

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

May 18, 2006 MINUTES

- I. Call to Order and Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Kelly Wood, Karina Jackson, Tim Brooke, Michael Spears, Robin Landgraf, Rodger Daugherty, Deanna Alissa, Vince Tolbert and Allison Canada.
- Also present: Allan Gorsuch, Sid Pinder, Gene Adkins, Jeff Rank, Harold Higgins, Noel Chesser and Bert Wilson.
- II. Approval of Minutes** – Upon a motion by Milton Nagel, seconded by Robin Landgraf, the March 9, 2006 minutes were unanimously approved.
- III. *Agreement with South River Consulting** – Mark Miller distributed the proposed amendments to the agreement with SRC and asked for approval to execute the document. Upon a motion by Vince Tolbert, seconded by Tim Brooke, it was unanimously approved.
- IV. Finance Report** - Robin Landgraf distributed and reviewed the Finance Report dated 4/30/06.
- V. *Energy Transaction Authority Policy – DRAFT** – Allan Gorsuch commented on the policy explaining that this is an attempt to specify how purchasing decisions would take place under the new electricity purchasing strategy. Allan Gorsuch advised that he did not want to assume any authority the Trust does not give him. This process will be overseen by the Oversight Committee formed at the March 9, 2006 meeting. Upon further discussion Gene Adkins was selected and agreed to Chair that committee:
- Gene Adkins, Chairman (appointed May 19, 2006)
 - Jeff Bauder, Cecil Community College
 - Mark Miller, Wicomico County Board of Education
 - Tom Kappra, Cecil County Board of Education
 - Milton Nagel, Caroline County Board of Education

Upon a motion by Robin Landgraf, seconded by Rodger Daugherty the proposed Energy Transaction Authority Policy was approved as presented.

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VI. Election of Officers for FY 2007 – Upon the following motions, the Officers will remain the same for FY 2007

Chairman -	Mark Miller	Motioned by Milton Nagel, seconded by Mike Spears
Vice Chairman-	Milton Nagel	Motioned by Robin Landgraf, seconded by Allison Canada
Secretary -	Robin Fairall	Motioned by Mark Miller, seconded by Robin Landgraf
Manager -	Allan Gorsuch	

VII. Managers Report - Allan Gorsuch addressed the following:

A. Communications

1. Select Energy – One of our alternative suppliers, is now owned by Hess.
2. Choptank Electric – Zero Percent Rate Filing, assuming PSC accepts it.
3. St. Michaels sold their Utility to Choptank Electric. Charles Connolly working through South River regarding Talbot's accounts.
4. KWh Usage for 2005 – Pepco running into some problems with missing bills for 2005 for Dorchester County Commissioners and Queen Anne's County Commissioners. Allan Gorsuch explained these amounts are used to determine participants' share of the budget. As an alternate solution suggested taking their best year and increasing it by 4%? Representatives present indicated the invoices would be submitted as soon as possible.

Mike Spears and Jeff Rank advised this would be addressed and taken care of.

5. UBI System – Asked that Participants visit the website and make sure their information is correct and current.
 6. Web Seminar – Notification via e-mail. To be held on June 29th at 2:00 p.m. May view on the Internet and have web interaction. Cost is \$295.00.
 7. May 30th Public Service Commission Meeting – Will give this meeting information to Noel and see if SRC wants to attend on behalf of the Energy Trust.
- B. Legislation/PSC Update – Allan Gorsuch distributed copies of PSC information in packets regarding Case No. 9064 and Case No. 9064 explaining what has happened so far and what needs to happen in the future.

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Also included the list of Legislative Bills with asterisks calling attention to those bills impacting the Trust.

- C. Energy Trust Documentation Binder – Allan Gorsuch advised it was important to have easy access to Energy Trust documents and will combine policies, guidelines and procedures in binders with a Glossary of Terms included, to be handed out at the August meeting.
- D. Executed Pepco Agreement – Discussed the executed Pepco Agreement and the contents.
- E. Approved FY 2007 Budget – Revised copy in packets.
- F. Noresco Agreement – Discussed the UBI and issues relating to accessing data for proposal purposes. It was decided that Noresco would have to have permission from each individual entity to access their data. Cecil County Board of Education and Wor-Wic Community College are not interested in participating.
- G. UBI – Invoices – These were not distributed due to report format concerns. SRC will reprint them for distribution.
- H. Other –

Meeting Dates – Copies distributed in packets.

VIII. Consultants Report -

- A. Block Purchase of Electricity – Bert Wilson and Noel Chesser handed out charted information and discussed in detail the first block purchase of electricity. Talked about buying in the Forward and Spot markets. Discussed the aspects of the Day Ahead Market - reducing ancillary costs. Allan Gorsuch advised SRC that these are the kind of things the Trust will look to SRC to implement and will revise the Purchasing Strategies to include these types of strategies as needed.

As a result of this conversation, SRC will provide the Trust (by member) with a PSC comparison for Fiscal Year FY 07 on projected savings and will provide the Trust with how much of a percentage increase to budget for the coming year. This information will be for Delmarva Power accounts only.

SRC will also provide the Trust with a report showing Estimated Costs for '07 had we been subject to the PSC bid process.

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SRC discussed billing rates under the Master Account (Master Sales Agreement) and asked that this be put on the next agenda. Will need some time to discuss how the billing will work. Advised this is an actual PJM account and that PJM works on a calendar month basis. Described in detail how this account will run independently for this strategy. SRC will establish a 6 month rate, submit this to Allan Gorsuch, who in turn will share with all Participants.

- B. Fuel Oil Purchase – Noel advised completed hedge purchases and that Tri-Gas is in place for next year. For those interested in pursuing a Fuel Oil Contract, a meeting has been set for May 31, 2006 at 9:30 a.m. at the Queen Anne’s County Board of Education. Please come prepared to make a decision that day.

There being no further business, the meeting adjourned at 1:00 p.m. with lunch.

The next meeting is scheduled for Thursday August 10th 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