

ENERGY TRUST

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Mark E. Miller, C.P.M., Chairman
Milton E. Nagel, C.P.A., Vice Chairman
R. Allan Gorsuch, Ed.D, Manager

August 11, 2005 MINUTES

- I. Call to Order and Quorum** – A quorum was established by Chairman Mark Miller. Present were: Milton Nagel, Tom Kappra, Karina Jackson, Michael Spears, Fay Miller, Robin Landgraf, and Allison Canada.
- Also present: Allan Gorsuch, Jeff Bauder, Deanna Alessi, and Noel Chesser.
- II. Approval of Minutes** – Upon a motion by Fay Miller, seconded by Robin Landgraf, the May 12, 2005 minutes were unanimously approved.
- III. Finance Report** - Robin Landgraf presented the finance report dated 7/31/05.
- IV. Managers Report - Allan Gorsuch commented on the following:**
- A. Communications
- PLC Predictor - Asked that anyone not receiving this report let Noel Chesser know so they can be added to the list.
 - Riverwatch - Touched on this newsletter describing where the market is and what is going on.
 - Budget Assessments - Reviewed budget assessments and specific issues and concerns related to Somerset County Government.
 - Budget - General review of the budget. Explained overage in the area of meetings and conference costs.
 - Press Release - Acknowledged that a copy of the press release had been sent out from the ESMEC office and suggested that each participant use at the local level.
- B. Fee Policy - Revised Fee Policy was discussed, reiterating the different ways it was suggested to split the costs. Allan Gorsuch suggested to continue to figure by Kwh, not by account as there seemed to be no consistent way to look at individual accounts.
- Upon a motion by Fay Miller seconded by Milton Nagel, it was unanimously approved to adopt the Fee Policy as presented.
- C. Revised Operating Budget - Reviewed Revised Operating Budget approved on May 12, 2005 and explained it was amended to cover the additional \$1,000.00 monthly consultant cost for bidding accounts.
- D. SRC Amended Scope of Services - Also reflecting the additional \$1,000.00 bidding costs.
- E. Maryland General Assembly Senate Special Committee on Electric Utility - Allan Gorsuch pointed out that Senator Pipkin was on this committee. Asked that participants contact him if they have questions or comments. Also noted this may be a tough legislative year keeping in mind the legislative process has become very partisan and this is an election year.

- F. Estimated Net Savings to Date - Allan Gorsuch shared that he spoke with Gene Adkins of Somerset County Government about their concerns about no savings to date and suggested they defer their payment through the course of the year. They must be paid in full by the end of the fiscal year.

Reviewed the information provided in the charts. Discussion ensued as to the need to come up with a good model for comparison purposes on savings. Somerset County Government could use this information in explaining why the lack of savings on their part. Their timing in entering into the Energy Trust was a major factor.

- G. Other

Private Industry Accounts - Allan Gorsuch advised that SRC has asked him to work with them in securing private industry and other non-Trust-related accounts here on the Shore. Did not want this to be a conflict of interest and asked to be contacted at any time should there be any questions or concerns regarding his involvement with SRC. Also suggested that when it was time to redo the contract with SRC that a committee be formed to negotiate this contract.

V. SRC Report - Noel Chesser

- A. May 25, 2005 Account Placement Report - Reported two accounts had been placed; Caroline BOE and Talbot BOE.
- B. Market Review - Advised that you should access this from your computer. Set up under favorites and you may access anytime.
- C. PLC Predictor - It was suggested that a written protocol be drafted on how to respond to "Red Days" and more specifics on the hourly ranges. SRC is to develop a set of guidelines to be ready at the next meeting on September 15th.
- D. Electric Risk Management Strategy and Price Targets - After considerable discussion on the proposed "Electric Risk Management Strategy and Price Targets", it was decided that SRC would make timely recommendations each month to the Trust and that no pre-set risk parameters be established.
- E. Fuel Oil Bid - SRC is working on an RFP that should be completed (sent out and back to SRC) by the next ESMEC meeting. One thing they will be asking bidders to respond to will be a more comprehensive program to deliver fuel oil. Milton Nagel consented to help draft the RFP.

There being no further business, the meeting adjourned at 12:15 with lunch.

The next meeting is scheduled for Thursday, September 15, 2005 at 9:30 a.m. at the Queen Anne's County Board of Education.

Respectfully submitted,

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