



**BOARD OF DIRECTORS
MINUTES
MEETING 06-1
January 26, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 2:00 p.m. (Meeting scheduled)
2:06 p.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Acting Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer

DIRECTORS PARTICIPATING BY CONFERENCE CALL:
Paul Comfort, Esq.
William B.C. Addison
Joseph F. Snee, Esq.

DIRECTORS ABSENT: Lawrence Shubnell
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan
Mike Snovitch

CALL TO ORDER

Mr. Harkins called the meeting to order at 2:06 pm.

MINUTES

Mr. Harkins requested approval of the minutes of December 14, 2005. Mr. Comfort made the motion to approve the minutes and Mr. Addison seconded. The minutes were unanimously approved. Mr. Harkins then requested approval of the minutes of December 20, 2005. Mr. Comfort made the motion to approve the minutes and Mr. Addison seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Mr. Harkins informed the Board that the Legislative Auditors are present and expect to be here until around March 1st. Mr. Harkins also addressed the agency's growth. This is reflected in the upward trend of the numbers, which is being led by the Technical and Environmental Services Group.

Mr. O'Neill reported on a recent meeting with MDE regarding the grant submitted to help defray the Tire Facility's capital costs by reducing the debt service. At this time we do not know the dollar amount, but will be meeting again with officials of MDE to discuss. Once the dollar amount is determined a request will be submitted to the Board of Public Works for approval. Questions were addressed and discussion held about immediate impact and briefing individuals prior to the Board of Public Works meeting.

TIRE FACILITY

Following discussion of a big push for sales this spring of TreadSpread™ and moving inventory offsite to Crownsville for storage, Mr. Snovitch updated the Board on the Facility. He repeated that the key is sales this spring. The agency needs to sell 20 million pounds of product a year. The new dryer has been put in place and will begin operating by mid February. The new dryer has greater capacity than the old dryer, which was damaged in a fire last week. Additional storage space is being looked at Cox Creek. MDE will also be providing funding for advertising. Mr. Snovitch stated that he believes sales of TreadSpread™ will be very strong this spring, and that eventually MES will not be able to keep up with the demand. Orders will begin to come in February. At the recent Mid-Atlantic Nursery trade show there was a big interest in the product, particularly from distributors. Mr. Harkins repeated that MES has been pro-active with state agencies and bringing the TreadSpread™ product to their attention.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending December 31, 2005. He noted on page 8 and 9 of the Results the addition of the Darlington Service District and the Midshore Fund. Since these projects are unique he felt they should be reported individually. This month a financial forecast, "FY 2006 Full Year Estimate – Change in Net Assets" for the agency has been

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provided. This report will be looked at each month to validate projections and fine tune. Questions were addressed about the current number of employees and vacancies. Mr. O'Neill said he is seeing some improvement in filling vacancies. Discussion was held about pay scales, particularly with regard to operators. Human Resources will be doing a survey of pay scales in other counties. A question was also addressed about the drop in interest income. This is a result of less cash to invest.

During this report Mr. Harkins asked Mr. Madison to review recent and prospective projects with MPA. The Masonville project that began as a \$50 million dollar construction project is expanding to include managing the dredging that must be done for the unloading vessels to access that site. This will significantly increase the value of the project and will require the approval of the Maryland Port Commission and the Board of Public Works.

The MDE Oil Control Program has issued a \$5 million dollar blanket contract to MES and the work is proceeding well. MES is also at MDE's request assisting with testing butane injection technology.


PROCUREMENT

There were no Agenda Items for approval. Mr. Harkins noted the Notifications. A question was addressed about the facilitator for the Dredged Material Management Citizen's Advisory Committee. Mr. Madison provided the background of its formation to open doors of communication between the Maryland Port Administration and citizens. Mr. Snee requested a copy of any materials about its formation, structure, and organization for his information. He has been recently been working with a similar committee.

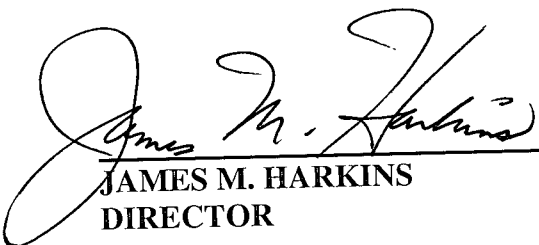
CLOSED SESSION

At 2:39 p.m., upon motion of Mr. Addison, second by Mr. Snee, the Board went into executive session to consult with counsel, as permitted under §10-508(a)(7) of the State Government Article and to discuss pending or potential litigation, as permitted under §10-508(a)(8). Also present during the executive session was Ms. Voorhees Balenske. At 2:56 p.m., the Board concluded its executive session, and Mr. Harkins then adjourned the meeting.

The next monthly meeting is scheduled for February 27, 2006.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

BOARD OF DIRECTORS
MINUTES
MEETING 06-2
February 27, 2006

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 2:30 p.m. (Meeting scheduled)
2:32 p.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
Leslie Jackson Jenkins, Esq.
William B.C. Addison
Joseph F. Snee, Esq. (departed at 4:09 p.m.)
Lawrence Shubnell (arrived at 2:48 p.m.)

DIRECTOR PARTICIPATING BY CONFERENCE CALL:
Paul Comfort, Esq. (disconnected at 4:03 p.m.)

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan
Mike Snovitch
Crystal Chissell, Esq.
Steve Tomczewski
Ellen Frketic
The following attended a portion of the meeting :
Welford McLellan
Joanne Brooks, Maryland Aviation Administration
Mark Barkdoll
Ric Hummer

Wayne Rumbaugh
Scott Shaffer
Heath Stabile
Shawn Schmelzer
Wayne Jackson
Bill Knight
Caron Mierczak
Corey Davis

CALL TO ORDER

Mr. Harkins called the meeting to order at 2:32 pm.

INSPIRE AWARDS

Mr. Harkins presented Inspire Awards to Mike Barkdoll, Ric Hummer, Wayne Rumbaugh and Scott Shafer for their Extraordinary Service for planning and implementing a repair of a crack at the pump station at Victor Cullen Wastewater Treatment Plant. Mr. Harkins introduced Joanne Brooks, the Manager of the Maryland Aviation Administration's Division of Environmental Compliance. She spoke briefly about the development and growth of the environmental monitoring programs in place at MAA and the significant growth of the deicing program over the years. The following employees were presented Inspire Awards for Extraordinary Service given to BWI's Deicing Projects facing tough challenges and earning praise from MAA: Heath Stabile, Shawn Schmelzer, Wayne Jackson, Bill Knight, Caron Mierczak and Corey Davis.

MINUTES

Mr. Harkins requested approval of the minutes of January 26, 2006. Mr. Snee made the motion to approve the minutes and Mr. Addison seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Mr. Harkins advised the Board of the following projects: Howard County – MES is negotiating with Howard County for MES to operate several shared wastewater facilities, including a treatment facility at the new Western High School. MES is also reviewing opportunities to operate several small facilities in Cecil County

Mr. Harkins talked about the State's initiatives with regard to renewable energy projects. MES is participating in a work group comprised of chicken growers and the beneficial use of chicken

litter. The University of West Virginia is conducting a pilot study to process chicken litter in an anaerobic digester in order to separate and reuse nitrogen, phosphorous and flammable gas. A meeting is scheduled with the Maryland Energy Administration and Department of Agriculture on February 28th. Questions were addressed.

MES continues to work with the Port Deposit Water and Sewer Authority and has submitted a final draft to perform customer billing.

Mr. Harkins noted the Masonville project included in the Agency Activity Report and the dollar potential of this project. A question was addressed.

Mr. Shubnell asked about the progress of the business development program. Mr. Harkins reviewed the outreach objectives with local, county and state governments, Maryland Municipal League, Public Works Directors and sponsoring varied activities. MES also recently met with the Environmental Financing Center. A "meet & greet" with Prince George's County environmental group is scheduled for February 28th.

In response to a question, Mr. Harkins told the Board the MACO meeting is scheduled for August 16th-19th. Jerry Wheeler addressed a question about the South Carroll Swim Club project. This project came by way of an MES employee who learned that the facility has not been operating in accordance with permit requirements.

TIRE FACILITY

Mr. Snovitch provided his monthly update to the Board on the Facility. The new dryer installed is in full operation. The output is 2.5 times greater than the output of the older one. He also noted that a fire suppression system has been installed. The Crownsville storage space for the TreadSpreadTM product is a better alternative than the Cox Creek facility, due to costs associated with storage at Cox Creek. TreadSpreadTM sales will pick up in March and Mr. Snovitch stated again the key is sales this spring. The agency needs to sell a total of 20 million pounds of product a year to break even. The advertising campaign is being produced and it will be aired on HGTV in late March. Mr. Snovitch believes that the agency can sell 5 – 6 million pounds of TreadSpreadTM without advertising. He thinks the advertising will push up sales to 9 million pounds per year.

In response to several questions, Mr. Snovitch stated the following:

- There has been no success yet in getting the "big box" stores to carry TreadSpreadTM. It is very difficult to get into the "big box" stores.

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- MES received a variety of responses from counties regarding their interest in TreadSpread™. He doesn't expect MES will sell more than 1 to 1 ½ million pounds of TreadSpread™ to local governments.
- Mr. Snovitch is not optimistic about sales of TreadSpread™ for use on playgrounds. He believes the local governments may be concerned with using the material on playgrounds due to ADA requirements and potential liability.

Mr. Snovitch stated that for the first time, the Tire Project is at a point where it can produce more than 20 million pounds of product per year. He believes it could produce 21 to 22 million pounds. However, the facility cannot currently produce at full capacity because of a lack of storage space.

MDE has approved a grant of \$3.4 million dollars over 3 years. The grant will require approval of the Board of Public Works. The first payment will be used to pay off the debt service. Questions were addressed. Mr. Harkins met with the secretaries of DBM and MDE. Discussion was held at that meeting about the need for a subsidy and how to address the tire fee in the future. The Board discussed. Mr. O'Neill advised the Board that inmate labor would be used for general housekeeping at the facility. MES currently uses labor at Midshore and BCCRF. A meeting is scheduled with the Division of Corrections.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending January 31, 2006. He highlighted the fringe recovery and indirect overhead. Questions were addressed about the vacancies, the Murden Memorial and a couple of the accounts over 120 days. Mr. Zimmerman told the Board that MES will be negotiating with SunTrust to reduce the interest rate costs that MES will incur by paying off early the Tire Facility's debt service. Mr. Zimmerman also reviewed the recently added Full Year Estimate – Change in Net Assets. Mr. Shubnell suggested a counterpoint to monitor future cash flow.

Mr. Zimmerman introduced Resolution 06-02-1R. This Resolution is for the financing of certain vehicles. Mr. Snee made the motion to approve the Resolution. Mr. Addison seconded. The motion was approved unanimously.

Mr. Zimmerman brought to the Board's attention the Memorandum dated February 22, 2006, requesting the use of Project Reserve Funds up to \$100,000 for renovations at the Eastern Correctional Wastewater Facility. Board approval is required prior to submitting to the Secretary of DBM. Ms. Frketic provided additional background information. A question was addressed. Mr. Snee made the motion to approve the use of these funds. Mr. Addison seconded. The Board unanimously approved the request.

PROCUREMENT

Mr. O'Neill introduced Procurement Items 1,2 and 3. Mr. Shubnell made the motion to approve the items. Mr. Sneec seconded. The items were approved. Mr. Harkins noted the Notifications contained in the Board's notebooks.

HUMAN RESOURCES

Mr. O'Neill provided a brief review of the BEST Goals to date. He commended Mr. Wyman Jackson and his committee for their efforts with establishing and tracking the goals.

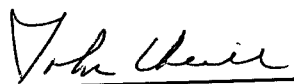
LEGAL REPORT

Mr. Coleman apprised the Board of two (2) bills introduced this legislative session, which will affect MES. They are Senate Bill 783 and House Bill 447. MES will be providing comments on Senate Bill 783. Questions were addressed.

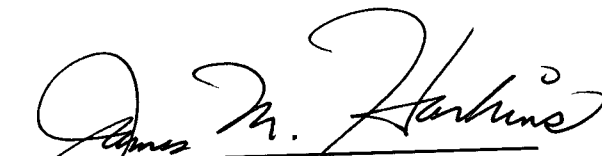
EXECUTIVE SESSION

At 4:18 p.m., upon motion of Mr. Shubnell, second by Mr. Addison, the Board went into executive session to consult with counsel, as permitted under §10-508(a)(7) of the State Government Article and to discuss pending or potential litigation, as permitted under §10-508(a)(8). Also present during the executive session were Ms. Chissell and Ms. Voorhees Balenske. The Board did not take any official action during the executive session. At 4:36 p.m., upon a motion by Mr. Addison, seconded by Ms. Jenkins, the Board concluded its executive session, and Mr. Harkins then adjourned the meeting.

Mr. Shubnell requested a pre-briefing memo or email prior to March's meeting when Secretary Kendl Philbrick and Deputy Secretary Jonas Jacobsen from MDE will be attending. Next month's meeting is March 27, 2006.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-3
March 27, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 3:30 p.m. (Meeting scheduled)
3:32 p.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
Leslie Jackson Jenkins, Esq.
Joseph F. Snee, Esq.
Lawrence Shubnell
Paul W. Comfort, Esq.

DIRECTOR ABSENT: William B.C. Addison

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan
Mike Snovitch
Crystal Chissell, Esq.
Steve Tomczewski
Ellen Frketic

CALL TO ORDER

Mr. Harkins called the meeting to order at 3:32 pm.

MINUTES

Mr. Harkins requested approval of the minutes of February 27, 2006. Mr. Shubnell made the motion to approve the minutes and Mr. Snee seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Mr. Harkins advised the Board of the following initiatives: A meeting was held with Col. Rick Barton, Superintendent of State Forest and Parks, Department of Natural Resources, to discuss the infrastructure of the park system, their needs, and funding. Similar meetings were held with the Department of General Services and the Department of Budget and Management. Discussion was held about funds being added to budgets for annual improvements. Mr. Shubnell raised a question about funding depreciation. Discussion followed. The Water & Wastewater Group is developing a list of statewide needs.

MES also hosted a meeting with Ms. Donna Wilson, Director of Prince George's County's Environmental Resources and her staff.

Meetings continue regarding a pilot study to process chicken litter in an anaerobic digester in order to separate and reuse nitrogen, phosphorous and flammable gas. No funding has been committed to date.

The legislative budget hearings were held and they both went smoothly.

MES is currently conducting training on the following topics: Ethics, Purchasing, and Sexual Harassment.

On the business development side, MES is working with the Town of Snow Hill on a potential project related to the development of 3 neighborhoods with new water and wastewater treatment facilities. MES is also looking into grant funding available from the Environmental Financing Center and continuing to do outreach for GIS and GPS services that MES can provide.

Questions were addressed regarding a couple of projects. An amendment to the Port Deposit contract was delivered to the client for various administrative services.

MES submitted a proposal for operation of the water treatment plant located at the Conowingo Dam. Mr. Harkins also addressed MES's hiring initiatives.

TIRE FACILITY

Mr. Snovitch provided his monthly update to the Board on the Facility. The MDE funded commercial was shown to the Board. It is currently airing on HGTV. Four hundred thousand (400,000) pounds of TreadSpread™ has been sold to date. This would indicate being on track to selling 5 ½ - 6 million pounds of TreadSpread™. MES will have TreadSpread™ available for sale at headquarters. MES is proceeding with off-site storage at Crownsville. The use of 5 inmates for housekeeping labor is scheduled to begin. The facility will be shipping a large quantity of fines material next month. A question was addressed.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending February 28, 2006. He highlighted direct labor, hiring, indirect overhead, net assets, and accounts over 120 days. A settlement has been reached with Pure Barnyard. Pure Barnyard will pay MES \$5,000. Questions were addressed. The Sportexe account is now current. Additional questions were addressed and Mr. Harkins and Mr. O'Neill re-reviewed the timeline for MDE's financial assistance for the Tire Facility.

PROCUREMENT

Ms. Chissell reviewed the Procurement Regulation changes. These changes provide for procurement by intergovernmental cooperative purchasing; removes notice by posting as a method for solicitation; raises the dollar amount of a small procurement to \$25,000 or less; and removes the requirement that the Director approve the procurement officer's determination that all prices received in competitive sealed bidding are unreasonable as to the Service's requirement. Three of the changes were statutory changes previously approved by the Board and the Legislature. Discussion was held. Mr. Comfort made the motion to approve the Procurement Regulation change. Ms. Jenkins seconded. The change was approved.

Mr. Harkins introduced Procurement Items 1,2 and 3. A question was addressed. Mr. Comfort made the motion to approve the items. Mr. Snee seconded. The items were approved. Mr. Harkins noted the Notifications contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman advised the Board of an expected negotiated cost sharing agreement between MPA and Honeywell for remediation of chromium contamination at Dundalk Marine Terminal. There will also be a Consent Agreement between MPA, Honeywell and MDE. MES will be providing services to MPA for additional work under the remediation plan. The agreement is going before the Board of Public Works. A question was addressed.

MACO

Mr. Harkins handed out MACO's summer conference information and asked the Board to let Nancy Holliday know of their plans to attend and reservation needs.

EXECUTIVE SESSION

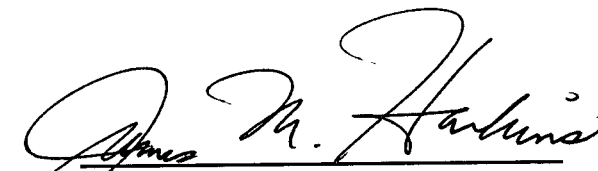
At 4:35 p.m., upon motion of Mr. Snee, second by Mr. Comfort, the Board went into executive session to consult with counsel, as permitted under §10-508(a)(7) of the State Government Article and to discuss pending or potential litigation, as permitted under §10-508(a)(8). Also present during the executive session was Ms. Voorhees Balenske. The Board did not take any official action during the executive session. Ms. Jenkins excused herself from the meeting at 5:00 p.m. At 5:10 p.m., upon a motion by Mr. Snee, seconded by Mr. Comfort, the Board concluded its executive session, and Mr. Harkins then adjourned the meeting.

Secretary Kendl Philbrick and Deputy Secretary Jonas Jacobsen from MDE will be attending next month's meeting. The meeting is scheduled for April 27, 2006.

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JOHN O'NEILL
SECRETARY



JAMES M. HARKINS
DIRECTOR



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-4
April 27, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m. (Meeting scheduled)
9:32 a.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
William B.C. Addison
Joseph F. Snee, Esq.
Paul W. Comfort, Esq. (via conference call from 9:36 a.m. - 9:53 a.m.)

DIRECTOR ABSENT: Leslie Jackson Jenkins, Esq.
Lawrence Shubnell

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan
Mike Snovitch
Crystal Chissell, Esq.
Steve Tomczewski
Beth Wojton
Jonas Jacobsen, Deputy Secretary, Maryland Department of
the Environment (left the meeting at 10:02 a.m.)
Mark Kaiser (initial portion of meeting)
Mack McLellan (initial portion of meeting)

CALL TO ORDER

Mr. Harkins called the meeting to order at 9:32 a.m.

INSPIRE AWARD

Mr. Harkins presented an Inspire Award to Mark Kaiser for an Innovative Idea regarding the purchase of a Spectrophotometer for the City of Frostburg. Mr. Kaiser determined that the City accumulated sufficient points by way of a vendor's promotional program to enable the City to purchase the equipment from the vendor at no cost.

MINUTES

Mr. Harkins requested approval of the minutes of March 27, 2006. Mr. Snee made the motion to approve the minutes and Mr. Addison seconded. The minutes were unanimously approved.

PROCUREMENT

Mr. Harkins introduced Procurement Item 1. Mr. Comfort made the motion to approve the item, Mr. Snee seconded. Mr. Wheeler reviewed the procurement. The item was approved. Item 2 was introduced. Mr. Snee made the motion to approve the item, Mr. Addison seconded. Mr. Wheeler also reviewed this item. The item was approved. Mr. Harkins introduced the final item. Mr. Snee made the motion to approve the item. Mr. Addison seconded. Mr. Tomczewski reviewed the item. Item 3 was approved. Mr. Harkins noted the Notifications contained in the Board's notebooks.

BRIEFING

Mr. Harkins introduced Mr. Jacobsen and thanked him for coming. Mr. Jacobsen talked about the MES-MDE working relationship on many projects and the uniqueness of regulating MES, but also using the services of the agency. He updated the Board on a couple of high profile projects, which have been in the news. Mr. Jacobsen also complimented and praised MES's services. Questions were addressed. Mr. Snee also requested a worksheet on the funding for the Bay Restoration Fund.

DIRECTOR'S REPORT

Mr. Harkins handed out a copy of an agenda for the "Competitive Edge" conference hosted by the University of Maryland. Mr. Harkins was a moderator for the panel, "Fostering Emerging Technologies – Energy".

He advised the Board of other ongoing activities: Participation in a workgroup of State agencies looking at renewable and alternative energy projects. Ethics, Purchasing and Sexual Harassment training continues. Either Mr. Harkins or Mr. O'Neill attend each training session.

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Frank Babusci is looking for a suitable landbase on the eastern shore for the Poplar Island project and property for a yard waste recycling facility for the Regional Compost Facility counties.

A meeting is scheduled with Ms. Kim Coble, Executive Director of the Chesapeake Bay Foundation. The objective of MES is to foster and build a positive working relationship between CBF and MES.

A question was addressed about the status of the Asian oyster study. The timeline has been pushed back until more scientific research is completed.

Mr. Harkins is also participating on a panel investigating the use of ethanol to replace NTBE as a fuel additive.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending March 31, 2006. He highlighted the key operating results and indirect cost analysis. A discussion ensued about filling vacancies, particularly for engineers and the need to review pay scales. Mr. Zimmerman also advised the Board that the mileage rate has been increased effective May 1st. A public meeting is scheduled for the second of week of May for the Darlington residents. A customer satisfaction survey was mailed and any concerns will be addressed. Mr. Zimmerman then reviewed accounts receivable, accounts over 120 days and the statement of net assets. Mr. Snee requested the Midshore project be highlighted as a reminder to follow it. Discussion followed about Midshore and Midshore II. The Garrett County project was also discussed. The year-end projection was handed out.

LEGAL REPORT

The report was heard during Executive Session.

BUSINESS DEVELOPMENT REPORT

Mr. O'Neill asked Ms. Wojton to attend the meeting to update the Board on her activities. MES is working on re-establishing connections with MACO, MML, Maryland Onsite Wastewater Professional Organization, and the Maryland Rural Water Association. We are informing various entities about the crumb rubber product and water tank inspection services. A meeting is scheduled with the Maryland Transit Administration to review the submitted proposals for environmental compliance services. Past employees have also been in contact with MES for future projects, specifically the Snow Hill development and Terrapin Run in Allegany County. A question was addressed about the water tank inspection services. MES is fortunate to

have on board an employee who is highly experienced in conducting water tank inspections. He has done work for MES in the past as a contractor.


CLOSED INFORMATIONAL SESSION

At 10:46 a.m., upon motion of Mr. Addison, second by Mr. Snee, the members of the Board present in the conference room went into closed "informational session" to hear the Legal Report. A quorum of the Board was not present. Also present during the session was Ms. Voorhees Balenske and Ms. Chissell. The session concluded at 11:44 a.m.

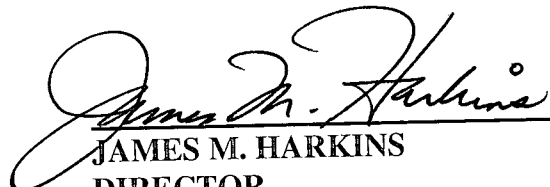
MISCELLANEOUS

Mr. Zimmerman advised the Board the Legislative Auditors have completed the audit. There were no discussion notes, but a question was raised about the advances MES receives from clients. A question was addressed. Mr. Zimmerman also discussed projects that may affect MES' bottom line. Those projects are the Frederick County Landfill demonstration project, St. Michael's wastewater treatment plant and a valve that affected flows; the Washington County Resh Road Landfill; state reimbursement from the Bay Restoration Fund and fees for state facilities; and the woodchip price increase for ECI.

The Board meeting adjourned at 11:55 a.m. The next scheduled meeting is May 25th at 10:30 a.m.



JOHN O'NEILL
SECRETARY



JAMES M. HARKINS
DIRECTOR



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-5
May 25, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 10:30 a.m. (Meeting scheduled)
10:39 a.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
William B.C. Addison
Joseph F. Snee, Esq.
Paul W. Comfort, Esq.
Lawrence Shubnell
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan
Mike Snovitch
Crystal Chisseli, Esq.
Steve Tomczewski
Beth Wojton
Kim Warrington

CALL TO ORDER

Mr. Harkins called the meeting to order at 10:39 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of April 27, 2006. Mr. Snee made the motion to approve the minutes and Mr. Addison seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins announced the Board of Public Works' approval of the Maryland Tire Fund \$3.4 million dollar grant for the Tire Facility. Discussion was held and questions addressed.

Mr. Harkins pointed out the numerous references to oyster restoration projects in the Agency Activity Report. MES is partnering with the Department of Natural Resources on these projects. The oyster projects are a critical component of Chesapeake Bay cleanup efforts.

An outreach meeting was held with two senior staff members of the Chesapeake Bay Foundation. The meeting was structured as an orientation and review of MES projects.

MES had an inquiry regarding the potential purchase of Tire Derived Fuel from the Tire Recycling Facility. There is one facility in Maryland that can burn TDF, and that facility is paying a very low price for the fuel. It is not likely MES can provide TDF at a competitive price.

Due to the changing from BNR to ENR standards, MES is beginning the process of alerting policy-makers that greater quantities of biosolids will be created. Recent talks were held with the Tri-County Council of the Lower Eastern Shore about a possible innovative use of biosolids.

In response to a question there are no Inspire Awards this month. Awards were presented at last month's meeting. Chris Garrigan told the Board a meeting is scheduled to review recently received recommendations.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on her activities. During the months of April and May, she attended Maryland Municipal League chapter dinners. Currently the focus is on educating potential clients about MES' water tank inspection and mobile tub grinding services.

She is also trying to showcase MES' ability to advocate for its clients, especially with the engineering firms providing services to municipalities.

MES is currently providing temporary operation services to the Town of Funkstown while their operator is on sabbatical.

Ms. Wojton sees on-site and clustered treatment systems as a growth opportunity for MES. The Maryland on-site professional organization is doing training for MES. MES would like to partner with Tidewater Utilities to provide inspection services and possibly other water and wastewater services.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending April 30, 2006. He highlighted the key operating results, indirect cost analysis, change in net asset components, and major accounts over 120 days. He noted that Harford County and Pure Barnyard have paid. Questions were addressed about the status of the Tire Facility, the MPA Seagirt project, and fleet management. The year-end projection was handed out. Mr. Zimmerman addressed a couple of concerns that may affect the projection. They are the state reimbursement from the Bay Restoration Fund and fees for state facilities; and the woodchip price increase for ECI.

Mr. Zimmerman introduced Resolution 06-05-1R. This is an Equipment Fund resolution for cube vans. Mr. Shubnell made the motion to approve the Resolution. Ms. Jenkins seconded. The motion passed unanimously.

Mr. Snee referring back to the Operating Results asked if historically MES accumulates more cash during the month of April in comparison to other months. Mr. Zimmerman will have to review preceding years to compare.

HUMAN RESOURCES

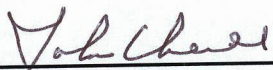
Mr. O'Neill introduced Resolution 06-05-2R. This resolution increases the number of hours of Annual Leave and Compensatory Time credited to those individuals in the Senior Management Class. A question was addressed. Mr. Snee made the motion to approve the Resolution. Mr. Addison seconded. The motion passed unanimously.

PROCUREMENT

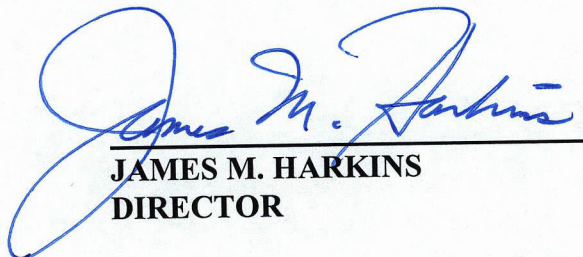
Mr. Harkins introduced Procurement Item 1. Ms. Jenkins made the motion to approve the item, Mr. Shubnell seconded. The item was approved. Mr. Harkins noted the Notifications contained in the Board's notebooks.

EXECUTIVE SESSION

At 11:29 a.m., upon motion of Mr. Addison, second by Mr. Shubnell, the members of the Board went into executive session to consult with counsel, as permitted under §10-508(a)(7) of the State Government Article; to discuss pending or potential litigation, as permitted under §10-508(a)(8); to discuss personnel matters as permitted under §10-508(a)(1), and to discuss a matter directly related to a negotiating strategy as permitted under §10-508(a)(14). Also present during the executive session were Ms. Chissell and Ms. Voorhees Balenske. The Board did not take any official action during the executive session. Ms. Jenkins excused herself from the meeting at 11:30 a.m.. At 12:13 p.m. the Board concluded its executive session, and Mr. Harkins then adjourned the meeting.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-6
June 29, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m. (Meeting scheduled)
9:48 a.m. (Meeting convened without a quorum)
10:40 a.m. (Quorum Present)

DIRECTORS PRESENT: James M. Harkins, Director
Joe Zimmerman, Treasurer
Joseph F. Snee, Esq.
Paul W. Comfort, Esq.
Lawrence Shubnell
William B.C. Addison (arrived at 10:40 a.m.)

DIRECTORS ABSENT : John O'Neill, Secretary
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Talmadge E. Simons
Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan
Crystal Chissell, Esq.
Steve Tomczewski
Beth Wojton
Attended a portion of the meeting :
Welford McLellan
Dave Czawlytko
Willie Bruce
John Shriver

Walt Fraser
Russell Downs
Michael Beichler, Baltimore County

CALL TO ORDER

Mr. Harkins called the meeting to order at 9:48 a.m. A quorum was not present at the start of the meeting. Mr. Addison arrived at 10:40 a.m. and official business followed at that time with a quorum present.

INSPIRE AWARD

Mr. Harkins presented Inspire Awards to Willie Bruce and John Shriver for Extraordinary Service. Richard Thompson and Michael Campbell could not be present. This award was given for an in house modification of the inclined star screen conveyor at the Baltimore County Resource Recovery Facility that increased production by 57%. Michael Beichler praised the efforts of the individuals involved. Mr. Bruce presented Mr. Harkins with a "Perspire Award" for improved customer relations under his leadership with Baltimore County.

Mr. Harkins presented the next Inspire Award to Russell Downs for Extraordinary Service. Mr. Downs took it upon himself to clean up overgrown brush at the Greenhill Cove pH monitoring site. The site is outside his responsibility.

Jay Janney was unable to attend the meeting and will be receiving an award for Extraordinary Service.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins talked about the expanding amount of business MES is doing for the Department of Natural Resources. This work primarily deals with the Department's oyster restoration projects.

At the annual Maryland Municipal League meeting held earlier this week, MES participated in roundtable discussions with prospective clients. These discussions will require follow up by the agency.

Mr. Harkins advised that he requested the executive directors to speak with major clients to see if MES can provide other services to them. MES continues to focus on marketing the mobile tub grinder, GIS services and vacuum truck services.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on her activities. She is continuing to attend Maryland Municipal League chapter meetings. Recently she has attended meetings in Frederick, Washington and Montgomery Counties

Ms. Wojton handed out a brochure that was developed in house for the MML meeting. She noted the reference to our current in-house tank inspection expertise with the employment of Doug DeClerck.

Ms. Wojton reviewed the following prospects: Town of North Beach has expressed an interest in MES operating its wastewater treatment facility. MES has offered to provide coverage for wastewater operation services to the Town of Rock Hall while their operator is on vacation. She noted the Tidewater Utilities listing in the Agency Activity Report. They have requested a proposal for MES to provide construction inspection and plan review training sessions. The Maryland Transit Administration has also requested a proposal to provide environmental compliance training to new employees. A meeting is being scheduled to discuss with George, Miles & Buhr a possible shared use facility or wastewater service district for a new development near the Town of Snow Hill. MES is also establishing a business model for shared use systems and service districts.

In response to a question about the Port Deposit project, Mr. Zimmerman replied that MES has been operating the wastewater treatment facility for 6 months. MES is in the final stages of negotiating a lease for an office to be shared between the Port Deposit Water & Sewer Authority and the MES Northeast Region. The first billing will be sent very soon.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending May 31, 2006. He highlighted the key operating results with a brief explanation for Mr. Simons' benefit; indirect cost analysis and change in net asset components. Billable hours have increased. Indirect cost recovery had increased, as have net assets. Interest income has dropped off. Even with the losses of the Tire Facility, the agency should experience an increase in net assets for the fiscal year.

Mr. Harkins informed the Board that MES should be receiving the second installment of funding from MDE for the Tire Facility. Mr. Zimmerman noted Sportex's outstanding receivable. No orders have been placed or shipped since April. The Attorney General's office has issued a demand for payment. MES is working with Turf Solutions and Garrett County on their outstanding receivables. Mr. Zimmerman completed his review with the Net Assets.

BOARD OF DIRECTORS MINUTES
MEETING 06-6
JUNE 29, 2006
PAGE 4

Questions and discussion was held about the accounting for the Tire Facility grants from MDE. The grant proceeds will be treated as revenue, which will result in an increase in net assets. The cash received under the grant will be utilized to retire a portion of the debt on the Facility.

Mr. Zimmerman also advised the Board of the need to consider over the summer the receivable reserves. Questions were addressed. A suggestion was made to ask the auditors about placing an anticipated receivable on the fiscal year 2006 financial records. Mr. Comfort noted and complimented the agency on the upward trend of the financials. Mr. Zimmerman also advised the Board that discussions are being held with DBM regarding future funding of the Bay Restoration fee for State wastewater facilities.

MINUTES

Mr. Harkins requested approval of the minutes of May 25, 2006. Mr. Comfort made the motion to approve the minutes and Mr. Addison seconded. The minutes were unanimously approved. Mr. Shubnell commented that the minutes should reflect the substantive information that is provided to the members in response to their questions. He also suggested that Board members should not retain personal notes they take during the meetings.

HUMAN RESOURCES

Mr. Coleman reviewed the proposed change to COMAR 14.27.02.11, which increases the amount of annual leave certain employees may earn, and also increases the amount of unused annual leave that can be carried over from one calendar year to the next. A question was addressed. Mr. Comfort made the motion to approve the regulation change. Mr. Shubnell seconded. The motion passed unanimously.

Mr. Coleman then introduced Resolution 06-06-1R. This resolution increases the dollar amount contributed by the Service to MES' retiree medical reimbursement plans. Questions were addressed. Mr. Comfort made the motion to approve the Resolution. Mr. Snee seconded. The motion passed unanimously.

BEST GOALS UPDATE

Ms. Wojton reviewed the Best Goals Update as of 6/19/06 as provided by Wyman Jackson. The current estimated projection for meeting the 2006 goals is 78.35%. Comments were made about the level of effort at a recent community service event held at Fort McHenry. Ms. Garrigan and Mr. Wheeler reviewed the customer relations efforts with the community of

Darlington. MES met with the community after conducting a telephone survey. Skip Immler worked diligently and successfully to address and solve water hardness that was an issue with some of the customers.

PROCUREMENT

Mr. Harkins introduced Procurement Items 1 and 2. A question was addressed. Mr. Shubnell made the motion to approve the items, Mr. Snee seconded. The items were unanimously approved. Mr. Harkins then introduced Items 3, 4 and 5. Mr. Tomczewski reviewed the items. Mr. Snee made the motion to approve the items, Mr. Addison seconded. The items were unanimously approved. Mr. Harkins introduced the final procurement item, number 6. Mr. Shubnell made the motion to approve the item, Mr. Addison seconded. The item was approved.

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

LEGAL REPORT

Mr. Coleman reported that a decision has been received from the Court of Special Appeals with regard to the McFarland case. The Court upheld the Circuit Court's decision that Mr. McFarland was not acting within the scope of his employment when the accident occurred. However, the Court ruled that MES should not have been granted summary judgment on the claim of negligent supervision. Since the decision also addressed claims against other parties, it is not clear at this point if the Appellant will pursue the case to the Court of Appeals.

A hearing was held June 28th in the Baltimore County Circuit Court on the Dundalk Marine Terminal litigation.. MES is not a party, but is assisting MPA with several of the tasks specified in the Consent Order and a number of studies for final remediation.

EXECUTIVE SESSION

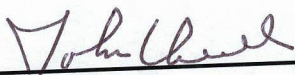
At 11:27 a.m., upon motion of Mr. Snee, second by Mr. Addison, the members of the Board went into executive session to consult with counsel, as permitted under §10-508(d) of the State Government Article, and to discuss personnel matters as permitted under §10-508(a)(1). Also present during the executive session were Ms. Chissell and Ms. Voorhees Balenske. The Board did not take any official action during the executive session. At 11:46 a.m. the Board concluded its executive session.

Prior to adjourning the meeting for Mr. Shubnell's farewell luncheon, Mr. Snee extended the Board's gratitude to Mr. Shubnell for his 20 years of service to the agency as its "Dean of the Board" and its financial conscience. He also welcomed Mr. Simons. Mr. Comfort also thanked Mr. Shubnell for his valuable contributions and the knowledge he has gained from his advice and questions during the meetings. Mr. Shubnell thanked everyone for the pleasure of sitting on this

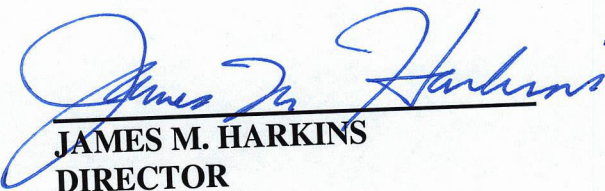
**BOARD OF DIRECTORS MINUTES
MEETING 06-6
JUNE 29, 2006
PAGE 6**

exceptional board. He stated that it has been a joy working with the Maryland Environmental Service, and he will always think fondly of his fellow Board members.

The meeting adjourned at 11:56 a.m.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-7
July 14, 2006**

LOCATION: Conference Call
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m. (Meeting scheduled)
9:30 a.m. (Meeting convened)

**DIRECTORS PRESENT
AT HEADQUARTERS:** John O'Neill, Secretary
Joe Zimmerman, Treasurer

**DIRECTORS PARTIC-
IPATING BY CONFER-
ENCE CALL:** James M. Harkins, Director
Paul W. Comfort, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.
Talmadge E. Simons

DIRECTOR ABSENT : Joseph F. Snee, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Charles Madison

CALL TO ORDER

Mr. Harkins called the meeting to order at 9:30 a.m.

PROCUREMENT

Mr. O'Neill introduced Procurement Item 1, a change order to an existing agreement with Langenfelder Marine, Inc. Under the change order the contractor will transport and place 18,000 cubic yards of gabion stone at the St. Mary's County Power Dredge (Point Lookout) oyster sanctuary. DNR had asked MES to proceed expeditiously with the work so that the stone could be in place by July 27. In response to a question, Charles Madison stated that DNR selected the type of material to be placed by the contractor. John O'Neill then advised the Board that MES has approved a Memorandum of Understanding with DNR that will provide the funding for the work to be performed under the change

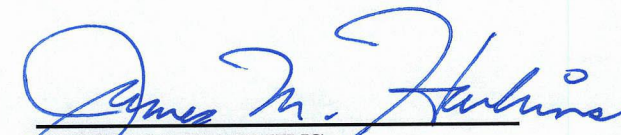
**BOARD OF DIRECTORS MINUTES
MEETING 06-7
JULY 14, 2006
PAGE 2**

order. Mr. Addison made the motion to approve the item, Ms. Jenkins seconded. The item was unanimously approved.

The meeting adjourned at 9:39 a.m.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

BOARD OF DIRECTORS

James M. Harkins, Director

MINUTES

MEETING 06-7A

July 27, 2006

LOCATION: Conference Call
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m. (Meeting scheduled)
9:30 a.m. (Meeting convened)

DIRECTORS PRESENT: John O'Neill, Secretary
Joe Zimmerman, Treasurer

DIRECTORS PARTICIPATING BY PHONE : James M. Harkins, Director
Joseph F. Snee, Esq.
William B.C. Addison
Talmadge E. Simons

DIRECTORS ABSENT : Paul W. Comfort, Esq.
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Crystal Chissell, Esq.
Steve Tomczewski (by phone)
Beth Wojton

CALL TO ORDER

Since Mr. Harkins was out of state, but participating by conference call, Mr. O'Neill chaired the meeting on his behalf. Mr. O'Neill called the meeting to order at 9:30 a.m.

MINUTES

Mr. O'Neill requested approval of the minutes of June 29, 2006 and July 14, 2006. Mr. Addison made the motion to approve the minutes and Mr. Snee seconded. The minutes were approved with Mr. O'Neill abstaining from the vote on the June 29th minutes due to absence from that meeting.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on prospects for the agency. Mr. Harkins and staff met with George Perdikakis and a representative of the Stewart Companies to discuss water supply services for the Charlestown Crossing Development. A scope of services was submitted on July 24th. Richmond-American Homes requested a proposal for the preparation of Stormwater Pollution Prevention Plans for sites in various states and weekly inspection of stormwater facilities for compliance. Questions were addressed and Mr. Snee offered his support through his contacts. A large residential development is being built in the Town of Rising Sun. The development will require a new wastewater system and the Town is exploring the various services MES can provide. A meeting is scheduled to discuss the possibilities.

Mr. Madison informed the members that the Board of Public Works approved the Maryland Port Administration's Masonville project with little discussion during their July 26th meeting.

FINANCE

Mr. Zimmerman advised the Board the Finance staff is working on the end of year close out. He provided for this meeting a preliminary Net Assets Report. Mr. Zimmerman advised the Board that consideration would need to be given to certain projects with ongoing and outstanding financial issues. Sportex's outstanding receivable has been turned over to the Central Collections Unit. Mr. Coleman stated he contacted their assigned Assistant Attorney General to discuss the priority of this collection. Mr. O'Neill advised the Board that a purchase order has been issued for the replacement of a front end loader at the Baltimore County Resource Recovery Facility. This loader replaces stolen equipment. Discussion ensued about the need to establish a fund for the replacement of stolen and damaged equipment. Questions were addressed. Mr. Harkins advised the Board that steps are being taken to emphasize the protection of property by employees. Mr. Addison suggested this be established as a BEST goal.

Mr. Zimmerman introduced Resolution 06-07-1R to finance the purchase of a horizontal grinder for Western Branch. Mr. Addison made the motion to approve the resolution, Mr. Simons seconded. The motion passed unanimously.

PROCUREMENT

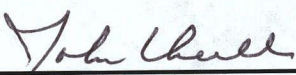
Mr. O'Neill introduced Procurement Item 1. A question was addressed. Mr. Addison made the motion to approve the item, Mr. Simons seconded. Mr. Madison provided additional information. The item was unanimously approved. Mr. O'Neill introduced Item 2. Mr. Addison made the motion to approve the item, Mr. Snee seconded. The item was unanimously approved.

Mr. O'Neill noted the Notifications contained in the Board's notebooks.

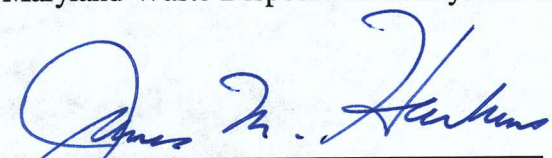
EXECUTIVE SESSION

At 9:58 a.m., upon motion of Mr. Simons, second by Mr. Addison, the members of the Board went into executive session to consult with counsel, as permitted under §10-508(d) of the State Government Article, and to discuss the acquisition of real property for a public purpose as permitted under §10-508(a)(3). Also present during the executive session were Mr. Madison, Ms. Chissell and Ms. Voorhees Balenske. The Board did not take any official action during the executive session. At 10:06 a.m. the Board concluded its executive session.

Mr. O'Neill reminded the Board of the MACO meeting and the Board meeting on August 17th. Nancy Holliday can be contacted with any questions about reservations. Mr. Harkins noted the reception on August 16th with the Northeast Maryland Waste Disposal Authority. The meeting adjourned at 10:08 a.m.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-8
August 17, 2006**

LOCATION: Clarion Resort Fontainebleau
10100 Coastal Highway
Ocean City, Maryland

TIME: 8:30 a.m. (Breakfast)
8:44 a.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
Joseph F. Snee, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.
Paul W. Comfort, Esq. (arrived at 9:06 a.m.)

DIRECTOR PARTICIPATING BY PHONE: Talmadge E. Simons

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Jerald Wheeler
Nancy Voorhees Balenske
Steve Tomczewski
Chris Garrigan
Beth Wojton

CALL TO ORDER

Mr. Harkins called the meeting to order at 8:44 a.m. He thanked Ms. Garrigan and her staff for a successful and well-attended reception held the preceding evening.

MINUTES

Mr. Harkins requested approval of the minutes of July 27th. Mr. Addison made the motion to approve the minutes and Mr. Snee seconded. The minutes were approved.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkin's updated the Board on the following activities:

Mr. Harkins and Mr. O'Neill held a series of "meet & greet" sessions with various counties and municipal Public Works Directors. MES continues to explore with current customers other opportunities where MES can provide assistance. A meeting was held recently with Mr. Herb Meade, MDE regarding underground tank issues.

MES received the first installment of the MDE Tire Fund grant. The next installment requires a budget amendment that has already been submitted to DBM.

Mr. Harkins noted the Masonville projects on the Agency Activity Report. He also pointed out the Stewart Companies project proposal for water supply services for the Charlestown Crossing Development. MES will be the exclusive provider of a range of services. A proposal has recently been submitted to Richmond-American Homes for preparation of Storm Water Pollution Prevention Plans for sites in the Mid-Atlantic region and weekly inspection of stormwater facilities. This will require the support of 5-6 employees. Questions were addressed. Mr. Harkins stressed that MES is not actively seeking business from developers. Rather, the developers and local governments know of MES capabilities and expertise, so they are approaching MES.

Washington County Landfill – Mr. Harkins thanked Mr. Tomczewski and his staff for their work on the design and cost issues surrounding this project. The first phase of the work has been completed and a decision has been made with the County to seek outside assistance for Phase II. Mr. Coleman is working with a County attorney to terminate the existing contract.

Mr. Harkins brought before the Board the suggestion to plan a couple of meetings each year at various projects around the state. A tour of Poplar Island is scheduled for August 24th. MES will bring suggestions to the Board for their consideration.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on prospects for the agency. MES presented a proposal for various services, including grant assistance services to the Town of Rising Sun. A large residential development is being built in the town, which will require a new wastewater system. George, Miles & Buhr has asked for a rough cost estimate to operate a wastewater treatment plant on the Tysons Food property located in Berlin, Maryland. A similar request has been

**BOARD OF DIRECTORS MINUTES
MEETING 06-8
AUGUST 17, 2006
PAGE 3**

received for the Summerfield residential development in Snow Hill, Maryland. The federal government has requested a proposal to operate a water treatment plant at a highly classified federal installation.

FINANCE

Mr. Zimmerman advised the Board that due to timing of this meeting July's results are not completed. He provided for this meeting the FY 2006 Year End Adjustments Report and reviewed each item. The State Central Collections Unit has sent demand letters to Sportex, and a lawsuit will be filed next week if Sportex does not make payment to MES. Mr. Zimmerman informed the Board that MES is working with the State Treasurer's Office to purchase insurance to protect equipment purchased for counties and out of state activities. He also reviewed measures to establish a self-insurance pool, but stated outside expertise assistance is needed. The Used Oil Program item is an accounting adjustment. The auditors begin their work on Monday, August 21st, and he announced that the State Reimbursable funds were within budget for FY 2006. The BEST payout will be presented to the Board in September.

ADMINISTRATIVE ISSUE

Mr. Harkins introduced Resolution 06-08-1R, which authorizes the Secretary of the Service to call and chair meetings in the Director and Deputy Director's absence. Mr. Addison made the motion to approve the resolution, Ms. Jenkins seconded. The motion passed unanimously.

PROCUREMENT

Mr. Harkins introduced Procurement Item 1 and Mr. Coleman reviewed the item. He advised the Board the scope of work may change, but the dollar amount will remain about the same or be less. Questions were addressed. Mr. See made the motion to approve the item, Mr. Addison seconded. The item was unanimously approved. Mr. Harkins introduced Item 2. Mr. Snee made the motion to approve the item, Mr. Addison seconded. The item was approved with Ms. Jenkins abstaining from the vote. Mr. Harkins introduced item 3. Questions were addressed. Mr. Addison made the motion to approve the item. Mr. Comfort seconded. The item was unanimously approved.

Mr. O'Neill noted the Notifications contained in the Board's notebooks and specifically the contract with a retired MDOT individual for MBE liaison services.

LEGAL REPORT

Mr. Coleman informed the Board he is in the process of hiring a replacement for Ms. Crystal Chissell who recently resigned from MES. He and Mr. O'Neill will shortly begin


**BOARD OF DIRECTORS MINUTES
MEETING 06-8
AUGUST 17, 2006
PAGE 4**

conducting second interviews. MES received word from the United States Attorneys Office that the Aberdeen Proving Ground matter has been closed and no further action will take place. An updated Environmental Compliance policy will be brought to the Board. Mr. Snee suggested the attorney hired to assist MES be thanked for his efforts.

Upon a motion by Mr. Snee and Ms. Jenkins, the meeting adjourned at 9:57 a.m. The next scheduled meeting is September 28th at MES headquarters.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-9
September 28, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 10:30 a.m. (Meeting scheduled)
10:31 a.m. (Meeting convened)

DIRECTORS PRESENT: John O'Neill, Secretary
Joe Zimmerman, Treasurer
Joseph F. Snee, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.
Paul W. Comfort, Esq.

DIRECTOR PARTICIPATING BY PHONE : James M. Harkins, Director

DIRECTOR ABSENT : Talmadge E. Simons

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Charles Madison
Jerald Wheeler
Nancy Voorhees Balenske
Chris Garrigan
Beth Wojton
Maclane Gibson

The following attended a portion of the meeting :

Tom Heseltine, Clifton Gunderson
Owen Ward, Clifton Gunderson
Wyman Jackson
Hament Patel
Kimberly Washington
Liz Pluebell

Welford McLellan
Stan Snarski
Brandon Ghrist
Bob Barnhart
Ron Perry
Doug Taylor
Jim Falkenham
Joe Drescher
Steve Keller
Amber Waggner
Mathew Varghese
Gil Spangler
Kelli Nichols
Elsie Leibrand

CALL TO ORDER

Since Mr. Harkins was out of state, but participating by conference call, Mr. O'Neill chaired the meeting on his behalf. Mr. O'Neill called the meeting to order at 10:31 a.m.

INSPIRE AWARDS

Mr. O'Neil presented an Inspire Award to Brandon Ghrist for an Innovative Idea involving a more efficient distribution of lime in the Cox Creek DMCF pond. An Extraordinary Service award was presented to Bob Barnhart for his work assisting the State Highway Administration and its engineer with work being implemented to meet more stringent discharge requirements. Ron Perry, Doug Taylor, Jim Falkenham, Joe Drescher, Steve Keller, Amber Waggner, Mathew Varghese and Gil Spangler were presented Inspire Awards for Extraordinary Service. This HMI operations group conducted a three-week intensive, extensive field monitoring for a Total Suspended Solids Study. Mr. O'Neill presented Kelli Nichols and Elsie Leibrand Inspire Awards for Extraordinary Service. Ms. Nichols and Ms. Leibrand created a notebook with pictures and detailed descriptions to track inventory at the Montgomery County Recycling Facility.

AUDIT REPORT

Mr. Zimmerman introduced Tom Heseltine and Owen Ward from the accounting firm of Clifton Gunderson, the audit firm under contract with MES. Mr. Heseltine reported that the financial statements were reviewed in detail with the Board's Audit Committee. The Board has the audit reports and he gave a brief overview of the report, the management letter and the letter to the Board of Directors. The auditors noted a couple of comments regarding a segregation of duties in the Information Technology division and that agency controls should be balanced

with risk assessment. Questions were addressed. A risk assessment will be presented to the Board at a later meeting. Mr. Zimmerman introduced Hament Patel, Liz Pluebell and Kimberly Washington from Finance who were instrumental in assisting throughout the audit process.

MINUTES

Mr. O'Neil requested approval of the minutes of August 17th. Mr. Zimmerman requested that the next to last sentence of the "Finance" section of the minutes read as follows: "The auditors begin their work on Monday, August 21st and he announced that the State Reimbursable funds were within the budget for FY 2006." Ms. Jackson made the motion to approve the minutes with the corrections and Mr. Addison seconded. The minutes were approved as corrected.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

An MES meeting is being held today regarding a leachate issue at the Midshore Regional Landfill. A question was asked about the locations of Union Bridge and Sudlersville.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on prospects and projects for the agency. The Town of Rising Sun has accepted MES' proposal. Questions were addressed. Ms. Wojton recently spoke with the Richmond-American Homes' regional manager for Maryland and Pennsylvania about the preparation of solid waste pollution prevention plans for their projects in these two areas. A question was addressed. MES is looking at a business opportunity regarding supplying certified stationary engineers to operate boilers for state and private sector businesses. The Department of Labor, Licensing and Regulations has recently changed the regulations. A meeting is scheduled with the Town of Union Bridge on October 9th to describe services that can be provided by MES. MES has also been invited to visit the former Black & Decker facility in Hampstead, Maryland and discuss ways MES can assist with the County's development of the industrial site.

FINANCE

Mr. Zimmerman reviewed the Year-end Operating Results. He highlighted the Statement of Net Assets, Unrestricted Net Assets and addressed questions. He remarked that the first couple of months of fiscal year 2007 look positive.

Mr. Zimmerman introduced Resolution 06-09-1R to finance the purchase of various pieces of equipment for the Midshore Regional Landfill and the Montgomery County Bus Stop project. Mr. Snee made the motion to approve the resolution, Mr. Addison seconded. The motion passed unanimously.

Mr. Zimmerman then introduced Resolution 06-09-2R addressing the Indirect Cost Recovery Methodology. This Resolution is a technical change bringing into line with current operating practices. Mr. Addison made the motion to approve the resolution, Ms. Jackson seconded. The motion passed unanimously

Mr. O'Neill asked for a motion to change the Audit Committee's membership to add Mr. Simons. Ms. Jackson asked the motion to include Mr. Simons. Mr. Addison seconded. The motion passed unanimously.

HUMAN RESOURCES

Mr. O'Neill acknowledged Wyman Jackson's work chairing the BEST 2006 committee. Mr. Jackson provided a brief review of the results, acknowledging support received from Ms. Wojton, Ms. Garrigan, Amanda Nauton, and those who worked at the Fort McHenry clean up, a particularly arduous undertaking. Mr. Jackson was commended for his work. Mr. Zimmerman reviewed the funding available and calculation method for BEST 2006. Mr. O'Neill recommended adoption of the BEST FY 2006 payout. A question was addressed about the timing of the payout. It is traditionally made the first week of November. Mr. Snee made the motion to approve the recommended payout. Mr. Addison seconded. The motion passed unanimously.

Mr. Gibson, the chair of the BEST 2007 committee introduced himself and highlighted the goals for 2007. Discussion was held about Customer Relations. Mr. Snee requested a copy of the Executive Summary of comments. Discussion was also held about reducing accidents and tracking their occurrence. Mr. Comfort made the motion to approve the proposed FY 2007 BEST Goals, and Mr. Snee seconded. The motion passed unanimously

Mr. O'Neill introduced Resolution 06-09-3R granting employees paid leave for the day after Thanksgiving in 2006. Questions were addressed and discussion held. Mr. Addison made the motion to approve the Resolution and Mr. Comfort seconded. The motion passed unanimously.

PROCUREMENT

Mr. O'Neill introduced Procurement Items 1 - 4. Questions were addressed. Mr. Addison made the motion to approve the items. Ms. Jackson seconded. The items were unanimously approved.

Mr. O'Neill noted the Notifications contained in the Board's notebooks.

LEGAL REPORT

**BOARD OF DIRECTORS MINUTES
MEETING 06-9
SEPTEMBER 28, 2006
PAGE 5**

Mr. Coleman has completed the hiring process to replace Ms. Crystal Chissell and a recommendation has been made to the Deputy Attorney General. MES received a very favorable opinion in the federal court case over the Poplar Island crewboat. That suit was dismissed on the grounds MES has immunity from suit under the 11th Amendment to the United States Constitution. A reasonable settlement was negotiated in the State court action. Mr. Coleman addressed a question. Mr. Snee requested a copy of the decision.

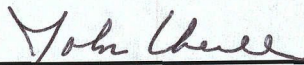
NEW BUSINESS

Mr. O'Neill handed out invitations for the MES hosted Maryland Municipal League Board Reception on October 20th. He also noted that the MES vehicles parked in front of the building are displaying MES' new logo. Mr. Snee, on Mr. Simons behalf, requested the Board consider changing the day of the Board meetings to accommodate Mr. Simons schedule. An email will be sent to the members asking for a preferred day of the month. Monday was suggested.

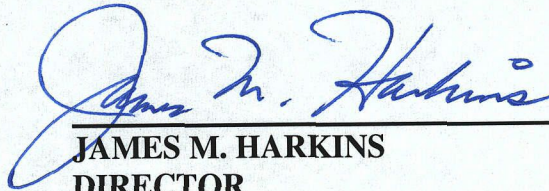
EXECUTIVE SESSION

At 12:05 p.m., upon motion of Mr. Addison, second by Ms. Jackson, the members of the Board went into executive session to consult with counsel, as permitted under §10-508(d) of the State Government Article, and to discuss personnel matters as permitted under §10-508(a)(1) and to discuss the acquisition of real property as permitted under §10-508(a)(3). Also present during the executive session were Ms. Voorhees Balenske, Mr. Madison and Ms. Wojton. Ms. Jackson excused herself at 12:09 p.m. The Board did not take any official action during the executive session. At 12:25 p.m. the Board concluded its executive session.

The next scheduled meeting is October 26th at MES headquarters.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-10
October 26, 2006**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 10:30 a.m. (Meeting scheduled)
10:35 a.m. (Meeting convened)

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
Joseph F. Snee, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.

DIRECTOR ABSENT : Talmadge E. Simons
Paul W. Comfort, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Charles Madison
Jerald Wheeler
Nancy Voorhees Balenske
Beth Wojton
Bobbie Barkman, Esq.
Welford McLellan

The following attended a portion of the meeting :

Rex Lloyd
Doug Conaway
Tim Germana
Ellen Frketic
Skip Immler
Russell Brown
Uday Gadhia
Tim Palmer

**Joe Wright
Chris Thompson
James Scott
Kenny Harr**

CALL TO ORDER

Mr. Harkins called the meeting to order at 10:35 a.m.

INSPIRE AWARDS

Mr. Harkins presented Inspire Awards for Extraordinary Service to Skip Immler, Joe Wright, Chris Thompson and James Scott for their work assisting at the Jessup Prison Complex when a major pipe broke at the Complex and water was shut off. An Extraordinary Service award was presented to Kenny Harris for his work with the Mobile Tub Grinder program and turning it into a cost-effective service for MES' clients. Mr. Snee expressed a desire to see the equipment.

MINUTES

Mr. Harkins requested approval of the minutes of September 28th. Mr. Addison made the motion to approve the minutes and Mr. Snee seconded. The minutes were approved.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins spoke to the following activities:

The MES hosted Maryland Municipal League Board reception was very successful and once again provided clients the opportunity to speak one on one with MES representatives.

Cecil County – MES's presence is increasing in the County aside from Bainbridge/Port Deposit and Rising Sun. The Stewart Companies accepted the scope of services for water supply services at the Charlestown Crossing Development and requested a cost proposal for Operations and Administration. MES presented Rising Sun as a case study at the Maryland Municipal League meeting. A question was addressed.

MPA - MES traveled with Maryland Port Administration officials to a Honeywell site in New Jersey. It was an opportunity to spend time with MPA and view 'best practice' clean up operations at the site. A proposal has been submitted to MPA for citizens' outreach for the Masonville project.

MDE – A presentation of MES GIS activities follows. MES is also working with MDE providing testing services for the Corsica River. This river was designated by the Governor as a pilot project to remove the river from EPA's list of impaired waterways.

Mr. Harkins also discussed a couple of challenges with certain clients. MES continues to work closely and provide additional outreach to work through any issues.

Carroll County – There is the potential for providing assistance to the Carroll County Department of Economic Development at the Black and Decker industrial site in Hampstead.

MES is working to submit to the Maryland Homeland Security agency a grant request to fund the purchase of a portable water treatment plant to produce potable water in the event of an emergency. Questions were addressed about the cost of the system and manufacturers.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on prospects and projects for the agency. A presentation to St. Mary's County officials is being made October 27th for the design of an open top municipal solid waste transfer and processing facility. A meeting is being held next week with Prince George's County to discuss an interest in shared use facilities. The scope of the project for Richmond-American has been reduced to conducting stormwater inspections in Maryland and parts of Pennsylvania. One outstanding issue is the cost of additional insurance for MES required by the company. In response to a question about the Black and Decker projects, Ms. Wojton responded that the company contacted MES.

GIS PRESENTATION

Mr. Madison provided the background of this growing program of services to various clients. He introduced two members of the staff, Tim Palmer, the Project Manager and Uday Gadhia. Mr. Palmer's presentation included its background, a comparison of the growth of services, mobile GIS services, and project highlights. Questions were addressed.

FINANCE

Mr. Zimmerman reviewed the Operating Results ending September 30, 2006 and handed out the Variance Analysis. The review included key operating results, indirect cost analysis, change in net asset components, customer accounts receivables, and summary of revenues, expenses and changes in net assets. Questions were addressed throughout the review. He also informed the Board that a financial report was made to the Midshore County Administrators on the 25th, which was received favorably. A year-end projection will be provided at November's meeting as well as a financial plan. There is nothing to report yet on the Tire Facility valuation from Clifton-Gunderson.

Mr. Zimmerman introduced Resolution 06-10-01R. This resolution is a notice of intent to finance and later reimburse the cost of acquisition and improvements to the Chicken Point Road property. MES is still working with MPA to finalize financial arrangements for the property. Questions were addressed. Mr. Addison made the motion to approve the resolution, Ms. Jackson seconded. The motion passed unanimously.

PROCUREMENT

Mr. Harkins introduced Procurement Item 1. A question was addressed. Ms. Jackson made the motion to approve the item. Mr. Addison seconded. The item was unanimously approved. Procurement Item 2 was introduced by Mr. Harkins and reviewed by Mr. Madison. Questions were addressed and Mr. Madison informed the members that an MBE event was held for prospective bidders and possible subcontractors to meet one another. Mr. Snee made the motion to approve the item and Mr. Addison seconded. The motion was approved unanimously.

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

LEGAL REPORT

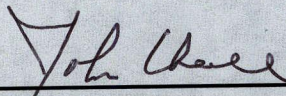
Mr. Coleman introduced Ms. Bobbie Barkman who replaces Ms. Crystal Chissell as an Assistant Attorney General. MES and former employee Ron Russo were named as defendants in a district court action arising from a minor motor vehicle accident that occurred 3 years ago. Mr. Coleman has already arranged for Mr. Russo to be dismissed from the action, and the agency has yet to be properly served.

The Wilburn case has been remanded back to the Baltimore County Circuit Court.

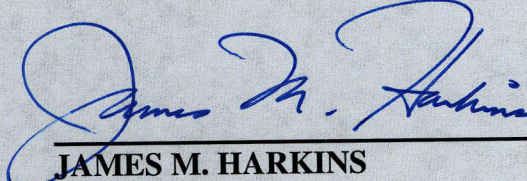
NEW BUSINESS

The proposed calendar for the remainder of 2006 and 2007 was reviewed and generally agreed upon. A question was asked about the agency's preparedness in case of an Avian flu pandemic. A planning group was formed and an individual is being hired who has a wealth of emergency response planning experience. Additional questions were addressed.

The meeting adjourned at 12:04 p.m. The next scheduled meeting is a conference call meeting on November 16th.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Robert L. Ehrlich, Jr., Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 06-11
November 16, 2006**

LOCATION: Conference Call
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m. (Meeting scheduled)
9:30 a.m. (Meeting convened)

**DIRECTORS PRESENT
AT HEADQUARTERS:** James M. Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer

**DIRECTORS PARTIC-
IPATING BY CONFER-
ENCE CALL:** Paul W. Comfort, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.
Talmadge E. Simons

DIRECTOR ABSENT : Joseph F. Snee, Esq.

OTHERS PRESENT: Henry Cook
Steve Tomczewski
Sean Coleman, Esq.
Charles Madison
Jerry Wheeler
Nancy Voorhees Balenske
Beth Wojton
Chris Garrigan
Bobbie Barkman, Esq.

CALL TO ORDER

Mr. Harkins called the meeting to order at 9:30 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of October 26th. Mr. Addison made the motion to approve the minutes and Ms. Jenkins seconded. The minutes were approved.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins reported on the following activities:

The agency is working on documents for the Governor-elect's transition team.

A recent meeting was held with the Citizens Group on Masonville. Congressman Gilchrest has participated in meetings regarding James & Barren Islands and appears to be more receptive to these types of projects. MES is working with St. Mary's County on the design of an Open Top Transfer Facility. MES continues to meet with the City of Frostburg regarding MES' operations. The agency is analyzing its operations efficiencies in comparison to a study done by the City to take over operations.

Mr. Harkins pointed out the Maryland Port Administration and Maryland Aviation Administration activities in the Agency Activity Report.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on prospects and projects for the agency. A signed contract has been returned to Richmond-American. We are waiting for a letter from the company waiving a million dollar insurance requirement. An Operations and Maintenance proposal is being prepared to operate the existing facility located in the Carroll County Industrial Park. The meeting was held with Prince George's County to discuss an interest in shared use facilities. MES will be the controlling authority. Questions were addressed. MES is working on an umbrella agreement.

FINANCE

Mr. Zimmerman told the Board that October's financials would be mailed to them. He provided a brief review of the change in net assets for the current fiscal year. It appears that net assets have increased by about \$830 thousand. A financial plan will be part of December's agenda. A meeting is scheduled with a DBM fiscal analyst to discuss reimbursables.

PROCUREMENT

Mr. Harkins introduced Procurement Item 1. Ms. Jackson made the motion to approve the item. Mr. Addison seconded. The item was unanimously approved.

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

NEW BUSINESS


MES has contracted with the Singer Group to review the Human Resources system, Performance Based Compensation and salaries. A meeting is scheduled with Clifton-Gunderson on November 20th to review their progress in valuing the Tire Facility. McGuire-Woods will be assisting with the public offering documents. Further discussion will take place during December's meeting. The Governor approved the budget amendment of \$1.1 million dollars for the grant from the Tire Fund, and the check is expected shortly.

Questions were addressed on James & Barren Island and transition changes.

LEGAL REPORT

Mr. Coleman reported the Attorney General-elect is working on his transition and has announced the planned appointments of two Deputy Attorneys General. The inauguration is January 2nd.

Prior to adjournment, discussion was held about different meeting locations. Plans will be made for an off-site meeting in February. The meeting adjourned at 9:41 a.m. The next scheduled meeting is December 14th.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Martin O'Malley, Governor

James M. Harkins, Director

BOARD OF DIRECTORS
MINUTES
MEETING 06-12
December 14, 2006

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m. (Meeting scheduled)
9:39 a.m. (Meeting convened)

DIRECTORS PRESENT: James Harkins, Director
John O'Neill, Secretary
Joe Zimmerman, Treasurer
Joseph F. Snee, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.
Paul W. Comfort, Esq.

DIRECTOR ABSENT : Talmadge E. Simons

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Charles Madison
Jerald Wheeler
Steve Tomczewski
Chris Garrigan
Beth Wojton
Roberta Barkman, Esq.
Maclane Gibson
Pam Fuller

The following attended a portion of the meeting :

Doug Conaway; Tim Germana; Troy Carrington; Joseph Wright; Chris Thompson; Patricia Lyon; Herman Thomas; John Gordon; Angela Lee; Cheryl Griffin
Nick Kuba; Richard Pollock; Vladimir Pens
Susie Epling
David Wyatt; Juana Garcia; Michael Sellner; Lester Gorham
Mack McClellan

CALL TO ORDER

The meeting was called to order at 9:40 a.m.

INSPIRE AWARDS

Mr. Harkins presented Inspire Awards to Joseph Wright, Chris Thompson, Patricia Lyon, Herman Thomas, John Gordon, Angela Lee, and Cheryl Griffin for their extraordinary service in managing the groundwater treatment facility at the Dundalk Marine Terminal in a manner that resulted in a significant reduction in the toxicity of the effluent. An Extraordinary Service award was presented to Richard Pollock and Vladimir Pens for their efforts in implementing an upgrade to MES' JD Edwards financial accounting system. This was the first upgrade in 5 years. Susie Epling was present to receive an award for her Innovative Idea to prepare a guide for completing administrative forms. David Wyatt, Juana Garcia, Michael Sellner and Lester Gorham received Innovative Idea awards for their participation in a Quality Circle Group.

MINUTES

Mr. Harkins requested approval of the minutes of November 16th. Ms. Addison made the motion to approve the minutes and Mr. Comfort seconded. The minutes were approved.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins reported that he and senior agency staff are making a major effort to prepare background material in advance of the gubernatorial transition. Mr. Harkins has spoken to former Natural Resources Secretary John Griffin, who is heading the transition team for environmental matters. A meeting with the transition team has not yet been scheduled.

Mr. Harkins, Charles Madison, and MPA Director Brooks Royster attend a conference of port officials in Washington DC. The officials discussed the status of the Federal harbor Maintenance Fund. The Fund has accumulated approximately \$4 billion, but it is not being appropriated for harbor projects in order to offset the Federal deficit. MES will provide information to MPA to assist in making arguments why the funds should be released. Maintenance dredging projects are being held up because of a lack of funds, and the Masonville dredging project is in jeopardy because the State anticipated funding that project from the sale of the World Trade Center in Baltimore. MES may expend up to \$5,000.00 to assist MPA.

MES is performing a substantial amount of work with MDE. MES is also performing GIS work for other State agencies.

**BOARD OF DIRECTORS MINUTES
MEETING 06-12
DECEMBER 14, 2006
PAGE 3**

Senior staff met with National Park Service officials to discuss potential work at Assateague National Seashore.

Mr. Snee asked about the likelihood of the Crisfield Ferry project being implemented. Mr. Harkins replied that there is much enthusiasm for the project in Somerset County, but officials in Virginia don't seem interested. Charles Madison reminded the Board that the State obtained an \$800,000 federal grant to get the project going, but an environmental impact statement must be performed first. MES is prepared to start the EIS, but Virginia officials have not given permission to start.

BUSINESS DEVELOPMENT REPORT

Ms. Wojton updated the Board on the following new or potential projects:

Carroll County: MES has received a signed operations proposal from the owner of the wastewater treatment facility at the old Black & Decker manufacturing facility in Hampstead. MES also submitted a proposal to perform an engineering study for a larger facility.

Howard County: Jerry Wheeler met with a private owner in Howard County which is interested in MES providing a shared use system for two new housing projects.

Anne Arundel County: MES has been informed that it will begin operating the Davidsonville water treatment plant on January 1, 2007.

Earth Tech: MES met with officials of this firm to discuss a potential teaming agreement. MES would provide GIS services of utilities at BWI and other facilities.

Steve Tomczewski will be assisting a firm to provide a technical demonstration of composting of municipal solid waste. The firm may require technical and regulatory assistance from MES.

Richmond American: Negotiations are continuing, but the firm is not willing to sign an agreement with MES at this point because MES cannot meet the firm's insurance requirements. MES must procure its insurance through the State Treasurer, and the Treasurer's office is asking for significant amounts of information from MES before it will act. Mr. Coleman informed the Board that a change in State law would be required to give MES independent authority to purchase its own insurance.

HUMAN RESOURCES

Ms. Wojton reported that representatives of the Singer Group will be meeting with MES officials in the next week. They will study MES' practices and make recommendation for

**BOARD OF DIRECTORS MINUTES
MEETING 06-12
DECEMBER 14, 2006
PAGE 4**

strategies for hard-to-fill positions, salary administration, compensation plans, and streamlining the hiring process.

HR is continuing to focus on speeding the hiring process. MES had 70 vacancies when Ms. Wojton began managing the group; there are now 47. She has already begun to streamline the hiring process. Each month the number of new hires increases.

FINANCE

Mr. Zimmerman reported that earlier in the day MES received a wire transfer from MDE in the amount of \$1.1 million. This represents part of the grant MDE is making to MES for the Tire Facility. The funds will be used to retire debt incurred by MES in financing the tire facility.

Mr. Zimmerman distributed the MES Budget document. He advised that it is difficult for MES to present a traditional budget because there are so many different components and variable to MES revenues and expenditures. He stated that the document he was distributing is more akin to a financial plan. Mr. Zimmerman estimated that Net Assets will increase over the course of the next year. He hopes that the agency can build up its on-labor revenues to about \$2 million per year. The agency must also continue to reduce its overhead costs, and stabilize its work force so that fewer employees leave for better paying jobs in county governments. Mr. Comfort moved to adopt the document as the FY 07 Financial Plan, Mr. Addison seconded, and the motion was unanimously adopted.

Mr. Zimmerman advised that he had met with the DBM budget analyst assigned to MES. MES is requesting an increase of approximately 24% in State reimbursable funds. The analyst stated she understood the request, but DBM later called and asked MES to bear the entire increase. Mr. Harkins, Mr. O'Neill and Mr. Zimmerman immediately met with officials of DBM and explained how MES would not be able to bear those additional costs on its own.

PROCUREMENT

Mr. Harkins introduced Procurement Item 1. In response to a question, Mr. Wheeler advised that MES is satisfied with the work of the current contractor. Mr. Snee made the motion to approve the item. Mr. Addison seconded. The item was unanimously approved.

Mr. Harkins introduced Procurement Item 2. Mr. Snee made the motion to approve the item. Mr. Addison seconded. The item was unanimously approved.

Mr. Harkins introduced Procurement Item 3. Mr. Jenkins made the motion to approve the item. Mr. Addison seconded. The item was approved by all members voting. Mr. Comfort abstained from the discussion and vote on Item 3.

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

LEGAL REPORT

Mr. Coleman asked Ms. Barkman to update the Board on the status of revisions to the agency environmental compliance policy. She is working with Jon Kallen to update the compliance policy, and to make it more comprehensive. A revised policy will be presented to the Board at a future meeting.


NEW BUSINESS

Mr. Harkins distributed a meeting schedule for 2007. The schedule reflects the Board's desire to see more MES projects. Mr. Addison advised that he may have a conflict with the time set for the March meeting.

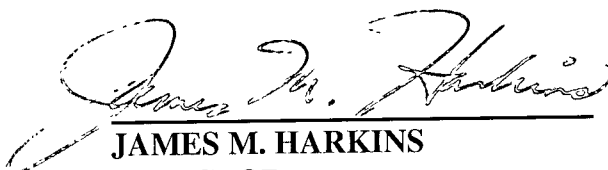
EXECUTIVE SESSION

At 11:05 a.m., upon motion of Mr. Addison, second by Mr. Snee, the members of the Board went into executive session to consult with counsel, as permitted under §10-508(a)(7) of the State Government Article, and to discuss a negotiating strategy, as permitted under §10-508(a)(14). Also present during the executive session were Mr. Coleman, Mr. Tomczewski, and Ms. Fuller. The Board did not take any official action during the executive session. At 11:30 a.m. the Board concluded its executive session, and adjourned the meeting

The next scheduled meeting is a telephone conference call to occur on January 22, 2007.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



**BOARD OF DIRECTORS
MINUTES
MEETING 05-12
December 20, 2005**

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 10:00 a.m. (Meeting scheduled)
10:05 a.m. (Meeting convened)

DIRECTORS PRESENT: John O'Neill, Secretary
Joe Zimmerman, Treasurer

DIRECTORS PARTICIPATING BY CONFERENCE CALL:
James M. Harkins, Acting Director
Paul Comfort, Esq.
Leslie Jackson Jenkins, Esq.
William B.C. Addison
Joseph F. Snee, Esq. (joined at 10:10 a.m.)

DIRECTOR ABSENT: Lawrence Shubnell

OTHERS PRESENT: Sean Coleman, Esq.
Henry Cook
Steve Tomczewski
Jerald Wheeler
Charles Madison
Nancy Voorhees Balenske
Chris Garrigan

CALL TO ORDER

Mr. Harkins called the meeting to order at 10:05 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of November 18, 2005. Mr. Addison made the motion to approve the minutes and Ms. Jenkins seconded. The minutes were unanimously approved.

FINANCE

Mr. Harkins introduced Resolution 05-12-1R and asked Mr. Coleman to review. This Resolution requests approval to borrow additional funds from SunTrust Bank to complete construction of an open top trailer transfer facility at the Western Acceptance Facility located in Baltimore County, Maryland. Three changes were made to the Resolution as follows: the date in the fifth paragraph of the Recitals is changed from December 6, 2005 to December 19, 2005; the interest rate in paragraph number 2 of the Resolution is changed from 4.55% to 6.30%. The final change adds the following language to line 7 of the same paragraph, "6.30% per annum, except as are otherwise provided in the SunTrust proposal, are in the best interests of the Service." Questions were addressed. Mr. Comfort made the motion to approve the Resolution as amended. Mr. Snee seconded. The motion passed with Mr. O'Neill abstaining.


Mr. Harkins introduced Resolution 05-12-2R and Mr. Coleman reviewed the Resolution. This Resolution repeals Resolution 04-09-1R, creates the ECI Maintenance Fund, and will transfer \$300,000 from a contingency fund to the ECI Maintenance Fund. Mr. Comfort noted a typographical correction should be made to third paragraph of the Recitals. The dollar amount should be \$300,000. Mr. Snee made the motion to approve Resolution 05-12-2R as corrected. Ms. Jenkins seconded. The motion passed unanimously.

PROCUREMENT

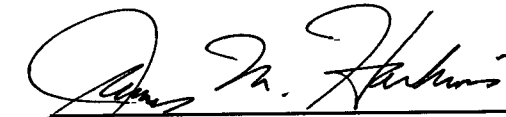
Mr. O'Neill introduced Procurement Item 1. Ms. Jenkins made the motion to approve the item. Mr. Snee seconded. The item was approved. Mr. O'Neill introduced Procurement Item 2. Mr. Comfort made the motion to approve the item. Mr. Snee seconded. The item was approved. Mr. O'Neill introduced Item 3. A question was addressed. Mr. Snee made the motion to approve the item. Mr. Addison seconded. The item was approved. Mr. O'Neill introduced Item 4. Mr. Comfort made the motion to approve the item. Mr. Addison seconded. The item was approved. Mr. O'Neill introduced item 5. Ms. Jenkins made the motion to approve the item. Mr. Snee seconded. The item was approved. Mr. O'Neill introduced the final item, Item 6. A question was addressed. Mr. Comfort made the motion to approve the item. Mr. Snee seconded. The item was approved.

CLOSING

Mr. Coleman will update Ms. Jenkins on the Executive Session consultation held with counsel on December 14, 2005. The next meeting is scheduled for January 23, 2006. The meeting adjourned at 10:20 a.m.



**JOHN O'NEILL
SECRETARY**



**JAMES M. HARKINS
ACTING DIRECTOR**