

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

March 9, 2006
MINUTES

- I. Call to Order and Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Tom Kappra, Karina Jackson, Laurie Dale, Fay Miller, Robin Landgraf, Rodger Daugherty, Charles Connolly, and Allison Canada.
- Also present: Allan Gorsuch, Sid Pinder, Jeff Bauder, Gene Adkins, Jeff Rank, and Noel Chesser.
- II. Approval of Minutes** – Upon a motion by Fay Miller, seconded by Charles Connolly, the February 9, 2006 minutes were unanimously approved.
- III. Finance Report** - Robin Landgraf distributed the Finance Report dated 2/28/06.
- IV. Managers Report - Allan Gorsuch addressed the following:**
- A. Communications
 - 1. Baltimore Sun article regarding deregulation and aggregation of residential use.
 - B. FY 2007 Budget – First Reading – Upon a motion by Charles Connolly, seconded by Fay Miller the budget was unanimously approved. Allan Gorsuch will redo the FY 06 column and distribute corrected copy at next meeting.
 - C. Proxy Voting Policy – Allan Gorsuch addressed the previous question regarding Proxy voting. A Proxy Form was provided in packets of information and advised it was for the use of TRUSTEES ONLY and in the event you need a proxy vote, this form would have to be filled out and received by the Chairman of the Trust prior to the meeting it is intended for.
 - D. Third Party Invoice Administration – Question raised by Jeff Rank. After discussion, Allan Gorsuch suggested that Jeff hold off on this as it will be addressed under the new purchasing strategy.
 - E. SRC Contract Review Process – Mark Miller to contact South River Consulting and set up meeting to review this contract before the deadline date of May 31, 2006. Allan Gorsuch excused himself from the contract negotiations and approval process.
 - F. Legislation/P.S.C. Update – Allan Gorsuch distributed copies of letter from the P.S.C. dated March 7, 2006 in reference to Case No. 8908, Staff Bidding Report. Advised that this was the result of the recent tranch that PSC did. Explained the process and the impact of new market based S.O.S. prices, impacting primarily residential rates.

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Allan Gorsuch discussed the reasons behind the high costs, in that the last bid, the most expensive bid, establishes costs for all the energy production. Local marginal rates are driven by natural gas prices – this cost determining the overall rate.

G. Other - Energy Conservation Act – Allan Gorsuch stated opposition to this bill commenting that this act requires what the Maryland Energy Administration was offering for free and feels we should not be subjected to another expensive mandate.

V. Pepco Energy Services Proposal – To be addressed at the 1:00 meeting.

VI. Electric Cost Management Policy – This Policy explains more specifically what the rules are and how much to buy at a time.

Upon a motion by Fay Miller to adopt the Electric Cost Management Policy as presented, and seconded by Milton Nagel the policy was unanimously approved.

VII. Electric Purchase Implementation Guidelines – Upon a motion by Fay Miller to adopt the Electric Purchase Implementation Guidelines as presented, seconded by Milton Nagel, it was unanimously approved.

Billing questions were addressed by Noel Chesser.

VIII. Consultants Report

A. Fuel Oil Invoice – Most efficient process is to go to Teresa at Tri-Gas with any questions and then to Noel Chesser.

B. Block Purchasing – Pricing – Noel explained that Pepco has relationships with 20 wholesalers providing for an active bidding process in the wholesale market. Advised that Pepco was ready to move ahead with our accounts, just needed a signed contract. Explained the time constraints in regards to having to enroll accounts 17 days prior to meter read dates.

The Trust asked that SRC do quarterly reports so they could take this information back to their Boards. Looking for the first report at the end of September at which time we should have a pretty good fix on our position.

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- C. Other – Noel Chesser advised that the State passed the Renewable Energy Portfolio Standards and talked a little bit about the role that may play in the purchasing structure of the Energy Trust.

IX. Other

- A. Future Agendas - It was suggested on future agendas to use an asterisk for all action items.
- B. Meeting Dates – Meeting dates to be established for every other month (even number months) beginning with the August 10, 2006 meeting. Times will be changed to 10:00 a.m. til 12:00 p.m. An updated calendar will be e-mailed to all participants before the next meeting, scheduled for May 18th. There will be no meeting in April, June or July.

There being no further business, the meeting adjourned at 11:55 a.m. with lunch.

The next meeting is scheduled for Thursday May 18, 2006 at 10:00 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

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