



Martin O'Malley, Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 11-1
January 24, 2011**

LOCATION: Conference Call
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m.

**DIRECTORS PRESENT
AT HEADQUARTERS:** James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer

DIRECTORS PARTICIPATING BY CONFERENCE CALL: Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Joseph F. Snee, Esq.
Talmadge E. Simons
Edward Adams
Leslie Jackson Jenkins, Esq. (joined at 9:38 a.m.)

OTHERS PRESENT: Sean Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Nancy H. Voorhees Balenske
Jerald Wheeler
Beryle T. Downs

CALL TO ORDER

The meeting was called to order at 9:31 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of December 13, 2010. Mr. Sneer made the motion to approve the minutes and Mr. Addison seconded. The minutes were approved.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

MES had a meeting with Energy Answers and various local officials. Mr. Harkins toured their Cape Cod facility on December 15th.

MACO's winter meeting was held in Cambridge. MES met with various county officials including new administrators and elected members. A meeting was held with St. Mary's County's Administrator and Commissioners. Discussion included the privatization of facilities at Patuxent River Air Station. MES explained to them its involvement with the Aberdeen-Edgewood utilities privatization project.

MES met with the Maryland Food Center Authority located in Jessup, Maryland. The facility wants to expand, but lacks sewer capacity. They are interested in innovative re-uses of water. MES Water & Wastewater's engineering team is doing preliminary work.

BUSINESS DEVELOPMENT

Ms. Wojton reported a letter was received in regard to APG Aberdeen-Edgewood utilities privatization project. Negotiations re-opened until February 11th. MES partners are re-visiting pricing.

A solicitation was received for a wastewater treatment plant on the eastern shore of Virginia. An Expression of Interest was submitted last week. A decision is expected around May 1st.

Ms. Wojton pointed out the AmeriWaste potential project on the Agency Activity Report. MES will provide stormwater consulting services. A question was addressed.

FINANCIAL REPORT

Mr. Cook reviewed the Key Operating Results ending December 31, 2010. He noted direct labor is holding steady but overall revenue is down due to Masonville project nearing completion. Fringe rate is as expected due to lowered rates for FY 11 and holidays. Interest remains the same. Net assets have increased by \$363,000, but the rate of increase is lower compared to last year's. Payments are being received on certain accounts over 120 days. Mr. Cook talked about the depreciation on the Midshore I Landfill with regard to the private purpose trust fund. These funds will be written down over the next 6 months. MES is on track to meet or exceed the target projections on the Plan v. Actual Report.

Mr. Cook updated the Board on the Midshore II financing. The preliminary official statement will be out this week. Pricing will occur on February 1, and closing is expected to occur on February 16th. A question was addressed.

Mr. Cook introduced Resolution 11-01-1R. The Resolution authorizes the issuance, sale and delivery of bonds to finance the Hobbs Road Landfill Cap and Closure Project. He reviewed the various components of the financing. Mr. Coleman informed the Board that minor changes will be made to the attachments to be consistent with the Loan Agreement. A question was addressed. Mr. Addison made the motion to approve the Resolution. Mr. Snee seconded. The Resolution unanimously passed.

Mr. Harkins informed the Board that MES is working on adjusting rates for the Darlington Service District. Prices have not been increased since 2004. The 5-year Plan will be presented to the Board at a future meeting. Questions were addressed.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate will be 1.97% once the new hires are processed. The number of positions is 712.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. Mr. Simons made the motion to approve the Item. Mr. Adams seconded. The motion passed unanimously. Mr. Harkins introduced Item 2. Mr. Snee made the motion to approve the item. Mr. Simons seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman's office continues to spend significant time on the Midshore and Hobbs Road Landfills financing. The office is also working with Water and Wastewater on a new agreement with Carroll County for Freedom District upgrades.

The meeting adjourned at 10:07a.m.


RICHARD P. STREETT, JR., V.M.D.
SECRETARY


JAMES M. HARKINS
DIRECTOR



Martin O'Malley, Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 11-2
February 28, 2011**

LOCATION: MES Headquarters
259 Najoles Road
Millersville, Maryland

TIME: 10:30 a.m.

**DIRECTORS PRESENT
AT HEADQUARTERS:** James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
William B.C. Addison
Joseph F. Snee, Esq.
Talmadge E. Simons

DIRECTORS PARTICIPATING BY CONFERENCE CALL:
Richard P. Streett, Jr., V.M.D., Secretary
Leslie Jackson Jenkins, Esq. (left at 11:00 a.m.)

OTHERS PRESENT: Sean Coleman, Esq.
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerald Wheeler
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 10:35 a.m.
Dr. Street & Ms. Jenkins connected in at 10:40 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of January 24, 2011. Mr. Addison made the motion to approve the minutes and Mr. Snee seconded. The minutes were approved. Dr. Street and Ms. Jenkins had not yet joined the meeting.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

MES received recognition from MPA as they were presented with a 2010 Coastal American Special Recognition Award for work done at Masonville Cove Environmental Restoration Project. The award was presented on February 23, 2011 at the Masonville site. Charles Madison, John O'Neill and Melissa Slatnick represented MES, and the Assistant Secretary of the Army for Civil Works and other officials of the Corps of Engineers also attended.

Mr. Harkins, Mr. O'Neill and Mr. Tomczewski visited a facility in Newark, NJ that shreds, bales & shrink-wraps solid waste. MES is looking at the process since it is similar to what Energy Answers has proposed for its Baltimore project. Mr. Harkins has a meeting with officials from Harford County on Tuesday, March 1 to discuss this process.

Mr. Harkins had a meeting with DNR Secretary John Griffin and Deputy Secretary Joe Gill regarding various MES projects. Everything was very positive.

MES has its General Assembly budget hearings on Thursday in the House, and Monday in the Senate. Mr. Harkins attended and testified at a hearing last week with Sean Coleman on House Bill 451, a bill that would make it difficult for MES to contract with other government entities.

Mr. Harkins notified the board of a new training initiative for senior and mid-level staff. MES has a contract with Anne Arundel Community College to provide supervisory and management level training. The training is spread over 6-8 months. Each Group has selected 3-4 people to participate in this round of training. Ms. Jenkins had several questions regarding the selection criteria for participants, and the cost to the agency. Mr. O'Neill advised that there are 15 employees in the Managerial training, and 20 participants in the Supervisory training. They will attend 6 total days of training, at a cost of \$1,400 per day (for all participants).

BUSINESS DEVELOPMENT

APG Aberdeen-Edgewood utilities privatization project – MES is awaiting a final determination by the Army.

Patuxent River – no new news

Chincoteague Homeland Security Facility WWTP – MES submitted an Expression of Interest. Formal proposals are due by March 10.

11:00 am – Leslie Jackson Jenkins logged off

FINANCIAL REPORT

Mr. Cook reviewed the Key Operating Results ending January 31, 2011. He noted that decreases in direct labor for Water and Wastewater, and Environmental Ops have been offset by increases in direct labor in TES. Overall revenue is down due to Masonville project nearing completion. Fringe rate is as expected due to lowered rates for FY 11 and holidays. Interest remains the same. Payments are being received on certain accounts over 120 days. MES is on track to meet or exceed the target projections on the Plan v. Actual Report.

Mr. Cook updated the Board on the Midshore II financing. The Bond Sale occurred on February 16, 2011. A letter summarizing the sale is enclosed with the Financial Report. The bonds were rated AA, and sold at a rate of 4.56%. All of the bonds were sold. With the proceeds, MES has paid off the \$12,000,000 Bond Anticipation Note, and been reimbursed \$3.8 million for expenses previously incurred. Mr. Cook extended special thanks to Mr. Coleman for reviewing all of the necessary documents. Mr. Harkins thanked Mr. Cook for all his efforts in gathering the necessary information for the sale.

HUMAN RESOURCES

Mr. O'Neill reported that the vacancy rate will be 2.39% once the new hires are processed. The total number of MES positions is 712. There are 19 vacancies.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. Mr. Simons made the motion to approve the Item. Mr. Addison seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2. Mr. Snee made the motion to approve the item. Mr. Simons seconded. The motion passed unanimously.

Mr. Harkins introduced Item 3, for services to upgrade the agencies JD Edwards accounting software. The existing system has not been updated in over 14 years. The upgraded system will solve many existing problems, and be made more widely available to the rest of the

agency. Mr. Snee made the motion to approve the Item. Mr. Addison seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman expressed his thanks and appreciation to Pamela Fuller for all of her contributions and efforts in managing the Midshore II Bond documents for the bond closing.

Port Deposit – MES had previously reached a settlement with the Town of Port Deposit, whereby MES agreed to release its Environmental Service liens against the Town in exchange for the payment of \$75K over a 6 year period. Last week, MES received a check from the Town for the full \$75K. The matter is now closed with respect to the Town, but is still open with respect to the Water and Sewer Authority.

The SEC has proposed a new regulation whereby all non-employee members of public boards who issue debt would be required to register with SEC as financial advisors. Many groups, including the Maryland Attorney General's Office are sending in comments opposed to this proposed regulation.

NEW BUSINESS

A question was raised about the status of the property across Najoles Road from MES HQ. At this point, the owner is planning a warehouse (which he claims is fully leased already) and flexible office space. There is no timetable for the office space, but MES has spoken to the owner about the possibilities of renting additional office space and/or parking space. In addition, HQ staff is actively looking into ways to alleviate overcrowding in several offices.

The Headquarters building just received the Gold LEED Certification. It is the only State office building to be retrofitted to the Gold standard.

The meeting adjourned at 11:38 a.m.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Martin O'Malley, Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 11-3
March 21, 2011**

LOCATION: MES Headquarters
259 Najoles Road
Millersville, Maryland

TIME: 10:30 a.m.

**DIRECTORS PRESENT
AT HEADQUARTERS:**

**James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
Leslie Jackson Jenkins, Esq.
William B.C. Addison
Talmadge E. Simons
Joseph F. Snee, Esq. (10:37a.m.)
Ed Adams (10:37a.m.)**

OTHERS PRESENT:

**Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerald Wheeler
Beryle T. Downs
Pamela Fuller**

CALL TO ORDER

The meeting was called to order at 10:35 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of February 28, 2011. Mr. Addison made the motion to approve the minutes and Dr. Street seconded. The minutes were approved. Mr. Adams and Mr. Snee had not yet joined the meeting.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins announced that the MES Headquarters building had achieved the U.S. Green Building Council's LEED GOLD certification, and distributed a flyer detailing what was required to achieve this Gold certification. The building had also achieved the Energy Star Designation in 2010, earning a score of 97 out of 100. He expressed his thanks to the MES team that brought it all together: Frank Babusci, Ted Kluga and Ryan Schwabenbauer.

Mr. Harkins also handed out a full page ad from the Port of Baltimore magazine featuring the tugboat "Kaleen McAllister." MES just retrofitted its diesel motors with clean bio-fuel burning engines, using \$3.5 Million in EPA Clean Diesel grant money. MES is currently working on the Inner Harbor tour boat "Spirit" which is scheduled to be completed in April. All Federal grant money will have been spent by September, 2011.

Steve Tomczewski was recognized by the South Baltimore Learning Center for his 20 years of service. He will be honored at their annual gala and fundraiser on April 2, 2011

Mr. Harkins attended and testified at the State budget hearings for MES' State projects earlier this month. The House had agreed to remove some objectionable language; he hopes the Senate will agree to do so also.

At the Governor's request, MES hosted a presentation from High Tech Bio for MDE, DNR and the Energy Administration. Their presentation concerned the use of algae to reduce greenhouse gases, and the subsequent burning of the algae as a bio-fuel. Pilot programs are being conducted now.

The Governor has also created an Energy sub-cabinet and asked Mr. Harkins to participate. His first meeting is tomorrow.

BUSINESS DEVELOPMENT

APG Aberdeen-Edgewood utilities privatization project –A final follow up has been issued by the Army. They are seeking follow up information from several of MES’ partners, but not from MES. The response is due April, 29, 2011. A decision is expected in May.

Chincoteague Homeland Security Facility WWTP – MES cannot respond to the solicitation as it has been limited to Disadvantaged Businesses entities.

Eastern Shore - MES attended a dinner of the Maryland Municipal League Eastern Shore chapter. Several possible business opportunities were discussed.

Mr. Adams inquired regarding the numerous entries in the Agency Activity Report for MPA. Mr. Madison indicated that most of the proposals will be accepted and implemented. They are putting in the proposals now to get the funding lined up. In 2014, the Panama Canal improvements are due to be complete, and the MPA hopes to attract larger ships by deepening the channels. Mr. Snee suggested having a future Board meeting at the Port with a tour. Mr. Harkins and Mr. Madison will try to make arrangements for this.

Mr. Adams inquired about the Energy Answers project in Harford County. Mr. O’Neill has been attending meetings with Harford County and Energy Answers. There is potential work for each MES Group in this project. Pat Mahoney of Energy Answers will be coming to next month’s Board meeting. There was much discussion regarding Harford County’s solid waste system.

Mr. O’Neill and Mr. Adams also discussed Baltimore County’s single-stream recycling program. MES is to build and operate the facility. Baltimore County would like to sell its recyclable on the commodities market and reap the profit, rather than giving those materials to Waste Management for them to sell. The IGA between the County and MES must be finished, and then Baltimore County needs to sell its bonds, before the design work can begin.

FINANCIAL REPORT

Mr. Cook reviewed the Key Operating Results ending February 28, 2011. He noted that direct labor remains flat. Overall revenue is down. The fringe benefit cost variance is, as expected, currently negative due to lowered rates for FY 11 and several holidays in February. The cost variance should start to go up in March with 3 pay periods. Interest earnings remain the same. Payments are being received on certain accounts over 120 days. MES is on track to meet or exceed the target projections on the Plan v. Actual Report.

The Legislative Analyst thought MES should have more legislative oversight over its State reimbursable projects. MES is currently authorized to retain a portion of unexpended proceeds, which it uses for unexpected maintenance projects. The Secretary of Budget and Management must approve all retained reimbursable funds prior to expenditure. Transparency is already there, but MES has agreed to provide reports, and will include those reports in future financial statements.

Mr. Cook also handed out the audit report by S.B. Company, Inc. The report was due in October, 2010. Mr. Cook and Ms. Jenkins expressed their displeasure with SBC for the long delay. The audit is required by the U.S. Office of Management and Budget for Federal projects using stimulus money. MES is in compliance on all measures.

Resolution 11-03-01R was presented for approval. The resolution expresses MES' intent to reimburse itself from loan proceeds for costs incurred related to the Garner/Brandywine scrap tire cleanup project. MDE will eventually provide the monies by a loan that is expected to be forgiven. The Garner/Brandywine site consists of 5 ravines, and over 1 million tires. It is a State reclamation and restoration site. Work has been ongoing on this site for several years. This \$7 million dollar loan will fund the rest of the cleanup project. Mr. Addison moved to approve the Resolution, Mr. Snee seconded. The motion was unanimously approved.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate will be 2.95% once the new hires are processed. The total number of authorized MES positions is 723.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. Mr. Simon made the motion to approve the Item. Ms. Jenkins seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2, the final Change Order from David A. Bramble, Inc. for construction of the Midshore II Landfill. This project has come in under budget and on time. Dr. Streett made the motion to approve the item. Mr. Snee seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman briefly repeated his presentation from last month for the members who were not present. The SEC has proposed a new regulation whereby all non-employee members of public boards who issue debt would be required to register with SEC as financial advisors. Many groups, including the Maryland Attorney General's Office are sending in comments opposed to this proposed regulation.

Ethics Disclosure filings are due by the end of April, 2011.

EXECUTIVE SESSION

At 12:08 p.m., upon motion of Mr. Addison, second by Dr. Streett, the members of the Board went into executive session for consultation with counsel. Mr. Coleman advised the Board of two litigation matters concerning the agency.

Also present during the executive session was Ms. Fuller. Upon motion by Ms. Jenkins, seconded by Mr. Snee, at 12:25 p.m. the Executive Session ended and the meeting adjourned.


RICHARD P. STREETT, JR., V.M.D.
SECRETARY


JAMES M. HARKINS
DIRECTOR



Martin O'Malley, Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 11-4
April 25, 2011**

James M. Harkins, Director

LOCATION: MES Headquarters
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m.

**DIRECTORS PRESENT
AT HEADQUARTERS:**

**James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison**

DIRECTORS PARTICIPATING

BY TELEPHONE : Talmadge E. Simons
Joseph F. Snee, Esq.
Ed Adams (joined at 9:36 a.m.)

DIRECTOR ABSENT : Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerald Wheeler
Nancy H. Voorhees Balenske
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 9:30 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of March 21, 2011. Mr. Addison made the motion to approve the minutes and Dr. Streett seconded. The minutes were approved. Mr. Adams had not yet joined the meeting.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Mr. Harkins informed the Board that the accidental death of Mr. James M. Gillus, an employee at Dundalk Marine Terminal, deeply affected many MES employees. He credited the staff with pulling together during this time. Counseling was provided at DMT and Headquarters and continues to be available to employees at their discretion by contacting the counselor. Governor O'Malley, Mr. Harkins, Joe Snee and many other MES staff members attended either the viewing or Mr. Gillus' funeral.

Mr. Harkins announced that the Brown Station Road Sanitary Landfill Pretreatment Facility is the recipient of a Washington Suburban Sanitary Commission third annual pre-treatment recognition award. Ms. Trish Lyons, the Operations Manager prepared the application on behalf of the client, Prince George's County. The Facility has consistently met the compliance limits established for the facility. Mr. Harkins congratulated Mr. Wheeler and his staff.

Spring Flings are about to begin around the State and at Headquarters. This year the emphasis is health care enrollment and safety.

BUSINESS DEVELOPMENT

Ms. Wojton reported on the following:

APG Aberdeen-Edgewood utilities privatization project –The final follow up requested by the Army is due April 29, 2011. Mr. Wheeler and Ms. Wojton are providing final review. A decision is expected in May.

FINANCIAL REPORT

Mr. Cook reviewed the Key Operating Results ending March 31, 2011. He noted that direct labor remains flat. Overall revenue is down. The fringe benefit cost variance is, as expected, currently negative due to lowered rates for FY 11. Overhead recovery is down slightly also due to lowered rates and Net Assets are also down. Mr. Cook directed the Board's attention to page 11 of the Operating Results, MES Project Reserve Funds Status. This was prepared at the request of Mr. Snee. The ECI and State Reimbursable Project Funds are already established. The DNR Project Contingency Fund is being established. A resolution will be presented to the Board

at May's meeting. Mr. Coleman provided additional comments. Mr. Cook handed out the Plan v. Actual Report. MES is on track to meet or exceed the target projections.

Mr. O'Neill provided an update of the JD Edwards kickoff meeting. Data has been sent to GL Associates for the first phase of the project that will focus on financial information.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate is 3.79%. Currently there are 9 new hires and 2 scheduled. Ms. Wojton noted there has been a decrease in number of technical resumes.

RESOLUTION

Mr. Harkins presented for the Board's action Resolution 11-04-1R, which commends Ms. Voorhees Balenske for her outstanding contributions to the agency, and offers her the best wishes in retirement from the Board of Directors. Ms. Voorhees Balenske is retiring effective May 1st. Upon motion of Mr. Addison, seconded by Dr. Streett, the resolution was unanimously approved. Ms. Voorhees Balenske thanked the Board for the privilege and experience of being a part of the Board and for their gift of a crystal vase.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. Dr. Streett made the motion to approve the Item. Mr. Addison. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT


Mr. Coleman reminded the members that Ethics Disclosure filings are due the end of April. The office has recently spent much of its time reviewing the Dundalk Marine Terminal accident and providing advice to agency staff. The Attorney General of Maryland recently toured Hart-Miller Island. Mr. Coleman thanked Mr. Madison and his staff for their efforts in assisting with the tour planning and implementation.

NEW BUSINESS

Dr. Streett informed the Board that he has heard a number of advertisements by Valley View Farms about LeafGRO. Mr. Tomczewski said MES is well on its way to setting an all time record for sales this year. During employee sales day approximately 1,000 bags were sold.

EXECUTIVE SESSION

At 9:56 a.m., upon motion of Dr. Streett, seconded by Mr. Addison, the members of the Board went into executive session for consultation with counsel and staff, and discuss compensation of employees. Also present during the executive session were Ms. Voorhees Balenske, Ms. Wojton, and Ms. Fuller. Upon motion by Mr. Addison, seconded by Mr. Snee, at 10:30 a.m. the Executive Session ended and the meeting adjourned. The Board did not take any official action during the executive session.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Martin O'Malley, Governor

James M. Harkins, Director

**BOARD OF DIRECTORS
MINUTES
MEETING 11-5
May 23, 2011**

LOCATION: MES Headquarters
259 Najoles Road
Millersville, Maryland

TIME: 10:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons
Joseph F. Snee, Esq.
Ed Adams
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Doug Conaway
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 10:40 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of April 25, 2011. Dr. Streett made the motion to approve the minutes and Mr. Simons seconded. The minutes were approved.

DIRECTOR'S REPORT

Spring Flings have continued around the State and at Headquarters. This year the emphasis is on health care enrollment and safety. Morale appears generally good.

MES, at the Governor's request, supplied factual information on waste-to-energy. A bill before the General Assembly this session sought to reclassify the burning of solid waste from a tier 2 to a tier 1 for renewable energy credits. A tier 1 is the same tier as solar and wind derived energy. This bill was controversial, and the Governor's office called Mr. Harkins with a request for information. Steve Tomczewski and Chris Garrigan worked all weekend to prepare and deliver the requested information. The Governor eventually signed the bill.

Mr. Harkins also met with the Governor to discuss the handling of poultry litter. The Governor's office indicated that the State will issue an RFP for another vendor to build and operate a poultry burning facility, and implement a power purchase agreement whereby the State will buy the power generated at the facility. MES' anaerobic digester test project is doing well. Anaerobic digestion is cheaper than building a burn plant. The Governor is also looking at a program where farmers will burn the litter right on the farm and use the energy to heat the barns. Purdue is also looking at composting chicken litter.

Mr. Harkins, Mr. Madison and several others attended the Governor's Energy Summit in Timonium. Between 400 and 500 people attended.

Mr. Harkins had lunch with Al Collins, Secretary of General Services to discuss various DGS/MES projects and possible future projects. Mr. Harkins will continue to meet with other agency officials to discuss MES' services.

BUSINESS DEVELOPMENT

Ms. Wojton reported on the following:

APG Aberdeen-Edgewood utilities privatization project. A decision by the Army is still pending.

Water and Wastewater Group has been asked by Wicomico County Board of Education to operate water treatment systems at five more schools.

The Business Development Group is going to concentrate on Shared Use Systems as a source of steady income.

AGENCY ACTIVITY REPORT

Mr. Snee noticed many new prospects with MVA and asked Mr. Madison how this has come about. Mr. Madison explained that his Group initially helped them prepare components of an Environmental Management System (EMS) plan. This helped TES get their foot in the door, and as other projects were identified, the services have expanded. MES now has one full time person stationed at MVA.

Mr. Snee also inquired about the capping project at Masonville. Mr. Madison explained it is an old contaminated area identified by MPA and MDE that is being capped with clean dirt.

TES has also picked up more work with SHA on storm water management. MES is now doing storm water repairs across the State, including a retrofitting project along the I-95 construction zone. Mr. Adams asked if MDE is requiring SHA to reduce nutrient runoff by 20% from its storm water sites. Mr. Madison stated that he did not know, but would get additional information for Mr. Adams.

Mr. Adams inquired about Energy Answers. No change on that project.

FINANCIAL REPORT

Mr. Cook reviewed the Key Operating Results ending April 30, 2011. He noted that direct labor remains flat, and overall revenue is down compared to last year. The fringe benefit cost variance is negative due to lower rates in FY 11 and 401K increases not included in the rate. Overhead recovery is down slightly also due to lowered rates and Net Assets are also down. Mr. Cook directed the Board's attention to page 11 of the Operating Results, MES Project Reserve Funds Status. The ECI and State Reimbursable Project Funds are already established. The DNR Project Contingency Fund is being established. A resolution is being presented to the Board at today's meeting. Referring to the Plan v. Actual Report, Mr. Cook noted that MES is on track to meet or exceed the target projections for the year.

Resolution 11-05-1R was introduced by Mr. Coleman. The Resolution authorizes the execution of two loans to finance the clean-up of the Garner/Brandywine Scrap Tire site. Under one loan, MES will borrow up to \$6 million from MDE's Water Quality Administration. Under the second loan, MES will borrow an additional \$800,000, which MDE anticipates forgiving. These loans will pay for the cleanup of the remaining ravines. MDE will repay MES for expenses incurred with money from the Tire Fund. An IFB for the cleanup work has gone out, responses are due soon. Mr. Snee moved to approved Resolution 11-05-1R, Mr. Simons seconded it, and the motion was unanimously approved.

Resolution 11-05-2R was introduced and explained by Mr. Coleman. This resolution implements a change to the MES Act that was approved by the General Assembly in the Budget

Reconciliation and Financing Act in the 2011 session of the General Assembly. The Resolution creates the Project Contingency Funds authorized by the General Assembly. Ms. Jenkins moved to approved the Resolution, Mr. Addison seconded it, and the motion was unanimously approved.

HUMAN RESOURCES

Ms. Wojton reported that MES currently has 712 filled positions, and the vacancy rate is 3.51%. There are 8 new hires and 6 scheduled to start in May. After the new hires start, the vacancy rate will be 2.67%.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. Mr. Simons made the motion to approve the Item, Dr. Streett seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2. Mr. Snee made the motion to approve the Item, Ms. Jenkins seconded. The motion passed unanimously.

Mr. Harkins introduced Item 3. Mr. Addison made the motion to approve the Item, Dr. Street seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman advised that Arnold Jolivet was found guilty of theft against MES. He was sentenced 1 year on the felony county, and 6 years on the misdemeanor counts, where were all suspended. He was also ordered to pay a \$1,900 fine. He has asked for a new trial.

Mr. Snee asked if there were any updates on Mr. James Gillus, the employee killed last month at Dundalk Marine Terminal. MOSH has declared the incident an accident and closed its file. Mr. Joe Selle and Delegate Sonny Minnick have been working with the family to resolve some issues with the funeral home and insurance company.

NEW BUSINESS

The September 26th Board meeting will be held at the Maryland Port Administration's World Trade Center office. It will be followed by a land and sea tour of the Port. Travel details will follow.

Mr. Snee suggested it may be time for MES to hold a management retreat to update the Strategic Plan, perhaps at Rocky Gap or Cambridge.

CLOSED SESSION

At 12:00 p.m., upon motion of Mr. Addison, seconded by Ms. Jenkins, the members of the Board went into Closed Session for consultation with counsel and staff, to discuss compensation of specific employees. Also present during the Closed Session were Mr. Coleman and Ms. Wojton. During the Closed Session the Board received a verbal report from the Human Resources Committee recommending a salary increase for the Director and Deputy Director for Fiscal Year 2012. The Board accepted the recommendation. Upon motion by Mr. Snee, seconded by Mr. Simons, at 1:05 p.m. the Closed Session ended.

Mr. Harkins introduced Resolution 11-05-3R. Mr. Adams moved to approve the Resolution. Mr. Simons seconded the motion, and the Resolution was unanimously approved.

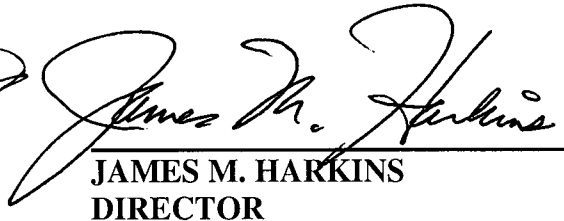
Mr. Harkins introduced Resolution 11-05-4R. Mr. Adams moved to approve the Resolution. Dr. Streett seconded the motion, and the Resolution was unanimously approved.

Mr. Harkins introduced Resolution 11-05-5R. Mr. Snee moved to approve the Resolution. Ms. Jenkins seconded the motion, and the Resolution was unanimously approved.

Mr. Harkins submitted a proposal to update the salary ranges for employees in the Executive Compensation Program. The salary ranges have not been updated since 2004. Mr. Simons moved to establish the minimum end of the Executive Compensation Program range to be \$100,000, the mid-point to be \$142,169, and the high end of the range to be \$184,338. Dr. Streett seconded the motion, and the motion was unanimously approved.

At 1:10 p.m., upon motion of Mr. Addison, the meeting adjourned.


RICHARD P. STREETT, JR., V.M.D.
SECRETARY


JAMES M. HARKINS
DIRECTOR

**BOARD OF DIRECTORS
MINUTES
MEETING 11-6
June 20, 2011**

LOCATION: MES Headquarters
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons
Joseph F. Snee, Esq.
Ed Adams (arrived 9 :53 a.m.)
Leslie Jackson Jenkins, Esq. (telephone)

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerry Wheeler
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 9:35 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of May 23, 2011. Ms. Jenkins made the motion to approve the minutes and Mr. Snee seconded. The minutes were approved. Mr. Adams did not participate in the approval of the minutes.

DIRECTOR'S REPORT

APG Aberdeen-Edgewood utilities privatization project. The U.S. Army has decided not to award any contract for privatization. Ms. Wojton will provide further details in her report.

At the request of the Mr. Snee, the agency is scheduling a planning retreat for Board members and executive staff. A handout of possible retreat locations was distributed. The Board was asked for input as to where and when they would like to meet. Consensus was to travel to the Eastern Shore, and tour 1 or more MES projects, including the Midshore II Landfill. The weekend of September 17th and 18th was agreed on. Chris Garrigan will contact each of the locations on the Eastern Shore and determine availability and pricing for those days.

The Maryland Municipal League (MML) conference is scheduled for June 26 through 29 in Ocean City. MES will have a small booth.

The MES Picnic is scheduled for Sunday, July 10th at Sandy Point State Park.

The Water and Wastewater upgrade at the Eastern Correctional Institute (ECI) is almost complete. The Governor had asked MES to include the Somerset County Sanitary District in the project which utilized stimulus money for the upgrades. The Director of the SCSD has just informed MES they may no longer want to participate. Mr. Harkins has contacted the Secretary of MDE and has a meeting scheduled with the acting County Administrator of Somerset County next week to discuss.

MES will be co-hosting a reception at MACO in August with the Northeast Waste Disposal Authority. Time and location to be determined.

BUSINESS DEVELOPMENT

Ms. Wojton reported on the following:

APG-Edgewood utilities privatization project. – The US Army has announced that they will not be awarding a contract for this project. Mr. Wojton plans to attend the debriefing scheduled for July 7th or 8th.

Cecil County may move to end its relationship with Artesian Water for maintenance of its water and wastewater facility. MES has contacted Cecil County to advise them of MES' ability to provide services.

Frederick County just released a report of potential privatization of assorted services. Two areas mentioned in detail for possible privatization included solid waste and water/wastewater services.

FINANCIAL REPORT

Mr. Cook reviewed the Key Operating Results ending May 31, 2011. He noted that direct labor remains flat, and overall revenue is down compared to last year. The fringe benefit cost variance is negative due to lower rates in FY 11 and 401k increases not included in the rate. Overhead recovery is down slightly also due to lowered rates and Net Assets are also down.

Referring to the Plan v. Actual Report, Mr. Cook noted that MES is on track to meet or exceed the target projections for the year.

Mr. Cook handed out the FY 2012 Financial Plan to the Board. Total labor sales for 2012 are up \$288,000 over 2011. Rate increases of \$1,200 per employee and Singer Study changes in 2012 are producing \$900,000 in increased labor sales. However, this is reduced by \$400,000 from the loss of Montgomery Co. Recycling business to Covanta, \$100,000 loss in labor from the shutdown of the RCF operation and client budget cuts for a net labor sales increase of \$288,000. TES is the only Group that is realizing higher labor sales from increased client business in GIS, stormwater and other environmental projects.

Both fringe and overhead variance are lower while all other income sources remain relatively flat.

Mr. Cook indicated there is still risk of more downward pressure on client budgets which means MES must be diligent in managing overhead expenses. In general, overhead recovery and other income sources are projected to be flat for FY 2012. Overall he expressed this is a conservative plan for 2012.

HUMAN RESOURCES

Ms. Wojton reported that MES currently has 712 filled positions, and the vacancy rate is 3.53%. There are 6 new hires and 3 scheduled to start in June or July. After the new hires start, the vacancy rate will be 2.11%.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. This contract provides for community outreach on new dredging projects. The MPA Harbor Development team meets with the communities and paves the way for future projects. Mr. Snee made the motion to approve the Item, Mr. Addison seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2. This item is for hauling of clean fill dirt into Masonville to provide two feet of clean fill over the area that MDE believes is contaminated. Mr. Snee made the motion to approve the Item, Mr. Adams seconded. The motion passed unanimously.

Mr. Harkins introduced Item 3. This change order is for shoreline stabilization of a portion of the dike at Masonville. McLean Contracting is already on site, decreasing any mobilization costs to complete the work. Mr. Simons made the motion to approve the Item, Dr. Streett seconded. The motion passed unanimously.

Mr. Harkins introduced Item 4. Mr. Snee made the motion to approve the Item, Mr. Addison seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT


The legal office continues to work on various transactional matters, including the Garner/Brandywine Water Quality Financing loan which closes this week. Mr. Coleman is also drafting the termination agreement for the Regional Compost Facility (RCF) and documents for the sale of the property.

The legal office is also consulting with MDE and Carroll County over permit requirements for the Freedom District WWTF. These new requirement will have an impact of the cost of construction of upgrades at the Freedom District WWTF. A Consent Order is being requested to delay the reporting requirements until construction is completed.

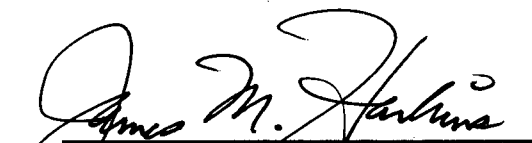
OLD BUSINESS

Mr. Snee asked if the Director had looked into the issue of increasing the per diem salary for the Board members. Ms. Wojton and Mr. O'Neill are looking into this. Action should be taken before June 30th. A conference call will be scheduled.

At 10:30 a.m., upon motion of Mr. Snee, the meeting adjourned.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**



Martin O' Malley, Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 11-06A
June 30, 2011**

James M. Harkins, Director

LOCATION: 259 Najoles Road
Millersville, Maryland

TIME: 3:00 p.m.

**DIRECTORS PRESENT
AT HEADQUARTERS:** James Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer

**DIRECTORS PARTIC-
IPATING BY CONFER-
ENCE CALL:** Dr. Richard P. Streett, Jr., V.M.D., Secretary
Joseph F. Snee, Esq.
William B.C. Addison
Leslie Jackson Jenkins, Esq.
Edward Adams, P.E.

DIRECTOR ABSENT : Talmadge E. Simons

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton

CALL TO ORDER

Mr. Harkins called the meeting to order at 3:02 p.m.

ADMINISTRATION

Mr. Harkins opened the meeting by expressing his regret that due to other matters the senior staff had been working on, the meeting had not been scheduled sooner. Mr. Snee stated that he was concerned that the staff had not made scheduling the meeting a priority when he had requested it more than a month ago.

Mr. Coleman summarized the contents of Resolution 11-06A-1R, copies of which had been sent to the Board members earlier. Questions were addressed. Mr. Snee made the motion to adopt the Resolution, with the amount of per diem compensation for eligible Board members to be \$750. Mr. Harkins seconded. The item was approved by all voting members; Ms. Jenkins abstained.

The meeting adjourned at 3:18 p.m.



**JOHN O'NEILL
DEPUTY DIRECTOR**



**JAMES M. HARKINS
DIRECTOR**

**BOARD OF DIRECTORS
MINUTES
MEETING 11-7
July 25, 2011**

LOCATION: MES Headquarters
259 Najoles Road
Millersville, Maryland

TIME: 9:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary (via conference call)
William B.C. Addison (via conference call)
Talmadge E. Simons (via conference call)
Joseph F. Snee, Esq. (via conference call)
Ed Adams (via conference call)
Leslie Jackson Jenkins, Esq. (via conference call) (9:33am)

OTHERS PRESENT: William J. Selle, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerry Wheeler
Bernard Penner
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 9:31 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meetings of June 20, and June 30, 2011. Dr. Street made the motion to approve the minutes and Mr. Snee seconded. The minutes were approved. Ms. Jenkins had not yet come on the line and did not participate in the approval of the minutes.

DIRECTOR'S REPORT

Mr. Harkins has met with the Howard County Department of Public Works regarding future solid waste work in Howard County.

The MES booth at MML (Maryland Municipal League) conference in June was well attended. MES staff are following up on various leads.

Mr. Harkins also met with Cindy Ward, the Somerset County Administrator regarding past, present and future work for the County.

Mr. Harkins also met with Bill Saterfield of Delmarva Poultry Producers regarding anaerobic digestion and the Governor's Chesapeake Bay initiatives.

Mr. Harkins and Mr. Snee attended the Tawes Clam Bake and met with many Eastern Shore political leaders.

The MES Senior staff will be visiting the Garner/Brandywine Scrap Tire Cleanup site in the coming months. Any interested Board members should contact Beryl. There are 5 ravines full of scrap tires on the property. One ravine has been cleared of over 200,000 tires. Work is currently progressing on 2 other ravines.

BUSINESS DEVELOPMENT

Ms. Wojton reported on the following:

APG-Edgewood utilities privatization project. – Ms. Wojton attended the US Army debriefing. The capital costs of all proposals were about 30% higher than the Army's estimate. They have decided not to award the bid.

Frederick County has decided not to privatize at this time. MES will remain in contact to offer our assistance when necessary.

Cecil County may move to end its relationship with Artesian Water for maintenance of its water and wastewater facility. Cecil County has asked MES for a proposal for Water and Wastewater operators.

Montgomery County shared use facilities are coming online soon. They have asked MES for proposals to operate the facilities. This is similar to the Howard County shared use systems we currently operate for 5 schools. Small shared-use facilities may be a promising direction for MES to focus.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate is 2.53%. There were 7 new hires in July and 2 scheduled to start by the end of the month.

FINANCIAL REPORT

The year-end results are not complete yet. The audited statements will be completed and presented in September.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. This contract is for short and long term disability and life insurance for MES employees. Mr. Simons made the motion to approve the Item, Mr. Snee seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2. This item is for janitorial and general labor at BCRRF and WAF. Mr. Snee made the motion to approve the Item, Dr. Streett seconded. The motion passed unanimously.

Mr. Harkins introduced Item 3. This change order is for stone aggregate for building roads on Hart-Miller and Poplar Islands. Dr. Streett made the motion to approve the Item, Mr. Snee seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

Joe Selle presented a number of proposed regulation changes. A few inconsistencies were found in the MES regulations after last years' review in accordance with the State's regulatory review and evaluation.

COMAR 14.27.01 – Designation of Service Regions. MES and the Northeast Maryland Waste Disposal Authority have determined that this regulation is no longer necessary and should be repealed. Mr. Snee made the motion to approve the Item, Mr. Addison seconded. The motion passed unanimously.

COMAR 14.27.02.12 – Sick Leave. Agency staff determined that while adoption of a child was listed as an approved use of sick leave, birth of a child was not included in the regulation. This amendment corrects that inconsistency. Mr. Snee made the motion to approve the Item, Mr. Addison seconded. The motion passed unanimously.

COMAR 14.27.02.16 – Family Leave. With several recent changes to the Federal Family and Medical Leave Act (FMLA), the Service's family leave regulation has become outdated. Rather than amending regulation .16 each time the FMLA is amended, the Service has elected to repeal its current FMLA regulation, and replace it with language adopting the applicable provisions of the federal act. This new language is consistent with the Department of Budget & Management's practice contained in COMAR 17.04.11.24(I). This change will not result in loss of any FMLA leave benefits for MES employees. Dr. Streett made the motion to approve the Item, Mr. Snee seconded. The motion passed unanimously.

COMAR 14.27.03.11 – Contract Award. Procurement staff determined this regulation did not provide for advertisement of procurement awards in eMaryland Marketplace as required by State Finance and Procurement Article, §17-502. This change will add that requirement. Mr. Snee made the motion to approve the Item, Mr. Adams seconded. The motion passed unanimously.

OLD BUSINESS

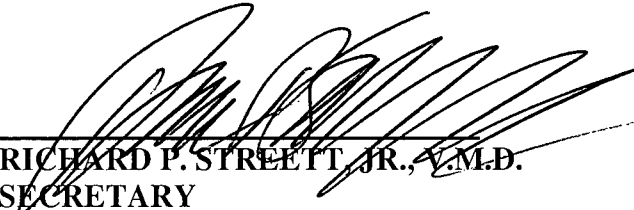
The Board retreat has been scheduled for September 17-18, 2011 at the Hyatt in Cambridge. A facility tour will occur on Friday. MES' present and future plans will be discussed, as well as updates to the Strategic Plan. Mr. Snee has forwarded several potential issues for discussion to Mr. Harkins.

NEW BUSINESS

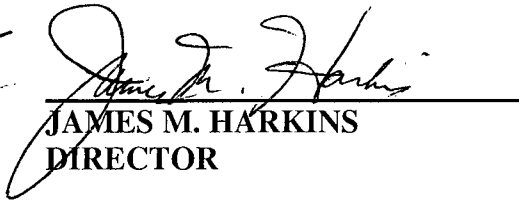
Jerry Wheeler presented background information and history on the Darlington Water System. The Sixth Biennial Update to the Five Year Plan has been prepared and included a Rate increase. The rates are comparable to other similarly situated water systems. Harford County has reviewed and approved the plan and the rate change. Once this plan and rate increase are implemented, the system should be self-sustaining. Board approval will be required in late August or early September. A meeting will be scheduled after the public hearing, which is August 11, 2011.

**BOARD OF DIRECTORS MINUTES
MEETING 11-7
JULY 25, 2011
PAGE 5**

At 10:35 a.m., upon motion of Dr. Streett the meeting adjourned.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**

**BOARD OF DIRECTORS
MINUTES
MEETING 11-8
August 18, 2011**

LOCATION: Grand Hotel
2100 Baltimore Ave, 4th Floor
Ocean City, Maryland

TIME: 8:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons
Joseph F. Snee, Esq.
Ed Adams
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerry Wheeler
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 8:55 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of July 25, 2011. Mr. Snee made the motion to approve the minutes and Dr. Streett seconded. The motion passed unanimously, with the exception that Mr. O'Neill abstained.

DIRECTOR'S REPORT

Mr. Harkins met with County Executive John Leopold regarding the Crownsville Water and Wastewater Facilities. He also met with Jonas Jacobson, a consultant who is assisting Howard County as they update their solid waste plan.

Mr. Harkins toured the Purdue "reverse air filtration" building at a poultry pellitization plant in Delaware with David Bezanson, Assistant Secretary For Property Services with Department of Public Safety and Correctional Services. They spoke with employees and neighbors of the plant and all seemed very positive. The system keeps odors inside the building. MES and DPSCS are looking at using this technology at the ECI anaerobic digester project.

MES graduated another class of supervisors and managers from the Management Training program at AACCC. There has been very positive feedback from employees participating in this training. The program will continue next year.

MES recently delivered several truck loads of school supplies to Somerset County Public Schools. In addition to benefiting many students in Somerset County, this project also accomplished an BEST Goal. A local newspaper reporter and school board representatives were on hand at the delivery.

BUSINESS DEVELOPMENT

Ms. Wojton reported on the following:

Cecil County may move to end its relationship with Artesian Water for maintenance of its water and wastewater facility. Cecil County has asked MES for a proposal for Water and Wastewater operators, and may seek future contacts with MES.

Ms. Wojton will spend time in September touring each major facility speaking with employees regarding what types of projects MES should pursue and discussing potential new clients.

Mr. Harkins reported that the MACO convention appears to be a big success. The MES/NEWDA Reception last night was a hit. Mr. Harkins met with at least 5 new potential clients at the reception. MES ran a raffle to collect business cards for a chance to win a Kindle®. MES will use these cards to update its database of potential clients and vendors.

FINANCIAL REPORT

Mr. Cook presented the 2011 Preliminary Plan v. Actual report. Overall MES had a positive year, and is on track to meet with projections. MES was forced to cut many budgets

and trim costs to accommodate clients with reduced budgets. Mr. Cook will be looking at utilizing some of MES' cash assets to invest in capital-intensive revenue producing projects.

Mr. O'Neill updated the Board on the JD Edwards update. The software had not been updated since 1992. New servers and additional cooling units were needed in the server room, in addition to the software and the consultant. The entire upgrade should be completed by March, 2012. The costs will be capitalized and amortized over 10 years. The consultant has been working closely with MES staff for months, and will complete the implementation and training. The system will require additional upgrades about every 10 years to remain current.

Mr. Simons inquired if there had been any developments in the agency's search for additional office space. A Notice of Development sign was put up directly across the street from MES' Headquarters. A developer may construct a single office building on the front of the property and a warehouse on the back portion. The office building will be 3 to 4 stories. MES has expressed an interest in leasing the entire first floor and parking areas. Negotiations are ongoing.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate is 2.39%. There were 4 new hires and 3 scheduled to start by the end of the month. That brings total agency employment to 712 full-time positions.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. This contract is construction of a new headworks building at the ECI WWTP. Mr. Addison made the motion to approve the Item, Mr. Snee seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2. This item is for design services to upgrade and expand the ECI WWTP. Mr. Adams made the motion to approve the Item, Dr. Streett seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

OLD BUSINESS

Jerry Wheeler reported that the Public Information Hearing for the Sixth Biennial Revision to the Five-Year plan and Proposed rate Change for the Darlington Water Supply District was held last week. Only 5 people from the district attended. The comment period is still open, but so far the comments have been positive, and a few residents have thanked MES for

the work done on the system. Once all comments are receive and processed, a presentation will be made to the Board for their approval. That meeting will be Wednesday, August 31, 2011 at 2:00 p.m. Board members may participate by conference call.

Changes to the proposed Board Retreat were discussed. Mr. Harkins solicited feedback on what form the retreat should take, and what items will be discussed. Mr. Adams would like to see an itinerary of items to be discussed. Mr. Snee reminded the Board that these planning session were typically held about every 5 years to discuss the Strategic Plan for the agency. Consensus was an entire weekend was not needed, but perhaps an afternoon into evening session would accomplish all goals? Mr. Adams also suggested extending the yearly MACO meeting to incorporate the Strategic Planning sessions. Mr. Harkins will consider all suggestions and get back to the board with more definitive plans.

LEGAL REPORT – CLOSED SESSION

At 10:20 am, upon motion of Ms. Jenkins, seconded by Mr. Snee, the members of the Board went into Closed Session for consultation with counsel to discuss an investigative proceeding of possible criminal conducted, as permitted under §§10-508(a)(8) and (12) of the State Government Article. Also present during the Closed Session were Mr. Coleman, Ms. Wojton and Ms. Fuller. The Board took no official action during the closed session. The closed session ended at 10:40 a.m.

At 10:40 a.m., upon motion of Mr. Snee, seconded by Mr. Addison, the meeting adjourned.


RICHARD P. STREETT, JR., V.M.D.
SECRETARY


JAMES M. HARKINS
DIRECTOR

**BOARD OF DIRECTORS
MINUTES
MEETING 11-8
August 31, 2011**

LOCATION: Maryland Environmental Service

TIME: 2:00 p.m.

DIRECTORS PRESENT: James M. Harkins, Director (via telephone)
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary (via telephone)
William B.C. Addison (via telephone)
Talmadge E. Simons (via telephone)
Joseph F. Snee, Esq. (via telephone)
Ed Adams (via telephone)
Leslie Jackson Jenkins, Esq. (via telephone)

OTHERS PRESENT: Sean Coleman, Esq.
Jerry Wheeler
Pamela Fuller

CALL TO ORDER

The meeting was called to order at 2:02 p.m.
Mr. Adams online at 2:04 p.m.
Ms. Jenkins online at 2:05 p.m.


Darlington Service District Resolution

Jerry Wheeler reported that the Public Information Hearing for the Sixth Biennial Revision to the Five-Year plan and Proposed rate Change for the Darlington Water Supply District was held on August 8, 2011. Five people from the district attended. The comment period has now closed and MES received no comments from the general public. Mr. Snee inquired whether the plan allowed for new service connections. Mr. Wheeler explained it is possible, though not likely. New customers would not change the rates for existing customers, only help pay off the debt faster.


**BOARD OF DIRECTORS MINUTES
MEETING 11-8A
AUGUST 31, 2011
PAGE 2**

Resolution 11-08A-1R was presented, copies of which had been sent to the Board members earlier. Mr. Snee made the motion to adopt the Resolution, Mr. Addison seconded. The item was approved by all voting members.

At 2:10 p.m., upon motion of Mr. Addison, seconded by Ms. Jenkins, the meeting adjourned.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**

**BOARD OF DIRECTORS
MINUTES
MEETING 11-9
September 26, 2011**

LOCATION: MPA Headquarters
World Trade Center
Baltimore, Maryland

TIME: 10:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons
Joseph F. Snee, Esq.
Ed Adams
Leslie Jackson Jenkins, Esq.

OTHERS PRESENT: Sean Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerry Wheeler
Beryle T. Downs
Pamela Fuller

CALL TO ORDER

The meeting of the Board was called to order by Mr. Harkins at 10:50 a.m.

Prior to the Board meeting the Human Resources Committee and the Audit Committee held separate meetings. The minutes of those Committee meetings are attached.

INTRODUCTION & WELCOME TO MPA

Ms. M. Kathleen Broadwater, Deputy Executive Director of the Maryland Port Administration (MPA) welcomed the Board to MPA. With her were Frank Hamons, MPA Deputy Director for Harbor Development, and David Blazer, MPA Chief of the Dredged

**BOARD OF DIRECTORS MINUTES
MEETING 11-9
SEPTEMBER 26, 2011
PAGE 2**

Material Management Program. She presented an overview of MPA activities, stressing the importance of dredging in keeping the marine channels open. There are 6 public cargo terminals and 23 private facilities, receiving 32.8 million tons of cargo in 2010. As ships get bigger, both cargo and cruise ships, dredging becomes even more important.

Ms. Broadwater and Mr. Blazer left after their presentation at 11:10 am. Mr. Hamons remained at the meeting.

MINUTES

Mr. Harkins requested approval of the minutes of the meetings of August 18, 2011 and August 31, 2011. Dr. Streett made the motion to approve the minutes and Mr. Snee seconded. The motion passed unanimously.

AUDITOR'S REPORT

The auditors from SB & Company, LLC were scheduled to present FY11 Audited Financial Statements and Report. They made their presentation to the Audit Committee prior to the meeting, and a second presentation did not occur. The Audit Committee was satisfied with their report and accepted it from the auditors. The agency did very well on the audit.

DIRECTOR'S REPORT

Mr. Harkins reported that the reception held at MACO, as well as the MES booth were well attended. The agency continues to follow up on several promising leads for new business.

Mr. Harkins attended a Manure-to-Energy Summit on September 8, 2011 sponsored by the Chesapeake Bay Commission, Chesapeake Bay Foundation, MD Technology Development Corporation, and Farm Pilot Project Coordination, Inc. He will be providing more information to the Board in the future on this issue.

Mr. Harkins also attended a wind energy conference on the Delmarva at University of Maryland, Eastern Shore.

As part of its continuing outreach to communities near the Midshore II Regional Landfill, MES was a sponsor of the 3rd annual Lions Club golf tournament in Denton.

Last Thursday, September 22, 2011, Mr. Harkins, together with Kathy Broadwater, and representatives from the Senate Education, Health and Environmental Affairs Committee toured the Paul S. Sarbanes Ecosystem Restoration Project at the Poplar Island Dredged Material Placement Facility.

Mr. Harkins and Ms. Wojton have been meeting individually with each Board member to discuss what they would like to see come out of the agency's strategic planning retreat, currently scheduled for October 24, 2011.

BUSINESS DEVELOPMENT

Ms. Wojton continues to follow up on leads obtained at the August MACO convention.

Mr. Wojton reported on a call she received from the University of Maryland concerning a research project they starting to combine hydroponic gardening and leaf composting. The USDA and Montgomery County are also involved.

FINANCIAL REPORT

The Financial report is contained in the Auditor's report.

Mr. Cook introduced Resolution 11-09-1R to amend then Service's 401K program to bring it into compliance with the Workers, Retiree and Employer Recovery Act of 2008. Mr. Addison made the motion to approve the Resolution, Mr. Simmons seconded. The resolution passed unanimously.

MES has been told by a budget analyst at DBM to reduce its FY 2013 Reimbursable budgets back to FY 2011 levels. ECI Co-Gen and numerous Water and Wastewater projects will be affected. The Service will need to cut 2 million dollars from its budget.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate is 2.39%. There were 4 new hires and 3 scheduled to start by the end of the month. That brings total agency employment to 712 full-time positions.

BEST 2011 RESULTS

Ms. Wojton reported that the Service has achieved 100% of its FY2011 Best Goals. There will be a payout to employees for the first time since 2008. The Human Resources Committee, with the abstention of Ed Adams, is recommending a payout of \$1,146 per eligible employee, to be distributed on October 19, 2011.

There are 3 types of BEST/Incentive payouts:

- BEST – all eligible employees who meet BEST criteria will receive an equal amount of the BEST pool.
- BEST Plus (now referred to as “Employee Incentive”) – for eligible employees (as recommended by their managers) who have significantly contributed to meeting the BEST Goals or who have demonstrated excellent performance. Those employees will receive an additional payment equal between 1% and 15% of their base salary.
- Executive Incentive - The Executive Staff, who are not eligible for either the BEST or BEST Plus payout, will receive a payout of no more than 15% of their base salary.

Ms. Jackson-Jenkins expressed concerns that the Executive Incentive payout is too generous. In response to a question, Henry Cook explained the estimated range of the payouts for the staff in the Executive Incentive program. Members of the Human Resources Committee explained that the Executive Incentive plan has been in place and unchanged since 1999. There were 3 years where no payout was made, including the last two fiscal years. The recommended payout is consistent with the Board’s resolution that established the Executive Incentive plan.

Mr. Snee made the motion to approve the BEST payout amounts as recommend by the Human Resources Committee, Dr. Streett seconded. Voting in favor of the motion were Mr. Harkins, Mr. O’Neill, Mr. Cook, Mr. Snee, Mr. Addison, Dr. Streett, and Mr. Simons. Voting against the motion were Ms. Jenkins and Mr. Adams.

BEST 2012 GOALS

Ms. Wojton presented the Goals for FY 2012. They are ambitious, but achievable goals. Trish Lyons will be the Chair for this year’s Committee. Mr. Snee made the motion to approve the 2012 Goals, Dr. Streett seconded. The Board unanimously approved the adoption of the proposed BEST Goals for FY 2012.

PROCUREMENT ITEMS

Mr. Harkins introduced Item 1. This contract is to procure three used Fifth Wheel Day Cab Trucks with wet line system to transfer MSW from Midshore I to Midshore II. Mr. Simmons made the motion to approve the Item, Ms. Jenkins seconded. The motion passed unanimously.

Mr. Harkins introduced Item 2. This item is for design services for the Baltimore County Single Stream and OTTF Facility Project. Mr. Snee made the motion to approve the Item, Dr. Streett seconded. The motion passed unanimously except that Mr. Adams abstained.

Mr. Harkins introduced Item 3. This contract is to procure a bulldozer for the Poplar Island Environmental Restoration Project. Mr. Addison made the motion to approve the Item, Ms. Jenkins seconded. The motion passed unanimously.


NOTIFICATIONS

The Notifications are contained in the Board's notebooks.

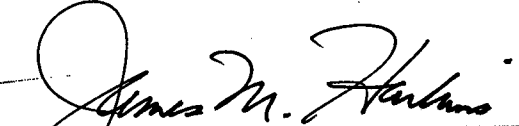
LEGAL REPORT

Mr. Coleman reported that his office continues to work on the Energy Answers agreement and other documents.

At 11:55 a.m., upon motion of Mr. Addison, seconded by Mr. Snee, the business meeting adjourned. From approximately noon to 3:30 p.m. the members of the Board and MES staff toured various MPA facilities in the Baltimore area. During the tour the Board received technical presentations from Frank Hamons. No official business was conducted during the tour.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**

MARYLAND ENVIRONMENTAL SERVICE

**MINUTES OF THE HUMAN RESOURCES COMMITTEE OF THE BOARD OF
DIRECTORS**

September 26, 2011

Committee members present during the meeting of the Human Resources Committee were Mr. Snee (Committee Chairman), Mr. Adams, and Dr. Streett. Other Board members present were Mr. Harkins, Mr. O'Neill and Mr. Cook, which constituted a quorum of the full Board of Directors. At 9:28 a.m., upon motion of Mr. Harkins, seconded by Dr. Streett, the Committee voted to convene in closed session in order to discuss the compensation and performance of individuals over which the Board has jurisdiction, as permitted under Section 10-508(a)(1)(i) of the State Government Article of the Annotated Code. Also present during the closed session were Ms. Wojton and Mr. Coleman. During the Executive Session the Human Resources Committee accepted a report from Ms. Wojton that agency staff had achieved 100% of the FY 2011 BEST Goals. The Human Resources Committee also adopted a recommendation to the Board of Directors that payouts for the BEST Program, the Performance Incentive Program, and the Executive Incentive Program be made as described in the document entitled Best 2011 Funding, and that the amount of the Executive Incentive Payout be equal to 15% of eligible employee's salaries. Mr. Adams abstained from the vote on this recommendation. Finally, the Committee adopted a recommendation to the Board that it adopt the proposed FY 2012 BEST Goals as presented by Ms. Wojton. At 10:07 a.m., upon motion by Dr. Streett, seconded by Mr. O'Neill, the members present voted to go out of executive session, and the meeting of the Human Resources Committee adjourned.

MARYLAND ENVIRONMENTAL SERVICE

MINUTES OF THE AUDIT COMMITTEE OF THE BOARD OF DIRECTORS

September 26, 2011

Committee members present during the meeting of the Audit Committee were Mr. Simons (Committee Chair), Mr. Addison, and Ms. Jenkins. Other Board members present were Mr. Harkins, Mr. O'Neill, and Mr. Cook, which constituted a quorum of the full Board of Directors. Also present during the Committee Meeting were Mr. Coleman, and Graylin Smith and Sisilia Mo of the accounting firm of SB and Company. During the Committee Meeting Mr. Smith reviewed the findings and conclusions of his firm with respect to the audit of MES for fiscal year 2011.

**BOARD OF DIRECTORS
MINUTES
MEETING 11-10
October 24, 2011**

LOCATION: MES Headquarters

TIME: 9:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons (via telephone)
Joseph F. Snee, Esq. (via telephone)
Ed Adams (via telephone)
Leslie Jackson Jenkins, Esq. (via telephone)

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerry Wheeler
Beryle T. Downs
Pamela Fuller

OTHERS PRESENT, ATTENDED ONLY A PORTION OF THE MEETING

Sue McCauley (left after Safety Awards)	Russell Downs (left after Inspire Awards)
Gail Reilmann (left after Safety Awards)	Don Reed (left after Inspire Awards)
Shannon Jenkins (left after Safety Awards)	Rex Powell (left after Inspire Awards)
Jeff Phippen (left after Safety Awards)	Mollie Faulkner (left after Inspire Awards)
James Jett (left after Safety Awards)	Glen Stephens (left after Inspire Awards)
Todd Boulden (left after Safety Awards)	Luke Eveland (left after Inspire Awards)
Bill Larrimore (left after Safety Awards)	Ron Caudle (left after Inspire Awards)
Doug Conaway (left after Inspire Awards)	Sonny Scurto (left after Inspire Awards)
Randy Bolt (left after Inspire Awards)	Andy Doring (left after Inspire Awards)
Aimee Warner (left after Inspire Awards)	William J. Selle, Esq. (left after MTP)
John Mirabile (left after Inspire Awards)	Mark Lennon (left after MTP)
Kaley Walker (left after the Inspire Awards)	

CALL TO ORDER

The meeting of the Board was called to order by Mr. Harkins at 9:35 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of September 26, 2011. Mr. Addison made the motion to approve the minutes and Dr. Streett seconded. The motion passed unanimously. Ms. Jenkins and Mr. Adams were not yet on the line.

SAFETY SPIRIT AWARDS

Mr. Harkins, along with the Safety Department, Sue McCauley, Gail Reilmann, and Shannon Jenkins presented the following individuals with the MES Safety Spirit Award:

- Jeff Phippen, Environmental Operations
- James Jett, TES
- Todd Boulden, Water/Wastewater

The Safety Spirit Award was developed in 2006 to award those individuals and groups that set the standard for safety within the Agency. They have gone above and beyond to ensure the employees, contractors, visitors and clients have a safe working environment to complete their daily tasks. The safety responsibility is an additional function that the employees have readily accepted and are dedicated to ensure that training and personal protective equipment is provided. Their constant awareness towards safety enables them to develop/change specific job tasks to incorporate safety. Safety has become a way of life for these individuals and they portray this concept to everyone while continually coordinating with the Agency safety department on all related issues. This award recognizes their outstanding efforts and commitment to the Agency in promoting the safety culture throughout their work site.

The Star Safety Spirit Award was presented to Bill Larrimore, TES.

INSPIRE AWARDS

This month marks the return of the Inspire Awards. The Inspire Committee nominated 27 people to receive Inspire Awards this month.

Mr. Harkins and Steve Tomczewski presented an Innovated Ideas Inspire Award to Paul Clark, Benny Willis and Randy Bolt of Environmental Operations for the plastic bag filter they developed at Western Branch. Mr. Bolt accepted the awards on behalf of his team.

Mr. Harkins and Charles Madison presented an Extraordinary Service Inspire Award to Aimee Warner and John Mirable of TES, for their work on the MPA Clean Diesel Program. They also presented an Extraordinary Service Award to Russell Downs for his mentoring work with at-risk youth from the Chesapeake Center for Youth Development at the Masonville Project.

Mr. Harkins and Jerry Wheeler presented numerous awards to Water and Wastewater staff from the Eastern Region for their Extraordinary Service before, during, and after Hurricane Irene in August, 2011. Don Reed received an award for his work at the Millington WWTP, Rex Powell for his work in the entire eastern region, and Mollie Faulkner for her work at the Hyde Park WWTP. Don Reed accepted the awards on behalf of his staff for their exceptional work during the storm. Those employees include: Craig Russell, Kelly Trego, Jay Jarrell, Robert Gulrich, Matt Ozman, Karl Foringer, Jason Foreman, William Nagle, Gary Catlin, Joe James, Milton Justice, Kenneth States, and Rod Tallent.

Mr. Harkins and Mr. Wheeler also presented Exceptional Service Inspire awards to Glen Stephens, Luke Eveland, Ron Caudle, Sonny Scurto and Andy Doring of the Maintenance section for the efforts in restoring Millington Wastewater Treatment facility after the Hurricane.

DIRECTOR'S REPORT

Mr. Harkins began by explaining that as a result of conversations with individual Board members, the format of the Board meetings is evolving. There will more participation from staff, power point presentations, featured projects of the month, and enhanced financial reports.

Tim Palmer, the Chief of MES' GIS department has left MES for a position in the private sector that is closer to his home. He will be missed.

Mr. Harkins circulated a copy of "Manure Manager" and an Annapolis Capital article on the Governor's Clean Bay Power Project. The State of Maryland has issued an RFP for power produced from animal waste. This emphasizes Maryland's focus on a clean Bay and proper waste management, all issues that could affect MES.

The Governor's Task Force on Sustainable Growth and Wastewater Disposal has been meeting. MES has been participating and providing technical information as requested. It is too early to tell what recommendations the task force may make, but they do seem interested in small package plants.

BUSINESS DEVELOPMENT

Ms. Wojton reported that she attended the Harford County/Cecil County chapter of MML's dinner. She also plans to attend the MML Winter conference in Cambridge next week.

The City of Annapolis has asked for a proposal to provide certified operators.

Frederick County has asked MES for description of the types of services MES offers, as they decide how to handle their water and wastewater treatment needs.

Customer Service leadership training is being conducted next week at the BWI training center.

AGENCY ACTIVITY REPORT

Charles Madison pointed out the 11 items on the Agency Activity Report under Accepted Proposals. These are all MVA contracts. MES has been building a relationship with MVA over time, and now have a number of small projects with them, as well as MES people on site at several of their facilities.

Steve Tomczewski pointed out the last item on the report, under Prospects. The Midshore counties are looking for areas to streamline their recycling operations and are looking at single stream collection. The Midshore Recycling Fund may be helpful in this prospect.

Jerry Wheeler had no immediate items on the report this month, but did point out a major restructuring of the Maintenance section. To improve accountability and quality of service, many of electricians and mechanics in the group have been reassigned to the operations at specific sites. The remaining 8 staff consists of 3 managers and 4 field specialists.

John O'Neill updated the Board on the status of the JD Edwards upgrade. All of the air conditioning and server hardware has been installed. The new software will be loaded beginning tomorrow.

SPECIAL PROJECT REPORT – MOBILE TEST PLATFORM

Mark Lennon, of the TES Group Environmental Dredging division presented a brief overview of the Mobile Test Platform (MTP) Project. The MTP will be used to test ballast water treatment systems, in anticipation of new federal clean water requirements. Mr. Lennon reviewed the key stakeholders, the unique procurement structure, funding challenges and restrictions, and highlighted the design and construction of the barge. Negotiation with the

sole bidder on the project, and creative partnerships with MPA and UMCES allowed the project to move forward, with a savings to the client of \$1.3M.

After Mr. Lennon's presentation, he was presented with an Inspire Award for his leadership on this project.

FINANCIAL REPORT

A new format of the financial report was presented. The new graphs to accompany the financial report were well received by the Board.

Mr. Cook reported that first quarter labor sales are slightly better than Plan and FY 2011 actual. First Quarter change in Net Assets is basically the same as operating income. Although this looks positive for the first quarter, the trend will decline in November through February due to holidays and leave being used by employees.

Mr. Cook then discussed the components of Total Net Assets and that it is a measure of net worth. He indicated Invested in Capital Assets and Restricted Net Assets are not available for spending. Cash and cash Equivalents make up \$40 million of the total \$75 million in total assets. The pie graph pointed out that only 7% or \$2.8 million is MES free cash.

The Plan versus Actual was reviewed and estimated full year results are in line with Plan.

HUMAN RESOURCES

Ms. Wojton reported that in response to employee requests during the Spring Flings, the Human Resources department has looked into Aflac supplemental insurance benefits. There is no cost to MES to provide this plan, and Aflac is offering the benefit at a reduced rate to MES employees. A representative will be at Headquarters on October 26, 2011. Benefits will be effective January 1, 2012.

Ms. Wojton reported that the vacancy rate is 2.95%. There were 7 new hires and 7 scheduled to start in October or November. The vacancy rate after these new hires start will be 1.97%. That brings total agency employment to 712 full-time positions.

Ms. Wojton introduced Resolution 11-10-1R allowing for the close of MES' offices the day after Thanksgiving, November 25, 2011. Mrs. Jenkins made the motion to approve the Resolution, Mr. Snee seconded. The Resolution was approved unanimously.

PROCUREMENT ITEMS

Mr. O'Neill introduced Item 1. This change order is to renew the contract with Consolidated Services, Inc. for temporary labor at the Montgomery County Yard Trim Composting Facility. Dr. Streett made the motion to approve the Item, Mr. Addison seconded. The motion passed unanimously.

NOTIFICATIONS

The Notifications are contained in the Board's notebooks. Mr. Adams inquired into the effectiveness of the helicopter aerial application of phragmites herbicide at Hart Miller Island. Mr. Madison responded that they have sprayed as needed to control the spread of phragmites for years and he will find some before and after photographs for the Board.

LEGAL REPORT

Mr. Coleman reported that no major legal news to report at this time. The legal office continues to work many hours in assisting the operating groups to help implement new projects. Attorney General Doug Gansler will be conducting a river audit tour in the Choptank River on October 31, 2011. MES has many projects in this watershed. Mr. Coleman will be participating in this tour.

NEW BUSINESS

The draft Proposed schedule for 2012 meeting dates was presented to the Board. The board is to review and provide comments or suggestions by next month's meeting.

ADJOURNMENT

At 11:00 a.m. the meeting adjourned.

The next meeting of the Board will be at the Blue Dolphin Restaurant in Crofton, followed by the Strategic Planning session.


RICHARD P. STREETT, JR., V.M.D.
SECRETARY


JAMES M. HARKINS
DIRECTOR

**BOARD OF DIRECTORS
MINUTES
MEETING 11-11
November 14, 2011**

LOCATION: Blue Dolphin Grill
1166 State Route 3 South
Gambrills, MD 21054

TIME: 9:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Chris Garrigan
Jerry Wheeler
Pamela Fuller
Ellen Frketic
Partha Tallapragada
Erin Murphy (arrived at 10:15 am)

CALL TO ORDER

The meeting of the Board was called to order by Mr. Harkins at 9:45 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of October 24, 2011. Dr. Street made the motion to approve the minutes and Mr. Addison seconded. The motion passed unanimously.

DIRECTOR'S REPORT

Mr. Harkins has met with the Secretary of Transportation, the Secretary of Environment, and officials of the Army Corp of Engineers as part of the Executive Committee of the Dredge Material Management Program to discuss funding for dredging projects.

Mr. Harkins attending the retirement of Northeast Waste Disposal Authority Executive Director Robin Davidov, and later he and Steve Tomczewski met the new Executive Director, Chris Skaggs.

Senior and Mid-level management staff of MES attending a half day seminar on Customer Service presented by trainers from Anne Arundel Community College. It was well received by employee.

The Governor has appointed David Costello to be Deputy Secretary of the Environment.

BUSINESS DEVELOPMENT

Ms. Wojton attending the Fall MML Conference and made several good contacts.

MES is following up on a proposal received by Compliance and the Jim Stonesifer from the Maryland State Police for stormwater work.

AGENCY ACTIVITY REPORT

Steve Tomczewski highlighted the BCRRF facility improvement project. MES just signed the contract with Baltimore County for \$25 million to design, build and operate a new Open Top Transfer Facility (OTTF) and Single Stream Recyclables Processing System (SSRPS). The new SSRPS will be capable of receiving a single stream of mixed fiber/container recyclables from municipal haulers and processing these recyclables into marketable commodities. The SSRPS will utilize proven technologies to maximize the use of automatic sorting equipment, maximize recyclable commodities recovery, and provide the most cost-effective system.

Charles Madison highlighted the relationship between MES and DNR Fisheries that has been cultivated over the last several years. DNR Fisheries has now asked MES for a proposal to provide five additional years of service assisting with the implementation of the State Fisheries Management Plan. The new agreement is worth up to \$16 Million dollars over the next five years and will be funded with the fishing license fees.

Jerry Wheeler highlighted 4 Water and Wastewater services proposals that are currently being negotiated.

- Wicomico County. Board of Education – O&M for 5 WWTP. To be serviced by the Eastern Shore circuit riders. Budget \$69,144
- Cecil County Operations – MES to provide 2 Operators. (\$29/hr & \$34/hr)
- Glenelg Country School – Full O&M, pending resolution of MDE issues. Budget \$51,748
- Shad Landing State Park – Force Main and collections system added to existing O&M contract. Budget \$39,830

SPECIAL PROJECT REPORT – ItN MBBR FILTRATION SYSTEM

Partha Tallapragada, Senior Engineer with the Water and Wastewater Engineering Group described the ItN MBBR Filtration System pilot testing project at Charlotte Hall Veterans Home in St. Mary's County. In coordination with MDE and ItN, the system manufacturer, MES is conducting the pilot test at no cost to MES or the Client for the next 9 months. The containerized treatment system is housed in a 20 or 40 foot container that can be delivered in 6-8 weeks. The nano-membrane filtration system claims to eliminate pathogens. This process has the potential to significantly reduce capital costs for wastewater treatment projects across the State.

FINANCIAL REPORT

Financial reports will be discussed at the Strategic Planning session, immediately after this meeting.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate is 3.23%. There were 5 new hires in November and 6 scheduled to start in December. The vacancy rate after these new hires start will be 2.39%. That brings total agency employment to 712 full-time positions.

PROCUREMENT ITEMS

Mr. O'Neill introduced Item 1. This contract is with Cianbro Corporation for exterior pipe repair and construction of a flow meter vault at the Cox Creek spillway. Mr. Simons made the motion to approve the Item, Dr. Streett seconded. The motion passed unanimously.

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

Attorney General Doug Gansler conducted a river audit tour along the Choptank River on October 31, 2011. MES has many projects in this watershed. There was no focus on MES or its activities in the watershed. There was much discussion regarding septic systems and the new MDE requirements.

The legal office continues to draft and review documents in relation to the Southern Hills shared use facility in Anne Arundel County. The shared use facility would serve between 24 and 26 homes.

NEW BUSINESS

The Proposed schedule for 2012 meeting dates was presented to the Board. Final date selections were made. The schedule was approved.

ADJOURNMENT

At 10:25 a.m. the business meeting adjourned. All Board members present remained until mid-afternoon to hear several presentations from MES staff. During the period the presentations were made the Board did not take any official action.


RICHARD P. STREETT, JR., V.M.D.
SECRETARY


JAMES M. HARKINS
DIRECTOR

**BOARD OF DIRECTORS
MINUTES
MEETING 12-11
December 14, 2011**

LOCATION: MES Headquarters

TIME: 9:30 a.m.

DIRECTORS PRESENT: James M. Harkins, Director
John O'Neill, Deputy Director
Henry Cook, Treasurer
Richard P. Streett, Jr., V.M.D., Secretary
William B.C. Addison
Talmadge E. Simons
Joseph Snee, Esq.
Leslie Jackson-Jenkins, Esq.

DIRECTORS ABSENT: Ed Adams

OTHERS PRESENT: Sean L. Coleman, Esq.
Beth Wojton
Steve Tomczewski
Charles Madison
Jerry Wheeler
Chris Garrigan
Beryl Downs
Pamela Fuller
Kaley Walker (left at 9:45 a.m.)
Harry Burman (left at 9:45 a.m.)
Ann Rice (left at 9:45 a.m.)
James Allen (left at 9:45 a.m.)
Brian Johnson (left at 9:45 a.m.)
Andre Stanley (left at 9:45 a.m.)
Randy Bolt (left at 9:45 a.m.)

CALL TO ORDER

The meeting of the Board was called to order by Mr. Harkins at 9:30 a.m.

MINUTES

Mr. Harkins requested approval of the minutes of the meeting of November 14, 2011. Dr. Street made the motion to approve the minutes and Mr. Addison seconded. The motion passed unanimously.

INSPIRE AWARDS

The following employees received Inspire Awards for their exceptional service. A complete description of the recipients and good deeds can be found in the Board book.

- Harry Burman - *Finance*
- Ann Rice - *Environmental Operations*
- James Allen, Harry Jackson, Glen Webster - ECI-Cogen, *Environmental Operations*
- Brian Johnson, Chris Nash, Kenny Harris, Kyle Young, Rusty Carter, John Cooney, John Bowen, Andre Stanley, Danny Jones and Jeff Pippin – Midshore Landfill, *Environmental Operations*
- Paul Clark, Benny Willis, Randy Bolt, Ken Medlin, Fran Clark, Linda Mitchell, Wayne Hamilton, Wade Sewell, Milton Brown, Steve Birchfield and Steve Laster – Western Branch, *Environmental Operations*

DIRECTOR'S REPORT

Mr. Harkins met with DBM Secretary Foster regarding State projects. The meeting went as well as can be expected in these economic times.

On December 5, Mr. Harkins met with the Executive Director of the Chesapeake Bay Commission, the organization overseeing multi-state Chesapeake Bay initiatives. The Commission now has a better understanding of what MES is, and what services it can provide.

Mr. Harkins distributed the 2011 Annual Report, which was recently finalized.

BUSINESS DEVELOPMENT

Ms. Wojton attended the Maryland-Asia Environmental Partnership banquet, which was a good networking opportunity.

An MOU went out today between MES and DNR, for MES to assist DNR with making improvements to sewer collection systems at several State parks.

Ms. Wojton will be attending the Cecil/Harford County MML dinner later this week.

AGENCY ACTIVITY REPORT

Steve Tomczewski highlighted the Mobile Tub Grinder and the service it provided at the Prince George's County, Shellman Road Cleanup. Prince George's County requested MES' assistance with a special project. A private property owner had been ordered to clean up the property which had been used as a dump for brush.. The project budget was approximately \$50,000. The tub grinder was on site for several weeks grinding materials. MES staff was able to sell some of the ground materials, resulting in unanticipated revenue for Prince George's County and an overall reduction in the cost of the project.

Charles Madison highlighted a contract with MPA to reactivate the Pearce Creek and Courthouse Point dredged material placement sites in Cecil County. Since Site 92 is the last open water placement site allowed by law, other upper bay placement options are needed. This project supports studies and other efforts related to reopening the sites.

Jerry Wheeler highlighted the return of an old project, the Water Treatment plant at the SHA Maintenance facility in Upper Marlboro. MES previously operated the facility, until SHA overtook operations. The increased focus on compliance at SHA has resulted in a request to renew MES' services. MES is currently working with SHA to develop an umbrella IGA, with the objective of adding future SHA sites to the contract.

SPECIAL PROJECT REPORT – Hobbs Road Landfill Closure Cap

Tim Ford, Chief Project Manager presented a summary of the Hobbs Road Landfill Closure Cap project, which is nearing completion. MDE entered into a consent order with Caroline County to cap the old Hobbs Road Landfill. As part of the agreement with Caroline County for the purchase of the Midshore II landfill property, MES agreed to cap the Hobbs Road landfill on behalf of the County. Despite several setbacks, such as trash discovered in areas outside of the known landfill area, and two hurricanes, the project was completed in less than 1 year. MES and Caroline County expect to receive final MDE approval and closure of the consent order by May, 2012.

FINANCIAL REPORT

Mr. Cook presented the Financials for October, 2011. Four months YTD labor sales are 8.5% ahead of FY 2011. Increase in Net Assets of \$1.7 million for the same period is largely due to additional fringe and overhead recovery driven by the increase in labor sales. Although this looks positive to date, the trend will decline in November through February due to holidays and leave being used by employees.

**BOARD OF DIRECTORS MINUTES
MEETING 12-11
DECEMBER 12, 2011
PAGE 4**

Mr. Cook then discussed the components of Total Net Assets and that it is a measure of net worth. He indicated Invested in Capital Assets is not available for spending and Unrestricted Designated Net Assets are set aside for R&D and contingencies. Cash and Cash Equivalents make up \$37 million of the total \$73 million in total assets. The pie graph pointed out that only 6% or \$2.1 million is cash immediately available to MES.

The Plan versus Actual was reviewed and estimated full year results are in line with Plan.

Mr. Cook introduced Resolution 11-12-1R, authorizing MES to amend its 401k retirement plan agreement. As a result of the annual checkup with Vanguard, it was learned that most other plans set the loan interest rate at 1 to 2 % above prime; MES' rate has been 10%. The Resolution amends the loan interest rate charged to employees taking a loan against their 401k plan to 2% above prime. The prime rate is currently 3.25%, which means the interest rate for employees will initially be set at 5.25%. Mr. Snee made the motion to approve the resolution, Ms. Jenkins seconded. The resolution passed unanimously.

Mr. Tomczewski and Mr. Coleman introduced Resolution 11-12-2R, declaring the intent of MES to finance the Harford County Solid Waste Disposal and Processing Facility project. Mr. Tomczewski explained the nature of the project. The project involves design, construction and operation of an open top transfer trailer (OTTF) and a fuel preparation facility (FPF) in Harford County. The first phase will be construction of the OTTF. The second phase will involve construction of the FPF, which will use shredders, balers and wrappers to convert incoming solid waste to "fuel" that can be utilized by the Energy Answers power plant to be constructed in the Curtis Bay area of Baltimore. The project is anticipated to employ 11 MES employees and generate \$200,000 – 275,000 annual in labor overhead recovery. Mr. Addison made the motion to approve the resolution, Mr. Simmons seconded. The resolution passed unanimously.

HUMAN RESOURCES

Ms. Wojton reported that the vacancy rate is 2.67%. There were 2 new hires in December and 2 more scheduled to start later in December. The vacancy rate after these new hires start will be 2.39%. That brings total agency employment to 712 full-time positions.

The quarterly orientation for new employees was held last week, to positive reviews.

PROCUREMENT ITEMS

Mr. O'Neill introduced Item 1. The procurement is for a new John Deere Crawler Dozer for the Midshore Landfill II. Mr. Simons made the motion to approve the Item, Ms. Jenkins seconded. The motion passed unanimously.

The Notifications are contained in the Board's notebooks.

LEGAL REPORT

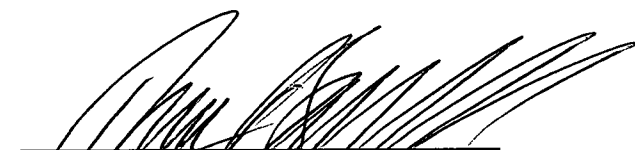
Mr. Coleman advised the Board of a procurement issue involving bids for the dirt hauling at Masonville. Upon review of the bids, it was noticed by the Procurement staff that two bids were very similar. They were in the same handwriting, had the same fax number, and identical equipment lists. The matter was referred to the Attorney General's Antitrust division for investigation of possible collusion. The Antitrust division has agreed not to prosecute the two companies, MD Hauling and Strawbridge, LLC, as long as they do no bid together on future projects for a period of two years. Any violations will see the case reopened.

Attorney General Doug Gansler will be conducting another river audit tour tomorrow, this time along the lower Patapsco River and Inner Harbor. Mr. Coleman anticipates little interest in MES projects in this area. The focus appears to be on stormwater issues.

The Legislative Auditors arrived at MES this week to begin their audit.

ADJOURNMENT

At 11:00 a.m. the meeting adjourned.



**RICHARD P. STREETT, JR., V.M.D.
SECRETARY**



**JAMES M. HARKINS
DIRECTOR**