



(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

**March 11, 2010
MINUTES**

- I. Call to Order/Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Kelly Wood, Tim Brooke, Fay Miller, Robin Landgraf, Rodger Daugherty, Charles Connolly, Jeff Rank, Jeff Bauder and Allison Canada.

Also present: Gene Adkins, Ronald Ayers, Allan Gorsuch, Karen Marshall., Herb Mills, Bert Wilson, Amy York and Noel Chesser.

- A. Approval of Minutes – Upon a motion by Robin Landgraf, seconded by Charles Connolly, the November 12, 2009 minutes were unanimously approved.
- B. Finance Report – The finance report dated 2/28/2010 was distributed and reviewed by Robin Landgraf. Upon a motion by Milton Nagel, seconded by Tim Brooke the finance report was unanimously approved as presented.

II. Managers Report – Dr. Allan Gorsuch

- A. Communications
 - Clean Energy Center – Attended the February 23rd meeting and shared information about the center. Flyers were also included in the packets.
 - Thank You Notes – Shared comments from thank you notes received.
- B. Marketing –
 - Made note of the MACO conference and commented that he would be attending; traveling back and forth to the conference in Ocean City as a cost saving measure.
 - MML - Advised he would be attending 2 days of the MML conference and asked if anyone had any suggestions on things he should or should not be doing to market the Energy Trust.
 - Welcomed Ronald Ayers and the Town of Hebron to the Trust.
 - Met with the Town of Church Hill – It was concluded that they are simply too small to benefit from joining the Trust. This is a decision they will have to make based on their size.
 - Maryland for Reliable Power – Advised he had been approached by MRP to help in efforts to promote MAPP and had turned them down due to his involvement with the Energy Trust and a possible conflict of interest. Also stated he had been approached awhile back by AEGIS Energy Services (www.aegisenergyservices.com) out of Massachusetts. This company does hedge contracting for the fuel oil, gas, and diesel markets. Allan Gorsuch suggested having them come in and do a presentation at the May meeting.
- C. PSC/Legislation – Packets included Information on DP&L rates. Reviewed the bills listing and made comments on HB464/SB287, HB 468, HB 469, HB 480. Commented on Bio Mass-Bio Fuels and the regulatory risks. Noted SB893, and passed around information on HB943/SB311 Chesapeake Conversation Corps affecting schools.

III. Consultants Report

A. Block Portfolio Report – Noel opened with comments about the current rate drops and advised that the trend continues to be favorable. Noted the forward market being at 6 year lows and reviewed how the portfolio is performing.

B. Market Projections – Reviewed Fiscal '11 at 8-1/2¢ conservative and Fiscal '12 at 8¢ based on what had been bought. Spoke about the reconciliation with Pepco and the few extra charges involved in this process and moving to a new supplier as Pepco is going out of service on this kind of business. Noel expressed there has been a lot of interest to bid on the Energy Trust accounts.

C. Billing Rates – After discussion on the billing rates,

Motion was made by Milton Nagel, seconded by Charles Connolly and unanimously approved to set the **FY'11 Billing Rate at 8.5¢** for budget purposes. The actual billing rate will be established in May, allowing for cost of carry, but the overall annual rate will not be more than the 8.5¢ rate set today.

Noel will put together a chart reflecting direct ratios and will e-mail to everyone.

D. BRCCP-PPA Progress - Their new contract will begin in December 2010. Conversation ensued regarding being treated similar to BRCCP in regards to the contract and pushing for any pertinent benefits for the Trust.

E. Pepco Contract Re-Bid - Advised they have reconciled with Pepco and will be going out with an RFP. The Trust will have a new contract as of March 2011. Discussed how to handle the overage on settlement items and Allan Gorsuch commented he would like to see benefits accrue to the Trust.

F. Other –
Block Purchases – Discussed the falling prices and being able to lock in at these prices. Noel recommended for FY '11 – peak power – purchasing 2 – 5 megawatt blocks of power. Allan Gorsuch reminded everyone they the Trust has been doing this at the recommendation of the consultants and is not necessary to make a motion to cover this, and asked if anyone had concerns or questions to please speak up. Noel will proceed with the purchases.

There being no other business the meeting adjourned at 11:00 a.m. with lunch.

The next meeting is scheduled for Thursday, May 13, 2010 at 9:00 a.m. at the Queen Anne's County Board of Education.

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

Robin Fairall
Secretary, ESMEC Energy Trust