

**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

**February 11, 2004  
MINUTES**

- I. **Call to Order and Quorum** – A quorum was established by Chairman Mark Miller. Present were: Charles Connolly, Laurie Dale, Rodger Daugherty, Robin Landgraf, Gary McCabe, Sandy Smith, and Erin Thornton.  
  
Also present was Allan Gorsuch, Manager, and Bruce Ford.
- II. **Approval of Minutes** – Upon a motion by Gary McCabe, seconded by Rodger Daugherty, the December 10, 2003 minutes were unanimously approved.
- III. **Finance Report** - Allan Gorsuch distributed the finance report prepared by Robin Landgraf.
- IV. **Pilot Program with i360** - Allan Gorsuch stated Robin Landgraf had reported to him there was no activity, and that i360 has hit a roadblock with Conectiv.
- V. **Communications** - Meeting with John Sharpe - Allan Gorsuch shared contents of his meeting with John Sharpe. Indicated that John was a good resource to have available and that he would be interested in part-time services with the Energy Trust should the need arise.  
  
In other communications, Allan Gorsuch advised the Trust he had spoke to a Bruce Gordon of Fiberwatt regarding the purchase of Energy here on the shore. Believes this firm is looking to drum up public funds or Green Energy funds for start-up operations.
- VI. **Scope of Services** - Allan Gorsuch presented the final Scope of Services Agreement. Signed, sealed and delivered with a revised paragraph added by Downes Associates, Inc. on Severance (13). All other clauses are the same as before.
- VII. **DAI Invoice for November** - Allan Gorsuch pointed out the breakdown of this invoice and shared his satisfaction with the more manageable format.

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**VIII. Appointment of Non-School Board Trustees and IX. Amended Trust Documents - Status** - Upon a motion by Gary McCabe, seconded by Charles Connolly and unanimously approved, **Mike Spears** will act as **Trustee** and **Joe Zimmerman** as **Alternate Trustee** representing the non-school board county government participants, as per the Amended Trust Agreement effective October 30, 2003.

**X. PSC/Legislative Report** - Discussion ensued regarding Energy Trust contracts expiring in June and what rate they will go back to. May want to extend contracts thru the fall. Allan Gorsuch will raise this question with Downes Associates, Inc.

Supplier bidding to establish new rates will be decided in March by the P.S.C. There is a big marketing campaign under way in regards to these new rates. (see BGE letter dated February 6, 2004 and the PSC letter dated February 4th).

Allan Gorsuch reviewed and commented on:

**House Bill 23/Senate Bill 12 - Electric Industry - Aggregation - Counties and Municipal Corporations** - Allan Gorsuch advised he would send out copies of the Electric Choice Report - 2003 - Status of Choice in Maryland.

**House Bill 744 - Electric Companies - Standard Offer Service - Residential Customers** - In summary says, asking for no increase. Doesn't believe that will go anywhere.

**Senate Bill 206 - Procurement - High Performance Buildings - Price Preferences** - State owned and state funds. Not sure how this will effect school systems.

**Senate Bill 491** - Won't go anywhere. This bill asks for reimbursements due to loss of electricity.

**XI. DAI Special Report** - Summary of the Market - Report from David Downes. Allan Gorsuch attended a meeting of the Eastern Shore Legislative Delegation in Annapolis and heard a presentation from Conectiv about the effects on electricity costs when the PSC goes to the new deregulation in June. Senator Pipkin will introduce a bill that would reduce any increase by spreading the costs over a three to four-year period. Allan Gorsuch expressed concern about an artificial market inflating costs at the front end.

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Allan Gorsuch asked Downes Associates to put together a market report in a format he could send to the delegation. He will also be sending information on the success of the Trust and information regarding Downes Associates projections on increased costs, including the transmission piece.

Discussed the increase recommended for Energy Trust member budgets and how the model (12%), presented by Conectiv, was not far from the recommended 10% budget increase.

- XII. Other** - Mark Miller asked that the June 9th meeting be held in Wicomico County. He has received an invitation to attend a kick off meeting at Salisbury University from Jackie Jones of the Governor's Office, Small Business Development. The Lt. Governor will be speaking at this meeting. All counties will be receiving this same invitation. Bruce Ford will make arrangements for a room at the Wicomico County Board of Education, including lunch. The end-of-the-year ESMEC Finance Officers Committee meeting will follow.

Allan Gorsuch suggested to each member to create a Conservation Energy Plan to help reduce energy costs. Conversation will take center stage in the future and a plan of action would be a proactive approach.

There being no further business, the meeting was adjourned at 11:10 a.m.

The next meeting is scheduled for Wednesday, March 10, 2004 at 9:30 a.m. at the Queen Anne's County Board of Education, Room A.

Respectfully submitted,

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