in Savings," and asked if anyone had seen it in their local papers. He suggested revising the news release to reflect individual county information and sending it out to local newspapers in each county's area. Another copy will be e-mailed to each participant for their use.

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Allan Gorsuch handed out three charts:

1. Estimated Net Savings To-Date
2. Assessment on Savings
3. Projected Savings

These charts will be maintained and updated accordingly. Copies will be forwarded to each participant via e-mail as requested.

Allan Gorsuch gave update on the meeting in Kent County that he and Dave Downes attended on October 6. This meeting resulted in no new initiatives. It was later learned that the Kent County Commissioners had previously placed their accounts with Constellation NewEnergy through May of 2004.

- X. Consultant Report** - Electricity Market Report dated October 8, 2003 from Downes Associates was included in the packet of information handed out at the beginning of the meeting.
- XI. PSC/Legislative Report** - Allan Gorsuch discussed status of PSC/legislature and stated that he fully expects to see high increases in the cost of electric. Believes that the large industries will take care of themselves, the small residential customers will be protected by the legislature, which will leave other entities, like those served by the Trust, in the middle bearing the brunt of the cost increases.
- XII. Other/Discussion** - Advised the Lobbying Form will be combined with the ESMEC Lobbying Form and the \$50.00 cost of registration will be split between the two organizations.

There being no further business the meeting adjourned at 11:40 a.m. with lunch.

The next meeting will be Wednesday, November 12, 2003 at 9: 30 a.m. at the Queen Anne's County Board of Education in Room A.

Respectfully submitted,

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