

Maryland Environmental Service - Board of Directors

February 17, 1972

The Board of Directors of the Maryland Environmental Service was called to order at 10 a.m. on Thursday, February 17, 1971, by the Chairman, Thomas D. McKewen. Those present were:

Evan Crossley, Secretary
Robert Chaney, Treasurer
Thomas D. McKewen, Director

Also present was:

Charles R. Hall

The minutes of the December 9th meeting of the Board of Directors were approved.

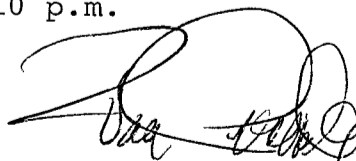
Mr. Evan Crossley discussed the background of the sewerage problems facing Hagerstown and the contiguous unincorporated area. It was agreed that the Environmental Service should make every effort to stimulate and participate in a joint sewerage project with the city and the county. For this purpose the Service will attempt to arrange a joint meeting of the Mayor and Council and the County Commissioners.

Mr. McKewen presented a proposed agreement between the Service and the Maryland National Bank. This had been drafted by the Bank as a result of previous discussions with the staff of the Service. Mr. McKewen informed the Board that Eastman Dillon advised that no written agreement be executed, but instead, the Service undertake to make two or more banks knowledgeable of the Service's legislation and activities. In this way, when the need for interim financing arises, the Service would be in a position to obtain a prompt response from these banks on the conditions under which they would make such interim financing available. Mr. McKewen informed the Board that he and the staff of the Service agreed with Eastman Dillon's recommendation. Mr. Chaney and Mr. Crossley also agreed and the Board decided that the Service should not enter into a formal written agreement with any bank at this time; however, Mr. Thomas Downs, with the assistance of Eastman Dillon and their counsel, will prepare the necessary resolution and other documents so that they will be available to expedite interim financing when needed.

Mr. McKewen informed the other members of the Board of the status of the legislation affecting Environmental Service which it was anticipated would be introduced shortly.

Mr. Chaney initiated a discussion of the level of risk that the Service should, as a matter of policy, be prepared to take in any project involving private enterprise. It was agreed that the acceptable level of risk should be less than that which would be satisfactory in a project involving government. It was agreed that Mr. Chaney will, with the assistance of Mr. Downs and representatives of Eastman Dillon, draft a policy statement on this matter for consideration by the Board.

The meeting was adjourned at 1:10 p.m.



Secretary

Maryland Environmental Service - Board of Directors

March 16, 1972

The Board of Directors of the Maryland Environmental Service was called to order at 10 a.m. on Thursday, March 16, 1972, by the Chairman, Thomas D. McKewen. Those present were:

- Thomas D. McKewen, Director
- Evan Crossley, Secretary
- Robert Chaney, Treasurer

Also present were:

- Reed McDonagh, Deputy Director
- Thomas Downs, Special Assistant Attorney General

The minutes of the February 17th meeting of the Board of Directors were approved.

Mr. McKewen announced he would be attending a meeting in Hagerstown on March 21 with the County Commissioners and the Mayor and City Council to discuss a study of the Hagerstown area sewage problems.

On Monday, March 20, 1972, Mr. McKewen will attend a work session in Prince George's County on a resolution dealing with a proposed regional treatment plant on the Patuxent River near Bowie. He stated there was a resolution before County Council expressing the council's opposition to our Central Patuxent Plant which jeopardizes the proposal unless EPA or the State Department of Health should take the attitude that construction grant funds will not be offered to those jurisdictions which construct sewage treatment plants in conflict with the MES plan. The Council tabled the resolution on March 7, 1972, on a motion by Mr. Francis B. Francois, County Councilman, that the fiscal committee of the council meet with MES and other interested parties and report back to the Council within thirty (30) days.

Mr. Chaney questioned why EPA would get involved at this level.

Mr. McKewen explained that cost effectiveness is a consideration in reviewing a grant application.

Mr. McDonagh explained some of our present financial problems. Complete engineering design is required before a construction contract can be let but no State or Federal grant funds are available until that contract is let. Therefore, working capital is required to cover cost precedent to receiving grant funds. In the future, interim financing can be used to cover the situation but we are still 4 or 5 weeks away from having all of the necessary legal work performed in order to make interim financing possible.

Mr. McKewen described the usual route that project development will take. He used as an example the planning, design, construction and operation of a sewage treatment facility in Hagerstown. The first step would be a feasibility study, by staff or consultants, or both. The expenses of this study would be covered by general appropriations and by planning funds from the Water Quality Loan Act. This feasibility study would serve as a basis for a preliminary grant application to the State Clearinghouse. Upon clearance, a formal grant application would then be sent to the Department of Health and Mental Hygiene. If found acceptable by that department, the application would be forwarded to EPA for review and approval. Following EPA approval,

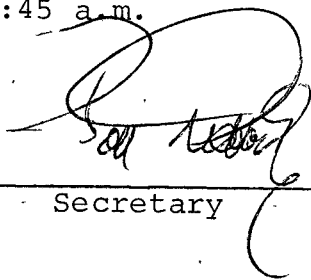
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both State and federal grant offers would be made. To this point no costs other than those already borne by General Appropriations and Planning Funds would be involved. The next step, however, requires a contract with a consultant for final design. This will require substantial costs which are a part of the capital construction and would be met by interim financing. When the engineering design has been approved and a construction contract let, some advance grant funds would be made available which could be used to retire the interim financing. Following completion of the construction, exact capital costs would be known and permanent financing would be undertaken at the earliest advisable time, based on market conditions. Interim financing would be maintained until such time as bonds were sold. In the case of Carroll County, as mentioned above, interim financing will be possible within a few weeks. State Clearinghouse approval of our preliminary application is expected very quickly and a formal grant application will then be made to the Department of Health and EPA. At this time, however, the State does not have any unobligated federal funds, although Congress has passed a resolution which is expected to make additional federal funds available very shortly. At this time it appears that a grant offer will not be received until some time after we are able to undertake interim financing. Therefore, any delay caused in the Carroll County project is likely to be by delays in receiving grant offers rather than inability to undertake interim financing immediately.

Mr. Downs informed the Board of current efforts of Eastman Dillon, Union Securities and Company, Inc., and their counsel, Hawkins, Delafield and Wood regarding preparation of bonds and bond anticipation note resolutions, as well as project contracts necessary in conjunction with the issuance of evidences of indebtedness.

The Board recommended \$10,000 be paid to Eastman Dillon as partial payment for expenses incurred in the preparation of such documents. Mr. Downs will prepare a letter which he will present at the next Board meeting, supporting the expenditure.

The meeting was adjourned at 11:45 a.m.



Secretary

Maryland Environmental Service - Board of Directors

April 13, 1972

The Board of Directors of the Maryland Environmental Service were called to order at 10 a.m. on Thursday, April 13, 1972, by the Chairman, Thomas D. McKewen. Those present were:

- Thomas D. McKewen, Director
- Evan Crossley, Secretary
- Robert Chaney, Treasurer

Also present were:

- Thomas M. Downs, Special Asst. Attorney General

The minutes of the March 16th meeting of the Board of Directors were approved as presented.

Mr. Downs reported on the status of the Eastman Dillon, Union Securities and Company, Inc., partial payment for expenses and stated that he is exploring ways to obligate the money prior to the end of the current fiscal year.

Mr. McKewen stated four of the Maryland Environmental Service bills were enacted during the General Assembly. (HB 534, HB 535, HB 851, SB 446). He discussed the Solid Waste Bill (HB 851) which authorized the use of a \$10,000,000 fund. This money will be used to provide capital for solid waste projects, among which are Monsanto, Teledyne, AENCO and Waste Oil. A federal grant has been provided for a feasibility study for the Waste Oil project. However, the department is not committed to the above four projects. Mr. McKewen described the Teledyne project also.

There was a short discussion on recycling of newspapers and disposal of old tires. Mention was made of a machine that cuts tires up in quarters for disposal.

Mr. Downs read portions of the bond bill and explained the intent of the bill. The money provided for in the bill must be committed within two years or it will be lost. Efforts will be made to recoup as much of the money as possible.

The Monsanto project was cited as an example of how the department could recover their original investment in, hopefully, a short period of time.

Mr. McKewen explained that SB 446 - Harford County Water Facilities - authorized a study regarding certain water facilities in Harford County and would provide for acquisition of the facilities by the Maryland Environmental Service or by the Harford County Metropolitan Commission.

The Freedom District is still uncertain. The Health Department has received additional funds from the federal government but action by Congress on new legislation may be delayed for several months. A talk with Senator Mathias brought out that things looked bleak but the Senator was not altogether pessimistic. If there is continuing uncertainty at the level of federal funding for the next fiscal year, there are many projects that may be killed. Freedom District could be one of these.

Maryland Environmental Service has a signed agreement between U. S. Steel and Charles County to construct a plant to serve Swan Point subdivision and Cobb Island. MES is in the process of sending an application to the Health Department. A federal grant will not be requested.

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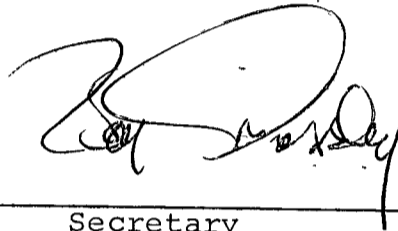
Mr. McKewen announced he has drafted a preamble to the monthly report which we will initiate at the end of this month. The report will include this month and will be published for three consecutive months thereafter. At that time it may be continued, modified, or terminated. This report will alert everyone as to what the Maryland Environmental Service is doing, and activities going on around the State may also be included.

The staff will welcome a new member on April 26th-- Mr. G. Ward Barstow. Mr. Barstow comes to us from the Environmental Health Administration in Baltimore.

Mr. Charles Hall and Mr. Gerald Deal made an inspection of the Hagerstown Sewage Treatment Plant on April 10th and reviewed the plans of the facility and collection system with Mr. Lake and Mr. Kappe, Consultants to the City.

Mr. McKewen asked Mr. Crossley about the availability of an office for Chris Matthews, Public Health Engineer assigned to the Western Maryland region.

Meeting was adjourned at 11:50 a.m.



Secretary

Maryland Environmental Service - Board of Directors

July 27, 1972

The Board of Directors of the Maryland Environmental Service was called to order at 10 a.m. on Thursday, July 27, 1972, by the Agency Director, Thomas D. McKewen. Those present were:

- Thomas D. McKewen, Director
- Evan Crossley, Secretary
- Robert Chaney, Treasurer

Also present were:

- Reed W. McDonagh, Deputy Director
- Thomas M. Downs, Special Asst. Attorney General

The minutes of the April 13th meeting of the Board of Directors were approved.

Mr. Downs reviewed a Third Draft Contract between the Service and the District of Columbia for the Service to accept sludge from the Blue Plains Wastewater Treatment Plant for disposal in Maryland. Following some questions by members of the Board and discussions regarding fiscal arrangements, the following Board action was taken:

Upon a motion by Mr. Crossley, seconded by Mr. Chaney and passed, the Directors support a contractual arrangement with the government of the District of Columbia for accepting and disposing of sludge on the basis that all costs be paid by the District.

Mr. McDonagh briefed the Board on the Pyrolysis Project for Baltimore City and discussed the application submitted to the Environmental Protection Agency by the City, seeking a grant in the amount of \$6,000,000, and other pertinent facts relating to the involvement of the Service with Baltimore City. As proposed in a Memorandum of Understanding, the Service offered to recommend to the Board of Public Works that \$4,000,000 in funds provided by the recently enacted House Bill 851 be made available to the project as a grant-loan. The \$6,000,000 sought from EPA plus \$4,000,000 in State grant-loan funds would leave \$4,000,000 in local funds which would be financed by General Obligation Bonds of the Service, providing the aggregate total of \$14,000,000 the total estimated project cost.

Upon a motion by Mr. Chaney, seconded by Mr. Crossley and passed, the Director was authorized to proceed with contractual negotiations to implement the Baltimore Pyrolysis Program and the sale of MES Bonds for local capital, contingent upon a grant offer in the amount of \$6,000,000 from EPA.

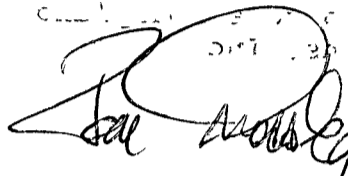
Mr. McKewen briefed the Board on the proposed Central Patuxent Wastewater Treatment Plant project which involves the Horsepen Service District under Washington Suburban Sanitary Commission and the City of Bowie in Prince George's County, the U. S. Army at Fort George G. Meade and the Patuxent service area under the Department of Public Works in Anne Arundel County. The project proposes a centrally located wastewater treatment facility financed, constructed, owned and operated by MES with allocation of certain capacities and other costs to the four entities it would serve. Mr. Downs reviewed a draft contract which has been submitted to the four potential customers which they now have under review. It was explained that MES Bonds would be sold for all residual capital after federal and State grants were awarded; that the contracts would involve receipt of payment from the customers, including capital retirement as well as apportionment of operation and maintenance expenses.

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Following some discussion and upon a motion by Mr. Crossley, seconded by Mr. Chaney and passed, the Director was authorized to proceed with negotiations resulting in implementation of the Central Patuxent Project.

Other items reviewed for the benefit of the Board included existing agreements with (1) Swan Point - U. S. Steel - Charles County; (2) Freedom District - Carroll County Sanitary Commission; (3) Port Deposit - Interim Arrangements; (4) Carriage Hill - Pumping Station - O & M; and (5) Pilot Sludge Project - Agriculture Research Service - Washington, D. C.

Because of the lateness of the hour, the Board members recessed for lunch to continue discussions of other agenda items and subsequently adjourned.


Secretary

Mr. Downs



THOMAS D MCKEWEN
DIRECTOR

REED W. McDONAGH
DEPUTY DIRECTOR

STATE OF MARYLAND
MARYLAND ENVIRONMENTAL SERVICE
STATE OFFICE BUILDING
ANNAPOLIS 21401
PHONE 301-267-5357

BOARD MEETING MINUTES
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Because of the lateness of the hour, the Board members recessed for lunch to continue discussions of other agenda items (see attached copy of Agenda) and subsequently adjourned.

Mr. Downs

MARYLAND ENVIRONMENTAL SERVICE
BOARD MEETING MINUTES
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The meeting was adjourned at 1:10 P.M.

The next Board Meeting will be held Thursday, March 16, at 10:00 A.M. in Mr. McKewen's office.