



MARYLAND  
ENVIRONMENTAL  
SERVICE

Robert L. Ehrlich, Jr.  
*Governor*

John S. Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-1  
January 29, 2004**

**LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 9:00 a.m. (Meeting scheduled)  
9:06 a.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director (arrived at 9:20 a.m.)  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
Joseph F. Snee  
Daniel F. McMullen  
William B.C. Addison (left at 10:50 a.m.)  
Leslie Jackson Jenkins  
Lawrence D. Shubnell (arrived at 9:17 a.m.)

**OTHERS PRESENT:** Michael Wojton  
Ellen Frketic  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Crystal Chissell, Esq.  
Duane Wilding (attended a portion of the meeting)  
John Allen (attended a portion of the meeting)

**MINUTES**

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval. The Motion to approve the Minutes of the December 18th meeting was made by Mr. McMullen and seconded by Mr. Addison. The Minutes were approved.

**DIRECTOR'S REPORT**

Mr. Sparkman provided a brief status of certain projects:

**BOARD OF DIRECTORS MINUTES**  
**MEETING 04-1**  
**JANUARY 29, 2004**  
**PAGE 2**

Somerset Co. – The work is proceeding on schedule and within budget. MES is briefing the County Commissioners on February 3, 2004.

Baltimore County - MES has been negotiating with BFI for the construction of a commercial solid waste transfer station at the Western Acceptance Facility (“WAF”). MES is near agreement with BFI whereby MES will construct the transfer station at the WAF. MES has also had discussions with Baltimore County regarding continued MES operation of the WAF and BCRRF. The BFI transaction is dependent on the County agreeing to retain MES as operator of the two facilities for an extended period. If MES cannot reach agreement with the County, the BFI transfer station will probably not be built. Further Board approval will be necessary. Additional questions were addressed.

Regional Compost Facility – MES is looking into alternative disposal options and interim sites. The Board will be reviewing a procurement to transfer yard waste to a facility in West Virginia. Questions were addressed.

Montgomery County – MES learned that Montgomery County may attempt to acquire a registration on the trade name LeafPRO. Mr. Coleman, on behalf of the agency, wrote to County officials and advised that MES would not approve of the registration of the trade name LeafPRO, but that the agency would be willing to assist the County in registering another name.

Mr. Sparkman is a member of an Interagency Task Force investigating burning chicken litter at power plant(s). There may be a role for MES if the project is established as a public/private partnership. Comments were made.

Risk management – Mr. Howarth is developing risk management protocols and procedures. A question was addressed.

Strategic Planning – Executive staff spent a half day retreat discussing MES’s role and future direction. Additional meetings are scheduled this month and next. The client survey has been received. Employees were mailed a survey to complete and return. Ms. Jenkins requested a copy.

A team of employees has been working together to craft an agency values statement. There are plans to appoint employee teams to look at the organization and reorganization of the agency. The agency’s mission, strategic plan and organization should be presented to the Board in March.

**AGENCY ACTIVITY REPORT**

Mr. Sparkman highlighted the following projects:

**BOARD OF DIRECTORS MINUTES  
MEETING 04-1  
JANUARY 29, 2004  
PAGE 3**

Prince George's County – A modified proposal has been submitted to evaluate potential sites for a Municipal Solid Waste ("MSW") Transfer Station.

A question was addressed with regard to the Peach Bottom Nuclear Power Plant. MES has submitted a proposal for operation and maintenance of the wastewater treatment plant.

Mr. Sparkman noted the move from "Prospects" to "Accepted Proposal" of the EPATS proposal for Harbor New Work dredging for possible use as capping material for Hart-Miller Island.

Dorchester County – MES is proceeding cautiously with the scope of services. MES has been asked to provide assistance during the closure capping of the Old Beulah Landfill. A management policy decision will be made based on risk. A question was addressed.

**PROCUREMENT**

Mr. Sparkman expressed the need to develop more clarity with regard to when Procurement Items are brought to the Board. Mr. Sparkman reviewed Procurement Items 1 through 5 and questions were addressed. Ms. Jenkins made the motion to approve the Items 1,3 and 4; Mr. Shubnell seconded. The referenced Items were approved unanimously. A separate motion by Mr. McMullen and seconded by Mr. Addison was made to approve Items 2 and 5. The motion was approved with Ms. Jenkins abstention from discussion of the item and the vote. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

**EXECUTIVE SESSION**

At 9:52 a.m., upon motion of Mr. Snee, seconded by Mr. Shubnell, unanimously approved, the Board voted to go into executive session to discuss the employment and performance of an employee, as permitted under §10-508(a)(1) of the State Government Article. Also present during the executive session was Mr. Coleman. The Board did not take any official action while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 10:30 a.m.

**FINANCIAL**

Mr. Howarth presented a PowerPoint presentation on financial trends of the agency. The Financial Statements ending December 31, 2003 are contained in the Board's notebooks. Questions were addressed and discussion was held about ProFormas for six months, year end projections and rolling projections. Mr. Sparkman noted that MES would be looking at pricing services as part of the Strategic Plan.

**SPECIAL PROJECTS – ORGANICS BAGGING FACILITY**

Mr. Snovitch handed out the Tire Recycling and Organics Bagging Facility Update that he reviewed with the Board. The update included a review of phantom customers, sales forecast, status of improving variable cost structure, status of 3/8" line, challenges and the financial forecast. Mr. Snovitch also provided to each member a design of the TreadSpread bag. Mr. Cook reviewed the six months Statement of Operations ending December 31, 2003. Questions were addressed

**INTRODUCTIONS AND PRESENTATION**

Mr. Sparkman introduced Ms. Ellen Frketic, Acting Executive Director of Water and Wastewater, Mr. John Allen, Chief of Operations and Maintenance, and Mr. Duane Wilding, Senior Engineer. Mr. Wilding gave a presentation on the Chesapeake Bay Watershed Restoration and Recovery Funds Overview. Discussion was held about a possible role for MES and during MES's House budget meeting, members expressed an interest in MES playing a role in these initiatives. A letter has also been sent to the Maryland Department of the Environment with MES going on record that some of the treatment plants listed by the Chesapeake Bay Foundation as being in noncompliance were mischaracterized.

**LEGAL REPORT**

Mr. Coleman advised the Board of the following:

"O" Field – A waiver of potential penalties has been denied by the Justice Department and referred back to EPA enforcement and the U.S. Attorney. Discussion was held about future actions and questions were addressed.

The depositions scheduled for mid-December regarding legal action initiated by a former employee did not occur due to his case being dismissed by the Circuit Court in Baltimore City. Mr. Coleman explained that the case was dismissed due to a response to a motion being misplaced.

**MISCELLANEOUS**

Ms. Wojton updated the Board on the new office building. Glass has been installed on the first floor and the drywall work is beginning. Work is still slightly ahead of schedule and the move could possibly take place at the end of May. BB&T is leasing space on the first floor. We are procuring used office furniture.

**BOARD OF DIRECTORS MINUTES  
MEETING 04-1  
JANUARY 29, 2004  
PAGE 5**

Mr. Gregory addressed the question of Inspire Awards. He told the members that the committee is re-working the criteria that will be presented to Executive Staff. New members have replaced members who served multi year terms.

The calendar of meetings for 2004 will not be adjusted for February.

Financial disclosure statements are due April 30<sup>th</sup>. Please turn these into Ms. Linda Brent, Human Resources.

**ADJOURNMENT**

Mr. Sparkman adjourned the meeting at 11:48 a.m. The next scheduled meeting is February 26th at MES headquarters.

  
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**BETH WOJTON  
SECRETARY**

  
\_\_\_\_\_  
**JOHN S. SPARKMAN  
DIRECTOR**

BOD 04-1



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Robert L. Ehrlich, Jr.  
*Governor*

John S. Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-2  
February 26, 2004**

**LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 9:00 a.m. (Meeting scheduled)  
9:00 a.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
Daniel F. McMullen (left at 9:45 a.m.)  
William B.C. Addison (left at 9:45 a.m.)  
Leslie Jackson Jenkins

**DIRECTORS ABSENT:** Lawrence D. Shubnell  
Joseph F. Snee

**OTHERS PRESENT:** Michael Wojton  
Ellen Frketic  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Crystal Chissell, Esq.

**MINUTES**

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval. The Motion to approve the Minutes of the January 29th meeting was made by Mr. Addison and seconded by Ms. Jenkins. The Minutes were approved.

**AGENCY ACTIVITY REPORT**

Mr. Sparkman noted the Report was sent to the members prior to the meeting and he would address specific items if requested.

### **DIRECTOR'S REPORT**

Mr. Sparkman in his report updated the Board on the Executive Staff's strategic planning initiatives. Several sessions have been held to discuss MES's mission, vision and organizational structure. Employee groups have also met to discuss the agency's value statement and another group is looking at the organization and reorganization of the agency. This information will be brought to the Board for discussion during a Strategic Planning session to be scheduled with the members. Tentative dates were sent to the Board members for their consideration. The date of March 15<sup>th</sup> was suggested. The Executive Staff's initiatives and information from the employee groups will be sent to the members in advance of their session.

### **SPECIAL REPORTS**

The following Special Reports were presented to the Board:

Baltimore County – Mr. Wojton briefed the Board on the construction of a commercial solid waste transfer station at the Western Acceptance Facility (“WAF”). BFI has signed the agreement whereby MES will construct the transfer station at the WAF. An addendum to the Agreement is being drafted and Mr. Coleman is reviewing a new draft Intergovernmental Agreement with the County. Questions were addressed. Mr. Howarth introduced Resolution 04-02-1R. This Resolution amends Resolution 02-12-2R, which was an intent to finance the WAF approved by the Board on December 19, 2002. The revised Resolution increases the maximum amount of possible bonds or debt obligations to be issued by MES. The Resolution also meets Internal Revenue Service regulations. Mr. Gregory made the motion to approve Resolution 04-02-1R and Mr. Addison seconded. Questions were addressed. The motion was approved unanimously.

Resolution 04-02-2R was introduced and reviewed by Ms. Wojton. The Resolution increases the maximum amount of purchases that require fewer than three bids or offers from the current \$1,000 to \$2,500. Questions were addressed and discussion held. Ms. Wojton noted this is an effort to streamline administrative procedures. Mr. Addison made the motion to approve Resolution 04-02-2R, Mr. McMullen seconded, and the motion was approved unanimously.

Mr. Sparkman asked Mr. Coleman to review the Products/Risks Liability noted under the Legal Report at this time during the meeting. Mr. Coleman reviewed the efforts and discussion he and Mr. Howarth are having with the Treasurer's Office and the need for MES to protect itself due to the increased amount of product material going out of state. Mr. Howarth informed the Board that four (4) members of the Division of the State Treasurer's Office toured the Crumb Rubber/Organics Bagging Facility. Discussion was held about appropriate labels on products and for bulk materials.

**BOARD OF DIRECTORS MINUTES**  
**MEETING 04-2**  
**FEBRUARY 26, 2004**  
**PAGE 3**

Mr. Wojton briefed the members on the Environmental Services and Waste Management Group's Engineering Projects and the types of engineering services MES will be providing in the future.

Customer Satisfaction Survey – Mr. Gregory introduced Mr. Mike Sturm, Associate Professor of Mathematics at Chesapeake College. Mr. Sturm and an associate compiled and analyzed the data received. Mr. Sturm reviewed the results of the survey and the final analysis. He also handed out a Data Summary. The results were characterized by Mr. Sturm as outstanding with regard to customer satisfaction. Ms. Wojton reminded the Board that customer satisfaction is a BEST 2004 goal. A question was addressed.

Employee Survey – Ms. Wojton reviewed the process for gathering employees' input through the survey and reviewed the completed report. Copies of the survey findings were distributed. Mr. Sparkman noted that the comments received will be reflected in the strategic plan.

**FINANCIAL**

Mr. Howarth reviewed the Financial Statements ending January 31, 2004. Mr. Sparkman noted an update will be provided on the bagging facility next month.

**PROCUREMENT**

There were no Procurement items this month for Board approval. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

**LEGAL REPORT**

Mr. Coleman reminded the Board that the case initiated by a former employee was dismissed due to a response to a motion being misplaced. The former employee requested reconsideration and that was rejected. A second lawsuit was filed. The judge subsequently granted the reconsideration, and withdrew her order dismissing the first lawsuit. There are now 2 lawsuits pending. In the second case the plaintiff has requested certain documents.



**ADJOURNMENT**

Mr. Sparkman adjourned the meeting at 10:34 a.m. The next scheduled meeting is March 25th at MES headquarters.

  
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**BETH WOJTON  
SECRETARY**

  
\_\_\_\_\_  
**JOHN S. SPARKMAN  
DIRECTOR**

BOD 04-2



MARYLAND  
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**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-3A  
March 15, 2004**

**LOCATION:** Kent Manor Inn  
Stevensville, Maryland

**TIME:** 9:00 a.m.

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Lawrence D. Shubnell  
Daniel F. McMullen (left at 11:00 a.m.)  
William B.C. Addison

**DIRECTORS ABSENT:** Kenneth A. Howarth, Treasurer  
Leslie Jackson Jenkins  
Joseph F. Snee

**OTHERS PRESENT:** Michael Wojton  
Ellen Frketic  
Henry Cook  
Mike Snovitch  
Sean Coleman, Esq.  
Andy Hallmark (11:15 a.m. – 11:45 a.m.)

**BOARD OF DIRECTORS RETREAT**

Mr. Sparkman opened the meeting by welcoming the Board Members and staff to the retreat for discussion of the agency's proposed strategic direction. He then presented a brief overview of the reasons for the strategic direction, and the process by which the staff had developed the proposed strategic direction.

Ms. Wojton then described in detail the process utilized to develop the proposed strategic direction. The executive staff met on a number of occasions, away from MES headquarters. The

## BOARD OF DIRECTORS MINUTES

meetings were facilitated by Ms. Wojton, and closely followed a defined schedule and structure. During the course of the meetings the executive staff had the benefit of the responses of the employee surveys, and the customer satisfaction surveys.

In addition to the executive staff meetings, two other groups of employees met to consider specific items. One group, led by Dave Greene, developed an agency Values Statement. The other group, which was chaired by Henry Cook, developed a proposed new organization structure for the agency.

Ms. Wojton then presented the results of those efforts: a new Mission Statement, new Vision Statement, and a new statement of Strategic Direction. The Board members reviewed the material and expressed general concurrence with the Mission and Vision Statements, and the Strategic Direction.

Mr. Sparkman distributed a proposed organization structure. He stated that the proposed structure closely tracked the structure developed by the employee committee. An Environmental Operations Group would include the water, wastewater, ECI-Cogen, materials handling, and solid waste operations functions. A Technical & Environmental Service Group would consist of engineering services, environmental monitoring, environmental dredging and restoration, research and environmental technologies and maintenance. A Recycling Group would include the tire recycling facility, the bagging facility, used oil and used anti-freeze activities, household hazardous waste, e-cycle, and recyclable materials marketing. The procurement section would move to the Finance Group. A proposed new position is that of agency auditor. Mr. Sparkman envisions this individual would conduct performance reviews of agency activities and investigate allegations of improper performance, as well as review the propriety of agency expenditures. Several Board members expressed their concept of what functions the individual would perform. Mr. Sparkman cautioned that a final decision to create this position has not yet been made. Mr. McMullen requested inclusion of the Board of Directors on the chart, that the counsel be shown as representing the Board as well as the agency, and that the counsel's connection to the agency and Board be graphically shown by a dotted line, rather than a solid line to more accurately reflect the counsel's appointing authority. The members of the Board present expressed their general concurrence with the proposed reorganization structure.

Mr. Sparkman introduced Andy Hallmark. Mr. Hallmark reviewed the 2004 Agency Communication Plan. The Board members stressed the importance of communicating the agency's priorities with employees.

Mr. Sparkman requested comments from the Board regarding the extent to which they desired to monitor the progress of the agency in implementing the new strategic direction. The Board members stated they did not believe there should be a formal oversight or monitoring

## BOARD OF DIRECTORS MINUTES

function established. Rather, they suggested that implementation of the strategic direction be made part of the BEST goals, and they would track progress by that vehicle.

The Board members congratulated the officers and staff of the agency on their efforts developing the agency's strategic direction.

### ADJOURNMENT

Mr. Sparkman adjourned the meeting at noon. The next scheduled meeting is March 25 at MES headquarters. However, this meeting may be rescheduled for March 26. The Board members will be notified.

  
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BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S. SPARKMAN  
DIRECTOR

BOD 04-3A



Robert L. Ehrlich, Jr.  
*Governor*

John S. Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-3B  
March 26, 2004**

**LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 1:00 p.m. (Meeting scheduled)  
1:05 p.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
Joseph F. Snee  
Leslie Jackson Jenkins  
Paul W. Comfort  
Lawrence D. Shubnell  
William B.C. Addison (arrived at 2:05 p.m.)

**OTHERS PRESENT:** Michael Wojton  
Ellen Frketic  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Crystal Chissell, Esq.  
Andy Hallmark (attended a portion of the meeting)

**MINUTES**

Mr. Sparkman as Chairman stated he had reviewed the Minutes of February 26, 2004 and March 15, 2004, and requested their approval. Mr. Howarth made a correction to the draft Minutes of February 26<sup>th</sup> clarifying that it was the Financial Statements ending January 31, 2004 that were reviewed. The Motion to approve both sets of Minutes with the correction to the February 26, 2004 set was made by Mr. Snee and seconded by Ms. Jenkins. The Minutes were approved.

**WELCOME**

Mr. Sparkman welcomed Paul Comfort as the newest member of the Board of Directors. Mr. Comfort is the County Administrator for Queen Anne's County.

**AGENCY ACTIVITY REPORT**

Mr. Sparkman provided a brief status of certain projects:

Maryland Aviation Administration – Two proposals have recently been submitted. One proposal is to integrate BWI's water distribution system and gas system into the existing GIS, and the second is a two-phase GIS project incorporating additional utilities into the existing GIS and developing a multi-user system.

Harford County/Maryland Department of Agriculture – A proposal has been submitted to perform a manure utilization feasibility study. Ms. Jenkins raised the issue of the disposal problem of dead animals. Prince George's County is holding discussions about developing a crematorium at Brown Station. Ms. Jenkins also said there is regional interest in this issue.

Tire Facility – Mr. Snovitch provided an update of the Facility. Sales are improving, but payments to MES are slow. The 5/8" product, "TreadSpread™ began production March 25<sup>th</sup>. Mr. Snovitch thanked David Foster and the Tire Facility staff for their efforts to get this line up and running. Questions were addressed.

Strategic Direction – The strategic planning exercises have been completed. A State of the Agency briefing is scheduled for April 2<sup>nd</sup> for all managers and supervisors. This information will be brought back to their employees. Mr. Sparkman asked for an endorsement of the Strategic Direction finalized by the Board on March 15<sup>th</sup>. Mr. Shubnell made the motion to endorse the Strategic Direction, Ms. Jenkins seconded, and the Board approved unanimously.

**SPECIAL REPORTS**

The following Special Reports were presented to the Board:

Inspire Awards Program – Mr. Gregory reviewed with the Board the revised criteria for the Inspire Awards Program. Questions were addressed. Mr. Snee made the motion to adopt the revised Inspire Awards Program and Mr. Comfort seconded. The motion was approved unanimously.

**BOARD OF DIRECTORS MINUTES  
MEETING 04-3B  
MARCH 26, 2004  
PAGE 3**

Darlington – Update – 5 Year Plan – Ms. Frketic briefed the Board on the history of the project and the requirement to review, update, and readopt the Five-Year Plan for the Service District every two years. A public information hearing was held March 3<sup>rd</sup>. A question by a Board member was addressed. Mr. Hallmark reviewed the agency's communication efforts and at the community's request an additional information session has been scheduled for April 22<sup>nd</sup>. Ms. Chissell reviewed Resolution 04-03-1R adopting the third biennial update to the five-year plan, and a modification to the rate structure. A summary of the public information hearing was handed out, and reviewed by Board members. A question was addressed. Mr. Snee made the motion to approve Resolution 04-03-1R. Mr. Shubnell seconded. The motion was approved unanimously.

Organics Bagging Facility - Ms. Wojton provided information on the background, current situation, challenges and future considerations for this project. Copies of Ms. Wojton's PowerPoint presentation were handed out and brochures and pamphlets were passed around. Mr. Cook reviewed the operating results ending February 29, 2004. Questions were addressed and a suggestion made that MES pursue the golf course market.

**FINANCIAL**

Mr. Howarth reviewed the Financial Statements ending February 29, 2004. Questions were addressed.

Mr. Shubnell as Chair of the Audit Committee reported the processes and results of the auditors' selection process. Mr. Shubnell made the recommendation to approve the appointment of Clifton Gunderson LLP for a three (3) year period with option to renew. Mr. Sparkman noted that MES has requested additional information on pending litigation with their private sector clients. A memorandum from MES's procurement officer was handed out recommending the award of the contract to Clifton Gunderson. Mr. Shubnell made the motion to approve the report of the Audit Committee with their recommendation pending receipt of the litigation information. Mr. Addison seconded. The motion was approved unanimously.

Mr. Howarth introduced and reviewed Resolution 04-03-2R, which is an Intent to Finance with respect to the equipping and furnishing of the new headquarters building. Questions were addressed. An email was handed out listing the anticipated purchases and costs. A request was made to recap the dollar amounts at April's meeting. Mr. Snee made the motion to approve the Resolution, Mr. Shubnell seconded and the motion was approved unanimously. Ms. Wojton responded to a question with regard to the building construction schedule and advised the Board that it was still on time and on budget. Permanent financing will be brought before the Board at a later meeting.

**PROCUREMENT**

Mr. Sparkman reviewed the one Procurement item for Board approval. Ms. Jenkins made the motion to approve the item, Mr. Snee seconded. The motion was approved unanimously. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

**LEGAL REPORT**

Mr. Coleman informed the Board that the case initiated by a former employee was dismissed last week by the Baltimore City Circuit Court. The plaintiff has the right to appeal or file a new suit.

Mr. Coleman briefed the Board on Senate Bill 508, which will affect how MES and other State agencies conduct business with each other. An amendment has been drafted and been sent to Conference Committee. Ms. Jenkins asked about the bill establishing a Scrap Tire Collection and Disposal Program. Mr. Sparkman provided some background.

**ADJOURNMENT**

Mr. Sparkman adjourned the meeting at 3:10 p.m. The next scheduled meeting is April 22nd at MES headquarters.

  
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**BETH WAJTON  
SECRETARY**

  
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**JOHN S. SPARKMAN  
DIRECTOR**





Robert L. Ehrlich, Jr.  
*Governor*

John S. Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-4  
April 22, 2004**

**LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 9:00 a.m. (Meeting scheduled)  
9:00 a.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
Joseph F. Snee (arrived at 9:28 a.m.)  
Leslie Jackson Jenkins  
Paul W. Comfort  
Lawrence D. Shubnell  
William B.C. Addison

**OTHERS PRESENT:** Michael Wojton  
Ellen Frketic  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Crystal Chissell, Esq.  
The following individuals attended a portion of the meeting:  
Mack McLellan  
Marc Morgan  
Robert Phillips  
Willie Bruce  
Lemuel Carr  
Andre Henderson  
Richard Thompson

**INSPIRE AWARDS**

Mr. Gregory introduced Robert Phillips, Willie Bruce, Lemuel Carr, Andre Henderson, and Richard Thompson to the Board members as recipients of Inspire Awards for Extraordinary

Service. Mr. Sparkman presented the awards to the individuals. Rusty Carter also was given an award, but was not able to attend the meeting.

### MINUTES

Mr. Sparkman as Chairman stated he had reviewed the Minutes of March 26, 2004. The Motion to approve the Minutes was made by Mr. Shubnell and seconded by Ms. Jenkins. The Minutes were approved. Mr. Shubnell asked if the litigation information requested from Clifton Gunderson LLP has been received and Mr. Sparkman advised the Board the information was received and the award is proceeding.

### DIRECTOR'S REPORT

Mr. Sparkman provided a report on the following:

The Strategic Direction was announced to all employees on April 2<sup>nd</sup>. The new organizational structure will be effective May 17<sup>th</sup>. Available positions have been posted.

Mr. Sparkman complimented Sean Coleman, Beth Wojton, and Ken Howarth on their efforts with regard to the proposed legislation that would have affected how MES and other State agencies conduct business with each other.

Mr. Sparkman informed the Board he has been working on drafting charters for the Board's Audit and Compensation committees. He will discuss the Compensation committee charter with Mr. Snee as Chair of the committee. He added that information was later provided to him with regard to the Audit Committee's existing charter, and Mr. Shubnell suggested the Audit Committee review its mission statement as part of the whole process.

Baltimore County – MES is waiting for a response from the County with regard to the transfer station project and a long-term contract for continued operation of the Western Acceptance and the Baltimore County Resource Recovery Facilities. Mr. Sparkman also noted MES is discussing longer term operations with Montgomery County as well.

Maryland Port Administration – The Port's expenditures for dredge material placement are being carefully reviewed as a result of a funding shortfall by the Army Corps of Engineers, which the Port is considering covering on an interim basis. The Port has asked MES to review its files for supporting paperwork with regard to the work MES performs for the Port. Additionally, MES is reviewing previous allowances of hiring administrative support for the Port and other state agencies. A recent request by the Port to MES to hire administrative support was declined by MES pending the Port receiving permission from the Department of Budget and

Management. We are also discussing the transition of employees on the MES payroll who actually work for the Chesapeake Bay Trust and the Department of Natural Resources.

### AGENCY ACTIVITY REPORT

Mr. Sparkman noted the various recycling activities in the Report, the proposals submitted to Wicomico County and the District of Columbia. It was noted by Mr. Wojton that the Dorchester County proposal to provide assistance during the closure capping of the Old Beulah Landfill was mailed April 21<sup>st</sup>.

### SPECIAL REPORTS

The following Special Reports were presented to the Board:

Grants presentation – Mr. Gregory introduced Marc Morgan, MES' Grants Administrator. Mr. Morgan provided a Grants Update that included the mission, goals, accomplishments, and submitted proposals. The Board complimented the efforts.

Tire Facility – Mr. Snovitch provided an update of the Facility. He advised the Board that the position of tire sorter has been eliminated and that individual will be reassigned. Due to the shortage of steel at this time, delivery of the wire baler has been delayed. United Iron & Metal, who is procuring the baler and is the buyer of the tire wire, has agreed to pay MES \$5.00/ton until the baler is on site. The delivery date is now scheduled for mid-May. MES is looking at ways to dispose of tire fluff. Test burns are scheduled with two cement companies. Other resources are also being looked into. A meeting was held with Sportex to discuss the business relationship. MES can produce a certain amount of crumb rubber for Sportex's needs and will broker the remaining amount. Questions were addressed. Mr. Shubnell cautioned that any brokering agreements be carefully constructed to avoid financial risk to the agency.

### EXECUTIVE SESSION

At this time, 9:48 a.m., the Board, upon motion of Mr. Addison, seconded by Ms. Jenkins, unanimously approved, the Board voted to go into executive session to discuss the employment, assignment and compensation of an employee, as permitted under §10-508(a)(1) of the State Government Article. Also present during the executive session was Ms. Chissell. The Board also considered Resolution 04-04-2R, establishing an incentive compensation program for the Chief of Business Development and Marketing of the Maryland Tire Recycling and Crumb Rubber Production project. The Board did not take any official action while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 10:06 a.m.

Mr. Shubnell made the motion to approve Resolution 04-04-2R and Mr. Snee seconded. The motion was passed unanimously.

New building update – Ms. Wojton presented an update on the status of the new building. Mr. Cook reviewed the non-partnership costs of the project and financing strategies. Questions were addressed. Ms. Chissell introduced Resolution 04-04-1R, the Permanent Financing Resolution for the new building. This allows the Director to negotiate and sign final loan documents. Questions were addressed. Mr. Shubnell suggested that management review carefully the lenders' specific terms and conditions to strike a loan agreement with terms favorable to MES's requirements. This should include no prepayment penalty terms. Mr. Shubnell made the motion to approve the Resolution, Mr. Snee seconded and the motion was approved unanimously.

### FINANCIAL

Mr. Howarth reviewed the Financial Statements ending March 31, 2004. Questions were addressed. Comments were made about the necessity of assessing the Tire Facility project each month and Mr. Shubnell asked how much support the agency can provide the tire facility and bagging operations based on MES's cash balances. Mr. Howarth advised the Board that MES has determined a tolerance level of about \$3 million. We are currently at \$2.2 million.

### PROCUREMENT

There were no Procurement items for approval by the Board. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

### LEGAL REPORT

Ms. Chissell informed the Board that the former employee whose case was dismissed in March by the Baltimore City Circuit Court has filed an amended complaint against MES. He has also filed a tort claim with the State Treasurer's Office.

Ms. Chissell also advised the Board of a case, Miller v. MES – Annapolis Junction. This is an action against Waste Management. Waste Management's motion for summary judgment was denied by the Circuit Court for Baltimore City and trial is scheduled for May 24<sup>th</sup>. Several MES employees will probably be called to testify.

### OTHER BUSINESS

Mr. Sparkman advised members that May's meeting might be held in the new conference room of the new headquarters building.

A question was asked if there would be any opportunities for MES as a result of the passage of the "Flush Tax". MES to date has not identified anything in particular. Ms. Frketic told the Board that the City of Bowie has asked MES to look into nutrient removal upgrades.

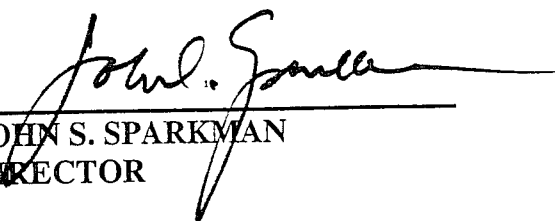
Mr. Sparkman informed the Board that discussions are ongoing with regard to burning chicken litter at power plant(s).

Mr. Shubnell requested a resolution be drafted expressing the Board's appreciation for Dan McMullen's commitment and dedication. A draft will be prepared and circulated by email to be finalized at May's meeting. Mr. Sparkman advised the Board that a gift of appreciation has been sent.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 10:48 a.m. The next scheduled meeting is May 25th at the Annapolis office:

  
\_\_\_\_\_  
BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S. SPARKMAN  
DIRECTOR

BOD 04-4



**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-5  
May 25, 2004**

- LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland
- TIME:** 9:00 a.m. (Meeting scheduled)  
9:00 a.m. (Meeting convened)
- DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
William B.C. Addison  
Leslie Jackson Jenkins (arrived at 9:38 a.m.)
- DIRECTORS ABSENT:** Joseph F. Snee  
Paul W. Comfort
- OTHERS PRESENT:** Sean Coleman, Esq.  
Charles Madison  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Michael Wojton  
The following individuals attended a portion of the meeting:  
Mack McLellan  
Greg Africa  
Bill Chicca  
Dub Deason  
John Slater  
Elsie Leibrand  
Amy Furrow  
David Ferguson  
David Foster  
Mike Kautz  
Henry Lurz  
Bruce Shrover

### **INSPIRE AWARDS**

Mr. Gregory introduced Elsie Leibrand, Amy Furrow, David Foster, Mike Kautz, Henry Lurz, and Bruce Shrover to the Board members as recipients of Inspire Awards for Extraordinary Service. John Slater, David Ferguson, and Dub Deason accompanied the recipients. Mr. Sparkman presented the awards to the individuals. Gary Steffan was also given an award, but was not able to attend the meeting.

### **MINUTES**

Mr. Sparkman as Chairman stated he had reviewed the Minutes of April 22, 2004. The Motion to approve the Minutes was made by Mr. Shubnell and seconded by Mr. Addison. The Minutes were approved.

### **DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

Mr. Sparkman provided a report on the following:

The new organization took effect May 17<sup>th</sup>. The organizational chart is contained in the Board's notebook. Mr. Sparkman welcomed Charles Madison, the Executive Director of the Technical and Environmental Services Group. The move to the new headquarters building will be official June 7<sup>th</sup>. June's meeting will be held in the new building.

Mr. Sparkman has launched a review of current MES procurement practices. A team composed of representatives from each Group has been formed and is being led by the Chief of Procurement, Irene Hoffman. The team will make recommendations for improvement.

Mr. Sparkman pointed out the Accepted Proposals in the Agency Activity Report. A question and subsequent discussion was held about the measurement of new business with relationship to Strategic Direction and allowing time for the Technical & Environmental Services Group to develop and mature. Discussion was also held about the BEST PLUS program. The program will be discussed at June's meeting.

### **SPECIAL REPORTS**

The following Special Reports were presented to the Board:

Midshore Regional Solid Waste Facility – Mr. Sparkman introduced Greg Africa, the Facility's project engineer. Mr. Africa provided a briefing on Midshore I & II. The briefing included goals, potential solutions and recommendations to handle the increased waste stream,

**BOARD OF DIRECTORS MINUTES  
MEETING 04-5  
MAY 25, 2004  
PAGE 3**

development of Midshore II, and milestones. MES met with the regional county administrators and will be attending a Talbot County Council meeting. Questions were addressed and discussion was held.

Somerset County – Mr. Sparkman introduced Bill Chicca, Chief of Engineering. Mr. Chicca provided an update on the status of the completion of work at the Westover Landfill Closure. Questions were addressed and discussion held about funds for the work.

Tire Facility – Mr. Snovitch provided a brief update of the Facility. A more in-depth review will be presented at June's meeting. The new Chief of Marketing & Development for the Tire Facility, Ted Bernhardt has started work and is currently negotiating with Sportexe. Sales of sports field material and TreadSpread increased during the month of April and numbers are increasing for May.

**FINANCIAL**

Mr. Howarth reviewed the Financial Statements ending April 30, 2004. Questions were addressed.

Mr. Howarth and Mr. Coleman updated the Board on permanent financing for the new building. Allstate Insurance has withdrawn its proposal. Questions were addressed and discussion was held about the interpretation of the prepayment penalty terms. Mr. Shubnell requested follow up as to Mr. Howarth's interpretation and the reason for Allstate's withdrawal.

Mr. Howarth introduced Resolution 04-05-2R. This Resolution is a request to approve the financing of furniture, fixtures and equipment for the new building. Financing is by Koch Financial Corporation through the terms of the 2000 Master Equipment Lease-Purchase Agreement. Mr. Shubnell made the motion to approve the Resolution, Ms. Jenkins seconded. Questions were addressed. The motion was approved unanimously.

**EXECUTIVE SESSION**

At 10:58 a.m., upon motion of Mr. Addison, seconded by Ms. Jenkins, unanimously approved, the Board voted to go into executive session to discuss the performance evaluation and compensation of officials and employees, as permitted under §10-508(a)(1) of the State Government Article. Also present during the discussion was Mr. Coleman. The Board did not take any official action while in executive session. Following the discussion the Board, upon motion of Mr. Addison, seconded by Mr. Shubnell, voted unanimously to return to open session at approximately 11:20 a.m.



**Resolutions 04-05-03R, 04-05-04R, 04-05-05R**

Mr. Howarth moved to approve Resolution Nos. 04-05-03R, 04-05-04R, and 04-05-05R. Ms. Jenkins seconded the motion, and discussion followed. Mr. Shubnell requested that Resolution 04-05-05R be modified to delete reference to the Board of Directors approving the specific salaries of agency executives who are not officers of the Service. Mr. Shubnell expressed the view that the Director should set those salaries, with input from the Board's Human Resources and Compensation Committee. After further discussion it was unanimously agreed that Resolution 04-05-05R should be amended by deleting language in the Recitals and in Section 1 of the Resolution, to the Board approving the salaries of executives who are not also officers of MES. Several additional questions were asked, and Mr. Sparkman and Mr. Coleman explained the intent and effects of the proposed resolutions. Following the discussion the Board voted unanimously to adopt the 3 resolutions, as amended.

**Board of Directors Human Resources and Compensation Committee**

A draft charter of the Human Resources and Compensation Committee was presented to the Board. Mr. Shubnell moved to adopt the draft charter, and Ms. Jenkins seconded the motion. Discussion followed. Mr. Shubnell suggested that language in the "Responsibilities" section of the draft charter which indicated that the Committee's authority to review compensation of non-executives was to be discretionary should be changed to make it mandatory. Mr. Shubnell also suggested that in light of the adoption of Resolution 04-05-05R, as amended, language in the draft charter, which indicated that the Board set salaries for executives should be deleted. Instead, the charter should require the Director to present his salary recommendations to the Committee, which would then offer its collective input. After further discussion it was unanimously agreed to modify the draft charter to incorporate these proposed changes. Following the discussion the Board voted unanimously to adopt the draft charter, as amended, of the Human Resources and Compensation Committee of the MES Board of Directors.

Mr. Addison then moved that the Human Resources and Compensation Committee be composed of Mr. Snee, Ms. Jenkins, and Mr. Comfort. Mr. Shubnell seconded the motion, and it was unanimously approved.

**PROCUREMENT**

Item 3: Mr. Shubnell moved to approve Procurement Item No. 3, and Mr. Addison seconded. Questions regarding all three of the procurement items were addressed. Following the discussion the item was unanimously approved.

Items 1 and 2: Mr. Shubnell move to approve Procurement Items 1 and 2, Mr. Addison seconded, and the items were approved, with the exception that Ms. Jenkins did not vote and did not participate in the discussion of the items.

Mr. Sparkman noted the Notifications contained in the Board's notebooks.

### LEGAL REPORT

Mr. Coleman advised the Board that the case of *Tammy Miller Wade, et al. v. Waste Management, Inc.* was supposed to go to trial May 24th. The trial has been postponed and settlement discussions are underway. Several MES employees will be subpoenaed to testify at the trial, if it occurs.


Baltimore County – A draft long-term agreement was sent to the County with regard to the transfer station project and a long-term contract for continued operation of the Western Acceptance and the Baltimore County Resource Recovery Facilities. MES has responded to the County's comments. Mr. Sparkman noted that he and Mike Wojton will also be meeting with Montgomery County to discuss a long-term contract with them.


### RESOLUTION

Mr. Sparkman presented Resolution 04-05-1 expressing the Service's appreciation of Mr. Daniel McMullen's service to the Board. Mr. Shubnell made the motion to approve the Resolution, Ms. Jenkins seconded and the motion passed unanimously.

### ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:31 a.m. The next scheduled meeting is June 24th at the new office building.

  
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BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S. SPARKMAN  
DIRECTOR



Robert L Ehrlich Jr  
*Governor*

John S Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04 6  
June 24, 2004**

**LOCATION** 2011 Commerce Park Drive  
Annapolis, Maryland

**TIME** 11 00 a m (Meeting scheduled)  
11 35 a m (Meeting convened after Compensation Committee  
meeting)

**DIRECTORS PRESENT** John S Sparkman, Chairman  
B Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A Howarth, Treasurer  
Lawrence D Shubnell  
William B C Addison  
Leslie Jackson Jenkins  
Joseph F Snee  
Paul W Comfort

**OTHERS PRESENT** Sean Coleman, Esq  
Charles Madison  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Michael Wojton  
Crystal Chissell

**CALL TO ORDER**

Mr Sparkman called the meeting to order at 11 35 a m

**MINUTES**

Mr Sparkman as Chairman stated he had reviewed the Minutes of May 25 2004 Mr Shubnell moved to approve the minutes of the meeting Mr Addison seconded the motion and the Board unanimously approved the minutes

**REPORT OF THE COMPENSATION COMMITTEE**

Mr Snee Chairman of the Board s Compensation Committee announced that the Committee had met that morning from 9 00 until 11 30 Mr Shubnell and Mr Addison had joined the committee meeting prior to its conclusion The subject of the Committee s meeting was review of performance and salary of officials and employees of the Service Mr Snee further reported that the Committee recommended that the annual salary of the Director should be \$160 000 and the annual salary of the Deputy Director should be \$120 000 to be effective July 1 2004 Mr Shubnell moved to accept the reported recommendation Mr Comfort seconded the motion and the motion was unanimously approved with the exception that Mr Sparkman Mr Gregory Mr Howarth and Ms Wojton abstained Mr Snee then moved to set the annual salary of the Treasurer and the Secretary at \$120 000 each to be effective July 1 Ms Jenkins seconded the motion Mr Shubnell requested that the approval be given with the understanding that in addition to their statutory duties the Treasurer is to continue to perform the duties of Chief Financial Officer and the Secretary is to continue to perform the duties of Chief of Staff and both are to perform such other duties as are assigned by the Board and the Director Mr Sparkman asked for approval of the motion with the provision that the duties of the Treasurer and Secretary would be as stated by Mr Shubnell and the motion was unanimously approved with the exception that Mr Sparkman Mr Gregory Mr Howarth and Ms Wojton abstained

**MISCELLANEOUS ANNOUNCEMENTS**

Mr Sparkman announced the Injured Workers Insurance Fund is honoring MES with a Safety Saves with IWIF Premier Partnership Award for MES s commitment to safety

Mr Sparkman passed out a letter from Prince George s County regarding MES s performance with respect to identifying possible transfer station sites in the County MES is working to remedy the issues addressed and complete the tasks by July 9<sup>th</sup>

**DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

A question was asked about the Midshore project A meeting is scheduled with the County Administrators on July 28<sup>th</sup> A draft Memorandum of Understanding among the Counties and MES will be distributed at that time The purpose of the MOU is to confirm the Counties approval of MES moving forward with the permitting for Midshore II The MOU will also restate the obligations of each of the Counties to designate a landfill site in their respective counties

Mr Sparkman noted that the Agency Activity Report had been sent to the Board members and there is no other information significant to report

**SPECIAL REPORT**

The following Special Report was presented to the Board

Tire Facility – Mr Snovitch provided an update of the Facility The in depth review included a review of the operations marketing sales summary and a 3 year statement of operations summary Questions were addressed Suggestions were made about marketing TreadSpread at the Maryland Municipal League and Maryland Association of Counties summer conventions and contacting county Parks & Recreation departments MES booths will be at both conventions Based on the review Mr Sparkman recommended that MES continue operations and re assess periodically Mr Snee recommended that the Board re assess the project on a monthly or quarterly basis Additional questions were addressed The Board concurred with Mr Sparkman s recommendation and the re assessment of the project on a periodic basis

**FINANCIAL**

Mr Howarth reviewed the Financial Statements ending May 31 2004 The focus this month was the Summary of Operations and Net Assets A question was addressed about the impact of cash flows It was agreed that at July s meeting the Board will review the annual budget

**HUMAN RESOURCES**

Mr Gregory presented technical corrections to various policies that are within Chapter 1 of the Service s Personnel Policies and Procedures These corrections reflect organizational changes and title changes Mr Howarth made the motion to approve amended Policies 1 01 1 04 1 05 1 06 1 07 1 09 1 10 1 11 1 12 1 17 1 18 and 1 20 Mr Addison seconded the motion and it was approved unanimously Other proposed amendments to subsequent chapters will be presented each month

Mr Wojton reviewed proposed changes to Policy No 8 03 revising the Apprenticeship Policy for Environmental Systems Operator Issues and comparisons were presented Questions were addressed Board approval was requested to approve the changes to the apprenticeship program Mr Addison made the motion to approve the changes Mr Snee seconded and the motion was approved unanimously

Ms Wojton presented Resolution 04 06 1R amending the BEST Plus program to enable MES to pay a performance incentive payment to employees for extraordinary service regardless of whether the service is related to achieving BEST goals Questions were addressed and discussion

held Mr Shubnell made the motion to approve Resolution 04 06 1R and Mr Addison seconded  
The motion was approved unanimously

### **PROCUREMENT**

Mr Sparkman reviewed Procurement Items 1 through 6 and questions were addressed  
Mr Shubnell made the motion to approve Items 1 through 6 Mr Snee seconded The referenced  
Items were approved unanimously After the approval a question was asked about the progress of  
the long term contract with Baltimore County Mr Coleman stated the County had sent the  
contract to their counsel s office for review

Mr Sparkman noted the Notifications contained in the Board s notebooks

### **LEGAL REPORT**

Mr Coleman advised the Board that federal investigators appeared at the office this week  
and interviewed three individuals regarding the Aberdeen Proving Ground O Field project  
Background information was provided to Mr Comfort and questions were addressed

### **SOMERSET COUNTY**


Mr Sparkman advised that the project has incurred weather related delays further  
increasing the projected additional costs discussed at the last Board meeting Estimated costs are  
being re calculated for construction based on the possibility of MES being unable to complete  
seeding


### **HEADQUARTERS**

Mr Sparkman thanked Ms Wojton for her efforts with regard to the office building The  
Board members congratulated the Director the staff and the Morrell Company on meeting the  
time schedule and finishing the project within the budget

ADJOURNMENT

Mr Sparkman adjourned the meeting at 12 52 p m The next scheduled meeting is July 22<sup>nd</sup>  
at headquarters

  
\_\_\_\_\_  
BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S SPARKMAN  
DIRECTOR

BOD 04 6



**BOARD OF DIRECTORS  
MINUTES  
MEETING 04 7  
July 22, 2004**

**LOCATION** 2011 Commerce Park Drive  
Annapolis, Maryland

**TIME** 9 00 a m (Meeting scheduled)  
9 05 a m (Meeting convened)

**DIRECTORS PRESENT** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
William B. C. Addison  
Paul W. Comfort

**DIRECTORS ABSENT** Lawrence D. Shubnell  
Leslie Jackson Jenkins  
Joseph F. Snee

**OTHERS PRESENT** Sean Coleman, Esq.  
Charles Madison  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Michael Wojton  
Crystal Chissell, Esq.  
The following individuals attended a portion of the meeting  
Nick Kuba  
Frank Babusci  
Welford McLellan

**CALL TO ORDER**

Mr. Sparkman called the meeting to order at 9 05 a m

**INSPIRE AWARDS**



**BOARD OF DIRECTORS MINUTES**  
**MEETING 04 7**  
**JULY 22, 2004**  
**PAGE 2**

Mr Gregory introduced Nick Kuba and Frank Babuscı to the Board members as recipients of Inspire Awards for Extraordinary Service Mr Sparkman presented an award to each individual

**MINUTES**

Mr Sparkman as Chairman stated he had reviewed the Minutes of June 24 2004 Mr Addison moved to approve the Minutes of the meeting Mr Gregory seconded the motion and the Board unanimously approved the minutes

**DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

Mr Sparkman reported on the following activities A Quarterly Leadership meeting was held with managers and supervisors in attendance A number of project briefings took place as well as updates on progress related to our new strategic directions Invitations have and will continue to be sent to field employees inviting them to tour the new building attend an agency briefing and lunch A flag raising ceremony was held at headquarters with a barbecue lunch following Executive Staff is holding one of its weekly meetings in the field each month Field meetings to date have been held at the Midshore Regional Landfill and Poplar Island Guest speakers have also been invited to the meetings The Deputy Secretary of the Maryland Department of the Environment will attend the Executive Staff meeting on Monday A daily equipment operations report has been initiated The report includes all outages repairs and establishes priorities

The agreement with Baltimore County is being finalized and will be presented by the County to the County Council on September 7th

The Chief of Procurement has presented recommendations from the review committee to Mr Sparkman for changes to MES s procurement procedures The committee will do additional work and then the recommendations will be presented to the Executive Staff

The internal auditor is reviewing MES s contractual relationships and intergovernmental agreements

Mr Sparkman noted that the Agency Activity Report had been sent to the Board members There were no questions from the Board members

**SPECIAL REPORT**

The following Special Reports were presented to the Board

**BOARD OF DIRECTORS MINUTES**  
**MEETING 04 7**  
**JULY 22, 2004**  
**PAGE 3**

Tire Facility – Mr Snovitch provided an update of the Facility The update included the year end financials on going negotiations with Sportex and recent marketing efforts The IPEMA certification process for TreadSpread is underway and MES is working on American Disabilities Act approval of the material Questions were addressed

Bagging Facility – Ms Wojton presented an in depth review of the bagging facility project The review included the background of the project problems and future considerations Sales of fertileGRO have been well below initial projections and are not sufficient to cover costs During Ms Wojton s presentation Ms Chissell informed the Board of contract issues with Pure Barnyard MES s contract bagging client The agency and Office of Attorney General both recommend that MES should pursue a settlement with Pure Barnyard and end the contractual relationship Discussion was held and questions addressed The Board concurred with suspending the marketing of fertileGRO and beginning negotiations with Pure Barnyard At August s meeting an analysis of options with recommendations will be presented with regard to the Bagging Facility

Somerset County – Mr Madison presented an update of the Somerset County project He reviewed the progress as of July 16<sup>th</sup> construction issues MES is facing projected costs and available funds This information was also presented at the Quarterly Leadership meeting

**BEST 2005**

Ms Wojton presented the BEST goals for 2005 and the new approach taken this year to develop the goals A committee comprised of Division Chiefs developed the goals The recommendation to the Board was to approve the BEST Goals for 2005 as presented to the Board Questions were addressed Mr Addison made the motion to approve the goals Mr Gregory seconded and the BEST goals were approved unanimously

**FINANCIAL**

Mr Howarth reviewed the fiscal year 2005 Budget and the preliminary 2004 Year End Financial Statements The implications for a BEST payment for FY 2004 will be discussed next month

**HUMAN RESOURCES**

Mr Gregory presented technical corrections to various policies that are within Chapters 2 and 3 of the Service s Personnel Policies and Procedures Mr Addison made the motion to approve amended Policies 2 03 3 02 3 09 and 3 11 Mr Howarth seconded the motion and it was approved unanimously Other proposed amendments to subsequent chapters will be presented each month

PROCUREMENT

Mr Sparkman reviewed Procurement Items 1 through 4 and questions were addressed Mr Howarth noted a correction to Item 3 The Fund Source is an MES bond Mr Addison made the motion to approve Items 1 through 4 Mr Gregory seconded The referenced Items were approved unanimously

Mr Sparkman noted the Notifications contained in the Board s notebooks

LEGAL REPORT

Mr Coleman advised the Board he has been working on the closing documents for the permanent financing of the new MES headquarters building The development joint venture of which MES is a member is borrowing from Jefferson Pilot Insurance Company for a term of 20 years at 5 98% An early payment and buy out clause is included

In the case of Miller v Waste Management the parties have reached a settlement The details of the settlement have not been made known to us


A motion has been filed for default judgment in the Gardina v MES case Mr Coleman expects a dismissal of that motion

The Aberdeen Proving Ground O Field project federal investigation is continuing

ADJOURNMENT

Mr Sparkman adjourned the meeting at 11 02 a m The next scheduled meeting is August 26th at headquarters

  
BETH WOJTON  
SECRETARY

  
JOHN S SPARKMAN  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 04 8  
August 26, 2004**

**LOCATION** 259 Najoles Road  
Millersville, Maryland

**TIME** 9 00 a m (Meeting scheduled)  
9 05 a m (Meeting convened)

**DIRECTORS PRESENT** John S Sparkman, Chairman  
B Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A Howarth, Treasurer  
William B C Addison  
Paul W Comfort  
Leslie Jackson Jenkins (arrived at 9 20 a m )  
Joseph F Snee

**DIRECTORS ABSENT** Lawrence D Shubnell

**OTHERS PRESENT** Sean Coleman, Esq  
Charles Madison  
Henry Cook  
Mike Snovitch  
Andy Hallmark  
Michael Wojton  
The following individuals attended a portion of the meeting  
Nick Kuba  
Welford McLellan  
Kurt Ricketts  
Greg Green  
Ray Rubio  
Richard Pollock  
Mark Loving  
Cece Donovan  
Patricia Tantum

**CALL TO ORDER**

Mr Sparkman called the meeting to order at 9 05 a m

**INSPIRE AWARDS**

Mr Gregory introduced Mark Loving Greg Green Ray Rubio Kurt Ricketts and Richard Pollock to the Board members as recipients of Inspire Awards for Extraordinary Service Mr Sparkman presented an award to each individual

**MINUTES**

Mr Sparkman stated he had reviewed the minutes of the meeting July 22 2004 Mr Addison moved to approve the minutes Mr Comfort seconded the motion and the Board unanimously approved the minutes

**DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

Mr Sparkman reported on the following activities He explained that MES is working with the Maryland Port Administration to develop an environmental impact statement for the introduction of a new type of oyster into the Chesapeake Bay He noted that Cece Donovan would be speaking more about this effort later in the meeting

He also mentioned a meeting requested by the Maryland Department of the Environment to discuss the remediation of sites that have been contaminated by petroleum products The cleanup of these sites would cost approximately \$250 000 A meeting to discuss the issue was scheduled for the week after the board meeting

**SPECIAL REPORT**

The following Special Reports were presented to the Board

Environmental Dredging and Restoration Report – Cece Donovan provided board members with an overview of the agency s ongoing work to write an environmental impact statement (EIS) concerning the introduction of a new type of oyster into the Chesapeake Bay The bay s native oyster has seen a steady decline and does not appear destined to recover in the near term The Maryland Department of Natural Resources chose MES to conduct the study that will determine the environmental effects of introducing the new oyster If the study shows no problems the new oyster could be introduced by the summer of 2005 Ms Donovan also discussed the agency s dredging program for the Maryland Port Administration She explained the process used to choose where the dredged material is placed and talked about future options being explored to handle dredged materials when Poplar and Hart Miller islands can no longer take material

**BOARD OF DIRECTORS MINUTES  
MEETING 04 8  
AUGUST 26, 2004  
PAGE 3**

Mr Snee asked several questions about the introduction of the oyster sparking a brief conversation about the obstacles that must be overcome before this new breed would be placed in the Bay There was also discussion about the agency's contract with the Maryland Port Administration

Tire Facility – Mike Snovitch informed the Board that the Tread Spread product has failed its initial ADA test MES would now be exploring two options (1) it could produce a separate material that could pass the test or (2) it would not market the material for playgrounds

The Tread Spread product did pass the IPEMA test IPEMA has requested an unlimited indemnification before it will certify the material meets its standards but MES is precluded as a matter of law from giving an unlimited indemnification MES is considering joining IPEMA so that it can advertise its membership and that it has passed the IPEMA test

MES is in the final stages of negotiating an agreement with Sportex MES intends to purchase cryogenically produced tire crumb and resell it to Sportex Sportex is reluctant to enter into a long term agreement with MES without MES agreeing to also supply cryogenic material

Mr Snovitch presented a statement of sales He advised the Board that Tread Spread is selling well Overall losses for the project are falling the forecast looks good for MES to be in a positive sector by the end of the year In response to a question about whether sales of tire chips and crumb are cyclical Mr Snovitch responded that sales of sports field material can be strong until November and Tread Spread sales should be strong through the fall MES is talking to a distributor in New York who might purchase up to 10 million pounds per year of Tread Spread

Bagging Equipment – Mike Snovitch reported that he engineers from Technical and Environmental Services and Henry Cook from the Finance Group had conducted a thorough review of the pros and cons of keeping the current bagging equipment at the Halethorpe tire recycling facility Options included selling the equipment transferring the equipment to a new location finding a partner in the project or keeping the facility as is so the equipment can be used to bag Tread Spread At the end of the discussion the suggestion to the Board was to keep the equipment It made the most sense from a financial technical and operational perspective After some discussion the board agreed with this recommendation

Somerset County – Charles Madison let the board know that the Westover Landfill closure project in Somerset County was largely complete The final cost to MES is currently \$1.4 million This could change if the County agrees to release some of the retainage it has left over from the contract with the original construction company Mr Madison mentioned that the project managers were going over final punch list items today

### **FINANCIAL**

Ken Howarth reviewed the 2004 Year End Financial Statements. He explained the reason for the reduction in interest income. He also pointed out that the agency overhead expenses were down in FY 04 by approximately \$114,000.

Mr. Howarth then reviewed the agency's net asset components. Following this review, he presented a Memorandum dated August 26, 2004, recommending reallocations to the agency's Unrestricted Net Assets. Mr. Snee made a motion to approve the changes as described in the Memorandum, and Mr. Addison seconded the motion. The motion was unanimously approved.

Following Mr. Howarth's presentation, Mr. Sparkman took a moment to discuss a conversation he had with the absent Mr. Shubnell regarding the Agency's financial position, which Mr. Shubnell had asked him to share with the Board.

Mr. Sparkman noted that this was not a time of business as usual. Because of the difficult financial year the Service had, it would be important to address the agency's pricing structure immediately. He said it would also be important for the agency to focus on finding new service opportunities to help support its overhead costs and to rebuild operating funds.

### **HUMAN RESOURCES**

Conway Gregory presented technical corrections to Policy Numbers 5.02, 6.01, 6.06, and 7.02 of the Service's Personnel Policies and Procedures. Mr. Gregory made a motion to approve the amendments, and Mr. Addison seconded the motion. It was approved unanimously. Other proposed amendments to subsequent chapters will be presented each month.

Mr. Gregory also made a motion to amend Policy 10.05. The purpose of the change is to extend the salary scale for certain employees who have outgrown their salary range over time. Mr. Snee seconded the motion, and it was unanimously approved.

### **PROCUREMENT**

Mr. Sparkman reviewed Procurement Items 1 through 3, and questions were addressed. Ms. Jackson-Jenkins made the motion to approve Items 1 through 3, Mr. Addison seconded. The referenced items were approved unanimously.

Mr. Sparkman noted the Notifications contained in the Board's notebooks.

LEGAL REPORT

Sean Coleman advised the Board that the Baltimore County Agreement to expand the WAF would be presented to the County Council in early September. This agreement will include a five year IGA and expansion of the WAF.

Mr. Coleman also discussed ongoing litigation over patent issues between one of our customers (Sportex) and one of its competitors.

Finally, he talked about the ramifications of an MES contractor who improperly expelled CFCs from refrigeration units at the BCRRF. Mr. Coleman was meeting with the EPA via telephone the next week to discuss the issue. Mr. Sparkman mentioned that the agency is exploring adopting an agency wide model environmental compliance program in response to this issue.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:24 a.m. The next scheduled meeting is September 30th.

  
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BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S. SPARKMAN  
DIRECTOR

BOD 04 8





Robert L Ehrlich Jr  
Governor

John S Sparkman  
Director

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04 9  
September 30, 2004**

**LOCATION** 259 Najoles Road  
Millersville, Maryland

**TIME** 9 00 a m (Meeting scheduled)  
9 02 a m (Meeting convened)

**DIRECTORS PRESENT** John S Sparkman, Chairman  
B Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A Howarth, Treasurer  
William B C Addison  
Paul W Comfort  
Leslie Jackson Jenkins

**DIRECTORS ABSENT** Lawrence D Shubnell  
Joseph F Snee

**OTHERS PRESENT** Sean Coleman, Esq  
Charles Madison  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Michael Wojton  
Crystal Chissell, Esq  
The following individuals attended a portion of the meeting  
Hament Patel  
Beatrice McQuarrie  
Ted Bernhardt  
Irene Hoffman  
Linda Brent  
Mike Stephens, Clifton Gunderson LLP

**CALL TO ORDER**

Mr Sparkman called the meeting to order at 9 02 a m

**MINUTES**

Mr Sparkman stated the Minutes of the meeting August 26 2004 had been reviewed and circulated in advance Mr Comfort moved to approve the Minutes and Mr Addison seconded the motion The Board unanimously approved the Minutes

**AUDIT REPORT**

Mr Howarth introduced Mike Stephens from the accounting firm of Clifton Gunderson the audit firm under contract with MES Mr Stephens announced that the audit reports are available and gave a brief overview of the report the management letter and the letter to the Board of Directors The auditors have noted deficiencies in some of the agency s internal controls and have made recommendations for improvements He also complimented the agency and the staffs cooperation throughout the process Questions were addressed Mr Howarth advised the members that the Board s Audit Committee met and reviewed the statement and letters He introduced Hament Patel and Beatrice McQuarrie from Finance who were instrumental with Henry Cook in assisting throughout the audit process

**SPECIAL REPORT**

The following Special Reports were presented to the Board

Tire Facility – Mr Snovitch reviewed the operations of the Facility MES is continuing its efforts to pass the ADA test and has another test scheduled Production issues with increases in shifts were presented along with a report of sales and operations The facility needs to produce a certain number of pounds of material a year to break even MES can produce that amount with existing equipment but only if it runs the plant for more shifts a day more days a week This level of production stresses the equipment The facility can produce some fewer pounds a year at a moderate level of production If MES increases shifts and days it can produce more material but production costs increase significantly Mr Snovitch is examining installing additional equipment which would allow for an increase in production with additional shifts per day Questions were addressed but some were deferred until Ted Bernhardt s presentation

Ted Bernhardt Chief of Marketing & New Business Development for the Recycling Group gave a presentation on the trend of scrap tire sales in the United States since 1990 current scrap tire disposition the value chain sources of ground rubber supply ground rubber markets and tire marketing s objectives For the current fiscal year to date sales are greater than the estimated amount used to establish the budget

Procurement Procedures – Irene Hoffman Chief of Procurement reported on the creation of the Procurement Review Group and its recommendations to address directed procurements and change orders She reviewed statutory and regulatory changes to accommodate the recommendations and revised internal procedures to manage risk but also streamline the procurement process A legislative package to eliminate dollar thresholds for small procurements add authorization for alternative dispute resolution and add emergencies and sole sources to authorized procurements has been prepared and submitted to the Governor s Legislative Office Questions and suggestions were addressed Mr Comfort requested a copy of the legislative package

Human Resources – Linda Brent Chief of Human Resources presented a regulatory change to the Tuition Assistance Program Policy No 8 02 She reviewed the proposed changes to support and broaden the Program and addressed questions Ms Jenkins made the motion to approve the proposed Tuition Assistance Program and Mr Gregory seconded The motion passed with Mr Comfort abstaining Ms Brent then presented a new policy Hiring of Family and Partners Policy No 1 02 and reviewed its purpose Mr Addison made the motion to approve the policy and Mr Comfort seconded The motion was approved unanimously Ms Brent presented technical corrections to Policy Numbers 8 01 8 05 10 04 10 07 10 13 and 10 15 of the Service s Personnel Policies and Procedures Mr Addison made a motion to approve the amendments and Ms Jenkins seconded It was approved unanimously

#### **DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

Mr Sparkman reported on the following activities The Baltimore County Council approved the operations contract on September 7<sup>th</sup> Management and organizational changes have been instituted for the Baltimore County and Montgomery County projects The closure of the Somerset County landfill is complete and the County has accepted the project He has received thank you calls from the County s legislative representatives He informed the Board that Ken Howarth is addressing the reform of MES s pricing structure Mr Howarth and Charles Madison are meeting with the Maryland Port Administration to address MES s overhead charges

In reference to the Agency Activity Report Mr Sparkman said that Conway Gregory is pursuing new service opportunities A business summit for the Division Chiefs and other selected employees of MES is being held October 26<sup>th</sup> to brainstorm He noted that a revised proposal has been submitted to the Town of Centreville for supervisory assistance He also informed the Board that the State Department of Planning has contacted MES about two possible opportunities with new businesses coming into the state MES is also working with the Maryland Department of the Environment on a proposed pilot program to address the remediation of certain petroleum contaminated sites

**FINANCIAL**

Mr Howarth reviewed the Financial Statements ending August 31 2004

Mr Howarth then presented Resolution 04 09 1R which amends Resolution 03 09 2R This amendment modifies the amount of reimbursable project funds that may be retained by the Service and the uses of the monies Questions were addressed Mr Comfort made the motion to approve the Resolution and Mr Addison seconded the motion The motion was unanimously approved

**PROCUREMENT**

Mr Sparkman reviewed Procurement Items 1 through 6 Mr Addison made the motion to approve the items Ms Jenkins seconded The referenced items were approved unanimously

Mr Sparkman noted the Notifications contained in the Board s notebooks

**LEGAL REPORT**

Sean Coleman updated the Board on the CFC recovery issue at the Baltimore County Resource Recovery Facility EPA has issued an order to MES and the County to comply with the Clean Air Act Questions were also sent to MES and the contractor regarding the operations at BCRRF MES has responded to the questions Internal actions have also taken place with regard to operations at the Facility MES is drafting an agency wide environmental compliance program

Mr Coleman addressed a question about the retainage being held by Somerset County A letter has been sent to the County requesting the funds and their attorney has been contacted MES has received no response to date

**BEST 2004**

Ms Wojton presented the final results of the program for 2004 and the recommendation

**RECESS**

At 11 25 a m the Board recessed During this period the Board s Human Resources Committee met with the Director A quorum of the Board was not present

**FY 2004 BEST Recommendation**


**BOARD OF DIRECTORS MINUTES  
MEETING 04 9  
SEPTEMBER 30, 2004  
PAGE 5**

At 11 40 a m the Board reconvened Mr Sparkman presented to the Board a recommendation for amounts to be made available to MES Groups for payment of BEST and BEST Plus Mr Comfort moved to accept the recommendation and Mr Addison seconded the motion During discussion of the motion Mr Addison requested the Human Resources Committee review the BEST Program He believes that the BEST Program was intended to reflect how the agency has performed overall including its financial performance He expressed the concern that employees may view the program as resulting in an automatic payment if the goals are accomplished regardless of the agency s financial status Mr Comfort expressed the view that financial performance of the agency should be a goal itself The Board then unanimously approved the motion

**ADJOURNMENT**

Mr Sparkman adjourned the meeting at 11 52 a m The next scheduled meeting is October 28th

  
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BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S SPARKMAN  
DIRECTOR

BOD 04 9



**BOARD OF DIRECTORS  
MINUTES  
MEETING 04 10 1  
October 20, 2004**

**LOCATION** 259 Najoles Road  
Millersville, Maryland

**TIME** 12 10 p m (Meeting scheduled)  
12 12 p m (Meeting convened)

**DIRECTORS PRESENT** John S Sparkman, Chairman  
B Conway Gregory, Deputy Director  
Beth Wojton, Secretary

**DIRECTORS PARTICIPATING BY CONFERENCE CALL**

William B C Addison  
Lawrence D Shubnell  
Leslie Jackson Jenkins  
Joseph F Snee

**DIRECTOR PARTICIPATING ONLY IN HUMAN RESOURCES COMMITTEE  
MEETING**

Paul Comfort

**DIRECTORS ABSENT** Kenneth Howarth, Treasurer

**OTHERS PRESENT** Sean Coleman, Esq

**CALL TO ORDER**

Mr Sparkman called the meeting to order at 12 12 p m

**BEST 2004**

Mr Sparkman reminded the Board that the purpose of the meeting was for the Board to consider and act upon a recommendation for award of Executive Employee Incentive payments in accordance with previously approved Board Resolutions Pursuant to the Resolutions the

**BOARD OF DIRECTORS MINUTES  
MEETING 04 9  
SEPTEMBER 30, 2004  
PAGE 2**

amount of \$81 706 is available as Executive Incentive compensation The Board must determine the amount to be paid to eligible employees Each eligible employee will receive an amount equal to the same percentage applied to their base salary Mr Sparkman advised that for Fiscal Year 2004 there are five eligible employees the Director Deputy Director Treasurer Chief of Staff and Executive Director of the Environmental Operations Group

**RECESS**

At 12 25 p m the Board recessed and Mr Sparkman Mr Gregory Ms Wojton and Mr Coleman left the conference call The remaining board members constituting less than a quorum convened as the Human Resources Committee Mr Comfort participated in the committee meeting via conference call

**MEETING RECONVENED**

At 1 06 p m the meeting reconvened with all board members listed above being present except that Mr Comfort left the conference call prior to the meeting being reconvened Mr Coleman was also present

Mr Addison moved to establish the total amount of funds available for FY 2004 Executive Employee Incentive Compensation to be 76% of \$81 706 [which equals \$62096 56] and that each eligible employee should receive from the available funds an amount not to exceed 8% of their base salary If by applying the 8% to the salaries of the eligible employees the total would result in an amount that exceeds \$62096 56 then the 8% is to be reduced to the percentage that results in a total payment equal to the available funds Ms Jenkins seconded the motion The motion was unanimously approved with the exception that Mr Gregory and Ms Wojton abstained

**ADJOURNMENT**

Mr Sparkman adjourned the meeting at 1 12 p m Next meeting of the Board is Thursday October 28 9 00 a m at MES Headquarters

  
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BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S SPARKMAN  
DIRECTOR



**MARYLAND  
ENVIRONMENTAL  
SERVICE**

Robert L. Ehrlich, Jr.  
*Governor*

John S. Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-10.2  
October 28, 2004**

**LOCATION:** 259 Najoles Road  
Millersville, Maryland

**TIME:** 9:00 a.m. (Meeting scheduled)  
9:02 a.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Lawrence D. Shubnell  
Joseph F. Snee  
William B.C. Addison  
Paul W. Comfort

**DIRECTORS ABSENT:** Kenneth A. Howarth, Treasurer  
Leslie Jackson Jenkins

**OTHERS PRESENT:** Sean Coleman, Esq.  
Charles Madison  
Henry Cook  
Mike Snovitch  
Nancy Voorhees Balenske  
Crystal Chissell, Esq.  
Andy Hallmark  
The following individuals attended a portion of the meeting :  
Fred Davis  
Rex Lloyd

**CALL TO ORDER**

Mr. Sparkman called the meeting to order at 9:07 a.m.

**INSPIRE AWARD**

Mr. Sparkman requested Mr. Gregory inform the Board of an Inspire Award to be given to Jeffrey Pitts for his work on the Somerset County Landfill Closure project. Due to a long-



**BOARD OF DIRECTORS MINUTES  
MEETING 04-10.2  
OCTOBER 28, 2004  
PAGE 2**

scheduled vacation trip out of the country, Mr. Pitts was not available for today's presentation. Mr. Gregory explained the reasons for an award of \$1,000 being made to Mr. Pitts.

Mr. Shubnell asked about the status of the revised Inspire Program. Mr. Gregory reported that some employees had complained that it was now harder to get an award, and the awards favored headquarters employees. However, there was general praise from employees for the greater amounts of the awards. Mr. Gregory explained that the Inspire Committee works hard to avoid the appearance of any bias or favoritism shown in making awards. There is another award pending.

**MINUTES**

Mr. Sparkman stated the Minutes of the meeting of September 30, 2004 and October 20, 2004 had been reviewed and circulated in advance. Mr. Addison moved to approve the Minutes of September 30, and Mr. Comfort seconded the motion. The Board unanimously approved the Minutes of September 30.

Mr. Snee then moved to approve the Minutes of the October 20 meeting, and Mr. Addison seconded the motion. The Board unanimously approved the Minutes of October 20.

**DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

Mr. Sparkman reported that MES continues to operate the wastewater treatment plant at the Town of Centreville pursuant to an order of the Secretary of the Environment. An experienced crew has been assigned to the facility. An Operations and Maintenance Contract submitted by MES to the Town is still under review by the Town.

The quarterly meeting of the Midshore Administrators was held yesterday. The meeting went well.

Mr. Comfort asked about the status of the water and wastewater project for the Town of Goldsboro. Mr. Gregory provided background on the project, with emphasis on the financial challenges. EPA has given a grant for about \$268,000 for a Phase 1 study.

A question was asked about the proposed operation of a transfer station for Howard County. Mr. Sparkman provided background on the potential project.

**SERVICE OPPORTUNITY SUMMIT**

Mr. Gregory advised the Board of the Service Opportunity Summit held with selected agency employees earlier in the week. The MES employees developed about 30 initiatives for

potential new business. Mr. Gregory will make a presentation to the Executive Staff in about a week. He believes that some of the initiatives could be implemented within a year.

### **EXECUTIVE SESSION**

At 9:55 a.m., upon motion of Mr. Snee, seconded by Mr. Addison, unanimously approved, the Board voted to go into executive session to discuss a matter which involves (a) the employment and performance of employees, as permitted under §10-508(a)(1) of the State Government Article, (b) a proposal for a business or industrial organization to expand or remain in Maryland, as permitted under §10-508(a)(4), and (c) to consult with counsel, as permitted under §10-508(a)(7). Also present during the executive session was Mr. Coleman and Ms. Chissell. The Board did not take any official action while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 10:26 a.m.

### **SPECIAL REPORT**

The following Special Reports were presented to the Board:

Tire Facility – Mr. Snovitch provided an update of the Facility. His update included a review of the fiscal year 2005 budget, targets and sales, production and production challenges and a summary of operations and additional equipment needs. Questions were addressed and discussion held about the future of the Facility and possible funding. Mr. Comfort asked that the record reflect his reservation with remaining in the business with projections indicating that production capacity and product pricing may prevent even long term profitability. Mr. Sparkman reminded the Board that a general consensus had been approved by the Board to pursue profitability while recognizing some additional losses will occur, and for management to regularly report to the Board on the status of the tire project.

BWI projects – Rex Lloyd, Chief of Environmental Monitoring presented a report on the history and growth of projects at BWI and related facilities. A suggestion was made to market these services to other airports within the State. Questions were addressed.

Environmental Compliance Program – Fred Davis, Special Assistant to the Chief of Staff presented a report on the research undertaken and the plans for the agency to put into place a Compliance Program.

### **FINANCIAL**

Mr. Cook reviewed the Financial Statements ending September 30, 2004. A question was addressed.

Mr. Cook also advised the Board that a draft response has been prepared to the audit management letter and will be presented next month.

**PROCUREMENT**

Mr. Sparkman reviewed Procurement Items 1 and 2. Mr. Shubnell made the motion to approve the items; Mr. Addison seconded. Questions were addressed. The referenced items were approved unanimously.

Mr. Sparkman noted the Notifications contained in the Board's notebooks.

**LEGAL REPORT**

Sean Coleman updated the Board on the CFC recovery issue at the Baltimore County Resource Recovery Facility. MES has responded to a lengthy set of questions received from EPA regarding the operations at BCRRF. MES is continuing to provide full cooperation to EPA.

**PROPOSED BOARD OF DIRECTORS MEETINGS**

Ms. Wojton reviewed suggestions for future meetings and their structure. The Board members had input regarding dates, times and content. This information is to be provided to Ms. Wojton.

**ADJOURNMENT**

Prior to adjournment, Mr. Snee asked about the retainage being held by Somerset County. MES is aggressively pursuing it. Mr. Sparkman adjourned the meeting at 12:30 p.m. The next scheduled meeting is November 18th.

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**BETH WOJTON  
SECRETARY**

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**JOHN S. SPARKMAN  
DIRECTOR**



Robert L. Ehrlich, Jr.  
*Governor*

John S. Sparkman  
*Director*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 04-11  
November 18, 2004**

**LOCATION:** 259 Najoles Road  
Millersville, Maryland

**TIME:** 9:00 p.m. (Meeting scheduled)  
9:00 p.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
Beth Wojton, Secretary  
Kenneth Howarth, Treasurer

**DIRECTORS PARTICIPATING BY CONFERENCE CALL:**

B. Conway Gregory, Deputy Director  
William B.C. Addison  
Lawrence D. Shubnell  
Leslie Jackson Jenkins  
Joseph F. Snee

**DIRECTORS ABSENT:** Paul Comfort

**OTHERS PRESENT:** Sean Coleman, Esq.  
Charles Madison  
Mike Snovitch  
Michael Wojton  
Crystal Chissell, Esq.  
Nancy Voorhees Balenske  
Andy Hallmark  
Beatrice McQuarrie (attended a portion of the meeting)

**CALL TO ORDER**

Mr. Sparkman called the meeting to order at 9:00 a.m.

**MINUTES**

Mr. Sparkman stated the Minutes of the meeting of October 28, 2004 had been reviewed and circulated in advance. Mr. Shubnell requested the Minutes be clarified with regard to the discussion held about the Inspire Program. He requested the Minutes reflect that the Program continues to be under review and efforts are made to make sure it serves the intended purpose and addresses employee concerns. Mr. Shubnell also requested under the Special Reports, BWI projects presentation the word "state" be replaced with "region". Mr. Snee moved to approve the Minutes of October 28<sup>th</sup> as revised, and Mr. Addison seconded the motion. The Board approved the Minutes.

### **AGENCY ACTIVITY REPORT**

The Board did not have any questions or comments in reference to the Report. Mr. Sparkman remarked that this month's Report is encouraging. He noted the Accepted Proposals and the submitted proposals for the Oil Remediation Program and Howard County transfer station projects.

### **PROCUREMENT**

Mr. Sparkman reviewed Procurement Item 1 that was emailed to the members on November 8, 2004, and for which a majority of the Board have previously expressed their approval. Mr. Snee made the motion to formally approve Item 1 and Mr. Addison seconded. Mr. Snovitch addressed a question from Mr. Shubnell about the cryogenic material. Mr. Sparkman reviewed Items 2 and 3. Mr. Shubnell made the motion to approve the items and Ms. Jenkins seconded. The items were approved unanimously. Mr. Addison noted that Maryland Public Television is doing a segment on Poplar Island on November 30<sup>th</sup>. Mr. Madison responded that the segment will be aired a couple of times and will forward the dates and times to the members.


Mr. Sparkman advised the members that the work under Item 5 of the Procurement Notifications (Envirite Change Order No. 7) will be the last change order and the project will be competitively bid shortly for a new contract.

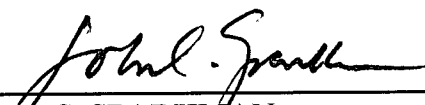
### **EXECUTIVE SESSION**

At 9:13 a.m., upon motion of Mr. Howarth, seconded by Ms. Wojton, unanimously approved, the Board met in executive session to consult with counsel on a litigation matter, as permitted under §10-508(a)(8) of the State Government Article. The Board did not take any official action while in executive session. Also present during the executive session was Mr. Coleman. Following the discussion the Board voted unanimously to go into open session at approximately 9:25 a.m.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 9:26 a.m. Next meeting of the Board is Thursday, December 16<sup>th</sup> at MES Headquarters.

  
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BETH WOJTON  
SECRETARY

  
\_\_\_\_\_  
JOHN S. SPARKMAN  
DIRECTOR

BOD 04-11



BOARD OF DIRECTORS  
MINUTES  
MEETING 04-12  
December 16, 2004

**LOCATION:** 259 Najoles Road  
Millersville, Maryland

**TIME:** 10:00 a.m. (Meeting scheduled)  
10:00 a.m. (Meeting convened)

**DIRECTORS PRESENT:** John S. Sparkman, Chairman  
B. Conway Gregory, Deputy Director  
Beth Wojton, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Joseph F. Snee  
William B.C. Addison  
Leslie Jackson Jenkins (left at 11:37 a.m.)  
Paul W. Comfort

**OTHERS PRESENT:** Sean Coleman, Esq.  
Charles Madison  
Mike Snovitch  
Nancy Voorhees Balenske  
Crystal Chissell, Esq.  
Andy Hallmark  
The following individuals attended a portion of the meeting :  
Ted Bernhardt  
Beatrice McQuarrie

**CALL TO ORDER**

Mr. Sparkman called the meeting to order at 10:00 a.m.

**INSPIRE AWARD**

Mr. Gregory showed a PowerPoint slide of a presentation made to Western Maryland employees receiving Inspire Awards for Extraordinary Work during Hurricanes Frances and Ivan in Allegany County. Employees receiving the awards were Keith Wright, Dick Fair, Don Larke, Richard Hess, Brandon Griffith and Darren Klink.

Mr. Gregory also handed out to the members the Recommendations from the MES Service Opportunities Summit held on October 24<sup>th</sup>. Further review and recommendations will be made. Mr. Shubnell suggested that the Board review the recommendations and identify any contacts the members may have.

### **MINUTES**

Mr. Sparkman stated the Minutes of the meeting of November 18, 2004 had been reviewed and circulated in advance. Mr. Snee moved to approve the Minutes and Mr. Addison seconded the motion. The Board unanimously approved the Minutes.

### **DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT**

Mr. Sparkman reported on the following items:

A luncheon was hosted for 30 MES employees featuring a soil scientist from North Carolina speaking on various technologies, including the possible use of ozone for de-icing programs.

Mr. Sparkman informed the Board that he would be preparing a State of the Agency report to be presented to Board members.

He also advised that he recently spent ½ day with the new MES management in place at the Baltimore County Resource Recovery Facility. No feedback has been received from the County regarding management changes and an audit of the project is currently underway. An update is being provided later in the meeting on the expansion of the Western Acceptance Facility Transfer Station.

MES is working to identify a long-term alternate site for the Regional Compost Facility.

Mr. Sparkman reported that the agency is struggling to balance revenues v. expenditures. Mr. Howarth and Mr. Madison are meeting with the Maryland Port Administration to initiate talks with regard to the current overhead methodology practices. The agency will continue to look at spending and identify new opportunities for additional revenue.

A re-designed web site will debut this month. An email will be sent to the Board members advising them of its debut.

With regard to the Agency Activity Report, Mr. Sparkman spoke to the following:



**BOARD OF DIRECTORS MINUTES  
MEETING 04-12  
DECEMBER 16, 2004  
PAGE 3**

The Memorandum of Understanding with the Maryland Energy Administration has been signed. MES will provide procurement services to seek qualified developers and parties capable of developing a power generation facility using Eastern Shore poultry litter. The next step after this process is to develop a Request for Proposals.

A proposal has been submitted to MPA for the 2<sup>nd</sup> tier dike raising and pier construction at Cox Creek.

The Erickson Foundation is developing an educational facility at Elk Neck State Park. MES is handling the design and construction of a new wastewater treatment facility, and has submitted a proposal for operation of a water treatment system required by MDE.

The Oil Remediation Program with MDE is moving closer to being finalized.

The meeting with Howard County regarding the operation and maintenance of a solid waste transfer station has been postponed.

Mr. Sparkman addressed a couple of questions about existing projects. The Montgomery County projects are currently short-staffed. This has been discussed with Mr. Art Balmer and MES hopes to make progress in resolving the current shortages in the next couple of months. The environmental impact study on the non-native oyster has faced delays due to factors outside the agency.

### **SPECIAL REPORTS**

The following Special Reports were presented to the Board:

Tire Facility – Mr. Snovitch and Mr. Bernhardt provided an update of the Facility. Mr. Bernhardt addressed the question of long-term price for crumb rubber, the direction price is moving and how MES is capitalizing on this movement. Questions were addressed and discussion held about the value-added products and rubber modified asphalt. Mr. Snovitch presented the Operations Update of the Facility. This included a brief history, the present systems capability, actions taken in 2002, how to address the present systems capability and performance issues, a summary of sales and backlog, and the financial impact including ongoing commitments with regard to the Facility. Mr. Snovitch concluded his presentation with the recommendation that “when a pending contract is expected, install new equipment to increase production”. Mr. Howarth addressed questions about the equipment financing, possible grants, and use of MDE’s tire fund. It was suggested that MES seek the Board of Public Works to support an increase in the MDE tire fund with a certain portion designated for MES. Mr. Comfort made the motion to support Mr. Snovitch’s recommendation that when the new contract is in place, MES

install new equipment to increase production. Mr. Addison seconded. The motion passed unanimously.

Strategic Direction – Ms. Wojton reviewed progress to date on the Strategic Direction.

Western Acceptance Facility Update – Charles Madison, Executive Director, Technical and Environmental Services presented a report on the Western Acceptance Facility expansion. The update included a brief background and the current status of the project. Ms. Jenkins asked if a public hearing has been scheduled. A TEFRA hearing is being held December 28<sup>th</sup>. Mr. Howarth then introduced Resolution 04-12-1R to finance the expansion with SunTrust Leasing Corporation. He handed out the SunTrust proposal. Mr. Shubnell made the motion to approve the Resolution. Mr. Snee seconded. The motion was approved unanimously.

### **EXECUTIVE SESSION**

At 11:25 a.m., upon motion of Mr. Snee, seconded by Mr. Comfort, unanimously approved, the Board voted to go into executive session to discuss a matter which involves (a) the employment and performance of employees, as permitted under §10-508(a)(1) of the State Government Article,, and (b) to consult with counsel, as permitted under §10-508(a)(7). Also present during the executive session was Mr. Coleman and Ms. Chissell. The Board did not take any official action while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 11:37 a.m.

### **FINANCIAL**

Mr. Howarth noted the management response letter to the auditors in the Board notebook. No comments were made. Mr. Howarth then reviewed the Financial Statements ending October 31, 2004. Questions were addressed. A question was also asked about the Somerset County project and whether MES is still pursuing payment from the County. Mr. Sparkman responded that the issue of payment is going through the County's internal review.

### **PROCUREMENT**

Mr. Sparkman reviewed Procurement Items 1, 2 and 3, which are subject to Montgomery County identifying funding for these renewals and then reviewed Item 4. Mr. Shubnell made the motion to approve the items; Mr. Snee seconded. Questions were addressed. The referenced items were approved unanimously.

Mr. Sparkman noted the Notifications contained in the Board's notebooks.

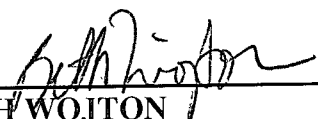
HUMAN RESOURCES COMMITTEE REPORT


The Board's Human Resources Committee chaired by Mr. Snee met prior to the Board meeting. In attendance were Mr. Snee, Ms. Jenkins, Mr. Shubnell, Mr. Addison and Mr. Comfort. Mr. Snee reported the following: Mr. Howarth has announced his retirement effective June 30, 2005. He will remain as Treasurer of the Board of Directors. Mr. Michael Wojton has also announced his retirement effective February 28, 2005. Internal and external searches will be conducted for their replacements. Mr. Addison, on behalf of the Board, thanked them for their duty to MES and their years of dedicated service.

Mr. Snee then announced a Supervisor Recognition Program with certain modifications. A budget will be established of \$5,000. Recognition may only be given 2 times/year/employee and the elimination of lottery tickets as awards. Mr. Snee made the motion to approve the Program with the modifications. Mr. Addison seconded. The motion was approved unanimously.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:56 p.m. The next scheduled meeting is January 24, 2005.

  
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BETH WOJTON  
SECRETARY

  
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JOHN S. SPARKMAN  
DIRECTOR