



(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

**May 14 2009
MINUTES**

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

Also present: Allan Gorsuch, Herb Mills, Karen Marshall, P.J. Townsend, Amy York, Noel Chesser and Bert Wilson.

- A. Approval of Minutes – Upon a motion by Kelly Wood, seconded by Allison Canada, the March 12, 2009 minutes were unanimously approved.
- B. Finance Report – The finance report dated 4/30/2009 was distributed and reviewed by Robin Landgraf.

Upon a motion by Milton Nagel, seconded by Kelly Wood the finance report was unanimously approved as presented.

- C. Trustee Selection – Towns, Colleges and County Governments – Allan Gorsuch took a moment to introduce P.J. Townsend from the Town of Centreville.

Commented on the process of nominating Trustees and Alternate Trustees for each group and advised letters will be e-mailed accordingly.

- D. Election of Officers – FY 2010

Chairman – Mark Miller

Motioned by Milton Nagel, seconded by Mark Miller and unanimously approved.

Vice Chairman – Milton Nagel

Motioned by Robin Landgraf, seconded by Milton Nagel and unanimously approved.

Secretary – Robin Fairall – Allan Gorsuch noted the secretary is routinely confirmed.

Motioned by Milton Nagel, seconded by Robin Landgraf and unanimously approved.

II. Managers Report

- A. Communications – Allan Gorsuch shared information on his contact with the Town of Crisfield. They are under a fixed rate contract and will consider joining the Trust when that contract expires.

Proposed FY 2010 Budget – Allan Gorsuch reviewed the proposed 2010 Budget and explained the increase to secretary salary was subject to change, subject to action by Queen Anne's County.

Upon a motion to approve the FY 2010 budget by Robin Landgraf, subject to the Q.A. County change, seconded by Tim Brooke, the budget was unanimously approved.

- B. New Savings Report – Allan Gorsuch noted the Electric Supply Portfolio Savings report on Delmarva Power Accounts by South River Consulting and commented this was a breakdown comparison to the S.O.S. and was a tool to be used for shopping rates when asked about the savings history. This report reflects your efforts of reducing utility costs.
- C. Marketing –
1. Eastern Shore Municipal League - Allan Gorsuch advised he had met with the Municipal League and gave a 5 minute presentation. Commented he was working hard to get the word out and asked for any suggestions. He did say that he liked the fact that board participants attended these meetings with him and added to the validations the towns need.
 2. Town of Hebron – Allan Gorsuch advised that he and Mark Miller have a meeting with Hebron on June 3rd.
 3. Town of Chestertown – Allan Gorsuch advised he contacted Chestertown again after being asked by one of their council members to do. They were having bill copying problems which Noel advised can now be accessed direct through Delmarva Power. To date there has been no response from the Town of Chestertown.
- D. Marylanders for Reliable Power – Allan Gorsuch included in the packets information entitled “Keeping Current” and advised he had also attended a Stakeholders meeting on Smart Grid at Chesapeake College on May 13th1”. Stated there were approximately 50 people in attendance and overall was a good meeting. Highlighted information from that meeting on the \$3.3 billion federal stimulus money for Smart Grid enhancements across the county.
- Noel Chesser shared his thoughts in this area and felt this to be a terrific situation that could leverage this buying group. A whole series of cost reduction efforts that may prove to be very powerful; linking to the grid and having price responsiveness. SRC will proceed by meeting with ENERNOC people to develop a program and bring a proposal back at the July meeting.
- Upon a motion by Milton Nagel and seconded by Robin Landgraf, it was unanimously approved for South River Consulting to pursue the proposal for the grant application.
- E. P.S.C. – Allan Gorsuch advised the REC report had been filed and copies would be sent out for your records.
- F. Legislation - Bill listing included in packets. Allan Gorsuch highlighted some of the bills and suggested taking a closer look at those passed, enrolled or signed by the governor. In regards to the deregulation bill Allan Gorsuch did point out that his efforts along with Delegate Jeanne Haddaway and Delegate Walkup, were successful in helping get this billed killed. Also mentioned some of their efforts that were implemented into House Bill 1442 (Chapter 169).

- G. July 9 Meeting – This meeting will go on as scheduled, but will start at 9:00 AM.
- H. Other – Allan Gorsuch advised Talbot County was constructing a wind tower at their landfill. Noted federal money available and the opportunities coming through for bonding and grants related to renewable projects.

Allan Gorsuch noted he may be attending three conferences this year: ASBO, MML, and MACO. At ASBO he will also be representing another client – Municipal Leasing Consultants from Vermont, and will be present at their booth.

EmPower Maryland initiative from the Governor's office – information included in the packets.

III. Consultants Report

- A. Block Portfolio Report – A copy of the Energy Block Confirmation dated March 23, 2009 was included in packets (5 MW, Day Head, July 2011 thru June 2012).
- B. Block Portfolio Report – Noel reviewed the portfolio stating that we are running at 9¢ cost at hourly rate scenario. Highly confident will fall under budget for FY '09. Suggested for the FY '10 budget - 10¢ kwh. Bert Wilson did mention there was one change - PJM was going to a weekly settlement in June meaning there is an amount of cash they have to pay every week (timing of cash flow). Advised to pay your bills quickly as possible.

Allan Gorsuch suggested members take advantage of the PLC notifications via e-mail. Once again stressed the importance of having a system in place within your organization to take advantage of these notifications when they are received.

Billing Rates for FY '10 Summer, July-August will be 11¢

Upon a motion by Rodger Daugherty to accept the July-Aug billing rate at 11¢, subject to tri-annually adjustments, seconded by Robin Landgraf and unanimously approved.

- C. Hedge Purchases – Discussed hedge status and talked about advantages of buying into market for 2013. (page 5 of the "Electric Portfolio Review")

Upon a motion by Milton Nagel to follow the advice of the consultants on these hedge purchases, seconded by Robin Landgraf it was unanimously approved.

- D. Market Projections – None offered at this time. Hurricane season may affect rates if there is a powerful storm in an area that produces or transports natural gas.
- E. Power Supply Contracts – Pepco contract comes up in FY'11
- F. Other – Noel shared information on the Baltimore Energy Symposium on June 16th and will ask Larry Klimovitz of BMC to forward that information.

Meeting Time Change – After discussing, it was decided to change the meeting time from 9:00 a.m. – 11:00 a.m. with an early lunch being served immediately following the meetings at 11:00 a.m. All were in agreement.

There being no other business the meeting adjourned at 12:00 p.m. with lunch.

The next meeting is scheduled for Thursday, July 9, 2009 at 9:00 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

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