



**MARYLAND
ENVIRONMENTAL
SERVICE**

**BOARD OF DIRECTORS
MARYLAND ENVIRONMENTAL SERVICE
MINUTES OF MEETING HELD JANUARY 6, 1987**

After public notice, the meeting convened at 10 00 a m at the Maryland Environmental Service Headquarters in Annapolis, Maryland. The following members of the Board were present John D Seyffert, R Kenneth Barnes, Edward A Griffith, and Michael J Scibinico, II. The meeting was also attended by Kenneth A Howarth, MES Controller and Deputy Treasurer.

APPROVAL OF MINUTES

The Minutes of the October 7, 1986 Board Meeting were unanimously approved on Motion made by Director Barnes and seconded by Director Griffith.

LEGISLATION UPDATE

The Deputy Director reported on four Bills currently in process by the Service as follows:

1 **Used Oil** This Bill would eliminate the current criminal penalty for any charge by a service station to accept used oil under the Maryland Used Oil Recycling Program administered by MES. This Bill has been forwarded to the Governor's Office as part of the DNR legislative package.

2 **Solid Waste Bond Bill** This Bill is currently under consideration by the Department of State Planning. It is unclear what priority, if any, this legislation will receive in the Capital Budget of the new Administration.

3 **Board of Directors** A Bill to make technical corrections to the MES Board of Directors legislation enacted in 1986 has been forwarded to the Governor's Office as part of the DNR legislative package. This Bill would eliminate Senate confirmation for any officers of the Service who are on the Board of Directors. It would also change the quorum requirement to four members.

▲
2020 Industrial Drive
Annapolis MD 21401
(301) 269 3281

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An Agency of
the Department of
Natural Resources

▲
Director
John D Seyffert

▲
Edward A Griffith
Corporate Treasurer

▲
Dr R Kenneth Barnes
Corporate Secretary

**BOARD OF DIRECTORS MEETING
MINUTES - JANUARY 6, 1987**
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4 MES Service Districts Prior to leaving the Agency, Henderson Brown had drafted a Bill streamlining the process for creation of MES Service Districts. This Bill is still being reviewed by DNR. At this point in time, it is uncertain whether the Bill will be introduced in the 1987 Session.

P.G. METHANE PROJECT

The Chairman reported on the current difficulties with MES operation of the P G County Methane Recovery Project as provided in the contracts executed at the time of the bond sale for the Project. In a nutshell, Prince George's County would prefer to operate the Project themselves. The Service has discussed this matter with Bond Counsel for the Project, Piper & Marbury, and our financial advisors at Baker Watts in order to determine whether, under the bond documents, we may legally allow P G County to operate the Project. Our goal is to arrive at some posture that is allowable under the bond documents, that protects MES from any liability, and accommodates the desires of Prince George's County as far as possible.

STATUS REPORT ON MAJOR PROJECTS

The following Projects were discussed

- 1 Allegany County Landfill MES is in the process of providing additional information as requested by Allegany County.
- 2 Midshore Landfill The Service is in the process of preparing a fairly detailed proposal to submit to the Midshore Counties on this Project. At the present time, there is no indication that the Midshore Counties will engage in any kind of competitive procurement process.
- 3 Ocean Pines Chase Bank continues to consider acquisition by the County as its first option for the Ocean Pines system. MES may still have an opportunity here if the bank and the County are unable to arrive at a satisfactory accommodation regarding the future development of the additional property in Ocean Pines.
- 4 Joppa Sand and Gravel The contract with Dames and Moore should be executed shortly.

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5 Hart-Miller Island Major activity in the near future on Hart-Miller Island will center on the FY '88 Budget Request. MPA has submitted a report to the Legislature on MES operations. There is some concern that the Budget Committee may again seek to arbitrarily cut the MES request, in which case we may have to seriously consider exercising our option under the contract to abandon the operation of the Island.

6 BCRRF Baltimore County has involved the Northeast Authority in negotiations with BG&E for increasing the amount of RDF burned at the Crane Station.

7 Used Oil We are in the process of negotiating with Jiffy Lube for a major television campaign centered around Jiffy Lube acting as a collection center for used oil. Jiffy Lube is requesting \$200,000 as the State's share in the campaign. DNR is currently searching for a fund source.

8 Hawkins Point The agreements with Allied were approved by the Board of Public Works on November 19, 1986.

9 Dorsey Run Indications are that the Department of General Services is now willing to allow the KMS Development Group to hook into the Dorsey Run Plant.

10 Blue Plains Compost The District of Columbia has refused MES's offer to market Blue Plains compost. The Service is not troubled by this decision given the history of poor quality compost at Blue Plains.

11 Freedom District Carroll County continues to work on plans for expansion of the Freedom District Plant. This will require extensive negotiations with the State on cost-sharing for capital improvements that may benefit the State as well as Carroll County.

MES FINANCIAL MATTERS


The Controller indicated that we should be able to produce a semi-annual report on our financial condition in the near future. In regard to MES State funding, we are continuing to seek major maintenance funds through the Department of General Services. In addition, funds for capital improvement at State facilities are expected to be included in the capital budget under the new Administration. There is still some confusion on the manner in which the State Budget will reflect payments to

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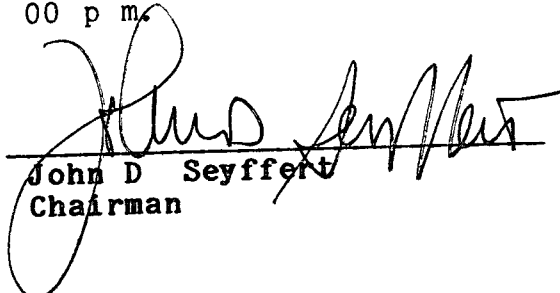
MES for operation of State water and wastewater facilities. Although we thought DBFP had agreed to handling these expenses on the MES corporate books, the DNR Budget Analyst is insisting that the MES Budget reflect all plant expenses in a standard line item fashion. Additional discussions with DBFP will be necessary to clarify this situation.

ADJOURNMENT

The Meeting was adjourned at 1 00 p m.



Dr R Kenneth Barnes
Secretary



John D Seyffert
Chairman

(SEAL)



MARYLAND
ENVIRONMENTAL
SERVICE

BOARD OF DIRECTORS
MINUTES

MEETING 87-2
MARCH 3, 1987

LOCATION Annapolis Headquarters Office

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
 Edward A Griffith
 John D Seyffert
 Michael J Scibinico, II

OTHERS PRESENT None

▲
2020 Industrial Drive
Annapolis MD 21401
(301) 974 3281

APPROVAL OF MINUTES

The Minutes of the January 6, 1987 Board Meeting were unanimously approved on Motion made by Director Barnes and seconded by Director Griffith

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LEGISLATION UPDATE

The Deputy Director reported on three MES Bills currently before the General Assembly as follows

1 MES Service District Bill (SB 805) This Bill would streamline the process for establishment of an MES Service District, and clarify the Service's waste stream control powers within a District. A hearing is scheduled for Friday, March 6, 1987 before the Senate Economic and Environmental Affairs Committee. The Service is already aware of opposition from the Maryland Solid Waste Association to the waste stream control provisions in the Bill. On the other hand, the Midshore Counties represented by Ed Richards, the Administrator for Caroline County, will testify in favor of the Bill.

▲
Director
John D Seyffert

▲
Edward A Griffith
Corporate Treasurer

▲
Dr R Kenneth Barnes
Corporate Secretary

BOARD OF DIRECTORS
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2 MES Board of Directors (SB 186) The MES Board of Directors' Bill has passed the Senate with amendments and is now before the House. As currently structured, all the Members of the Board of Directors except the Director and the Deputy Director will be subject to the Green Bag process.

3 Used Oil The Senate has passed the MES Bill related to removal of the penalty for assessing a charge for collection of used oil at a service station, but indicated to the Service that a letter would be forthcoming requesting the Service to become more actively involved in this field. The Service has also been discussing this matter with Delegate DiPietro whose position is also that more effort needs to be expended on the used oil problem. MES has advised all parties that there is currently no State funding for this Program.

MES has been advised by Bill Bangert from the Department of State Planning that our proposed \$10 Million Bond Bill for solid waste facilities was rejected by the Governor's staff, and will not be submitted at all in the current legislative Session. Mr. Bangert had no information as to the actual reasons for elimination of this Bill.

NEW MES BOARD MEMBERS

MES has submitted, through Dr. Torrey Brown, three names for appointment to the Board of Directors. The public sector Member would be Mr. Edwin G. Richards, the County Administrator for Caroline County. The two private sector Members would be Mr. Robert Pierce, the retired MES O & M Chief, and Mr. Larry Shubnell, a public finance officer with Legg Mason Walker, Inc., who has a long history of involvement in MES financing matters. These names, and the names of the four present Members of the Board were intended to have been submitted in the Green Bag nominations recently sent.

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to the Senate by the Governor's Office. However, MES learned last week that all of these names had been omitted due to some oversight. After discussions with the Governor's Appointment Office, MES was assured that the names would be submitted as soon as possible.

MES Major Maintenance Funds

The Board discussed the \$1 Million appropriation for Major Maintenance at State facilities currently in the Board of Public Works budget for the General Assembly. It was pointed out that this appropriation must be transferred by budget amendment to either MES, or the respective departments that own the facilities. The most efficient approach would appear to be to attempt to transfer the money into the MES budget. Some concern was expressed that MES efforts in following the Department of General Service's procedures for maintenance projects were apparently stopped at the Department of Budget and Fiscal Planning. We will have to clarify the process so that future years' funding will be more certain.

P.G. METHANE PROJECT

The Chairman reported that MES has negotiated a potential compromise with Prince George's County on operation of the Methane Recovery Project. Basically, P G County has agreed to reimburse MES for approximately \$17,000 in out-of-pocket expenses to-date on this Project, and to hire MES for an annual maintenance review of the Project at approximately \$25,000 per year. Due to P G County's obvious desire to operate this Project themselves, the Service would be willing to accept these terms, provided that, Piper & Marbury will issue a legal opinion indicating that this is acceptable under the Bond documents. At this point, the question appears to be whether we will have to notify the bond holders and/or obtain their prior written consent to any operating scenario that differs from the one contemplated at the time the bonds were sold.

MES ASSISTANT ATTORNEY GENERAL

The Board discussed the status of efforts to obtain a new Assistant Attorney General for the Service. It was explained that this appointment must be made by the new Attorney General, and that Tom Deming, Counsel for DNR, was in the process of recommending a staff attorney currently working at DNR for the position. The Board requested confirmation from Mr. Deming as to where this process stood and an estimate of when MES could expect to have a new attorney on-board.

HART-MILLER ISLAND TOURS

The Board discussed possibly having Governor Schaefer visit Hart-Miller Island in the near future, and the Baltimore County Council. The Director agreed to attempt to schedule these visits once the weather improved.

STATUS REPORT ON MAJOR PROJECTS

The following Projects were discussed

1 Allegany County Landfill The Board was advised that MES was not successful in being selected for the Allegany Project. The exact reasons are unknown, but we understand that the successful bidder already had a potential site for the Project. This would have been a major consideration given the time limits the County is operating under.

2 Ocean Pines It is now clear that the County will be acquiring the Ocean Pines system. The County is willing to make commitments to Chase Bank to provide water and sewer for future development at Ocean Pines.

3 Midshore Landfill The Service has completed a detailed proposal to submit to the Midshore Counties on this Project.

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4 Joppa Sand and Gravel The Contract with Dames and Moore is on hold due to legal issues on the State's ability to indemnify the Contractor. MES had several Contractors refuse to bid on this Project in the early stages due to concern over indemnity language. Dames and Moore had agreed to certain language (over the objection of their Counsel) in December. However, a recent Attorney General's Opinion cast some doubt on the Service's ability to sign the agreed-upon text. The Service is now concerned that we will not be able to expend the \$500,000 FY '87 appropriation for the study of the property. Meetings will have to be held in the immediate future to attempt to solve this problem, and to get the work started.

5 Hart-Miller Island The 50-foot channel project will begin in the next month. At the present time, MES is hopeful that our FY '88 Budget will be approved by the General Assembly. The MPA Legislative Report was just submitted to the Budget Committees and essentially says very little either way about MES operation of the Project.

6 BCRRF National Ecology is in the process of going to 24-hour/day, 7 day/week operation of the Receiving Station so as to eliminate any complaints by BG&E of non-availability of RDF. Our bond repayment is ahead of schedule and, if it continues at the present rate, should be totally paid off before the end of current Calendar Year.

7 Used Oil There has been no process in dealing with Jiffy Lube on their proposal to act as a collection center for used oil.

MES FINANCIAL MATTERS

The Service is currently performing a comprehensive review of the data processing system to attempt to improve the reporting of financial data

MES PRIVATIZATION

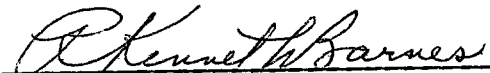
The Board discussed the recommendation contained in the final report of the Governor's Task Force on Environment in Chesapeake Bay, dated January 1987, as follows

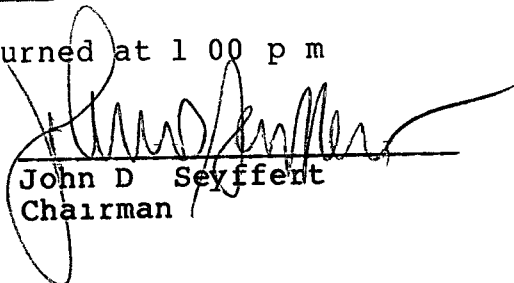
"Maryland Environmental Service - MES is charged with planning financial and running waste handling and treatment facilities. Because the coordination of waste management is becoming an increasingly pressing issue involving a number of jurisdictions, a single, independent authority should be created. The Maryland Environmental Service should become a more independent authority to comprehensively manage waste treatment and disposal for the State "

It is clear that this recommendation will not be acted upon in the current Legislative Session. It is also clear that there are a number of ways to implement such a recommendation ranging from simply creation of a separate State authority to a complete privatization of the Agency. The issue of inclusion of the Northeast Waste Disposal Authority into any such combined entity would also have to be addressed.

ADJOURNMENT

The Meeting was adjourned at 1 00 p m


Dr R Kenneth Barnes
Secretary


John D Seyffert
Chairman

(SEAL)



MARYLAND
ENVIRONMENTAL
SERVICE

**BOARD OF DIRECTORS
MINUTES**

**MEETING 87-3
MAY 6, 1987**

LOCATION Annapolis Headquarters Office

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
Edward A Griffith
Robert W Pierce
Edwin G Richards
Michael J Scibinico, II
John D Seyffert
Lawrence D Shubnell

OTHERS PRESENT Allan P Jensen
Kenneth A Howarth
Donald R Vogt
Robert A Menke
Cliff R Willey
Judith Ridgely
Thomas F McCabe
Nancy V Balenske
Jewel D White

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2020 Industrial Drive
Annapolis MD 21401
(301) 974 3281

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APPROVAL OF MINUTES

Approval of the Minutes of Meeting 87-2 held
on March 3, 1987 was deferred to the next meeting

▲
Director
John D Seyffert

NEW DIRECTORS WELCOME

John Seyffert welcomed the new MES
Directors, appointed pursuant to Chapter 213 of the
1986 Laws of Maryland as follows

▲
Edward A Griffith
Corporate Treasurer

Edwin G Richards
Route 2, Box 74
Denton, Maryland 21629
Representative from the Public Sector
Term expires 7/1/88

▲
Dr R Kenneth Barnes
Corporate Secretary

**BOARD OF DIRECTORS
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May 6, 1987
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Robert W Pierce
126 Round Bay Road
Severna Park, Maryland 21146
Representative for the Private Sector
Term expires 7/1/89

Lawrence D Shubnell
1748 Long Green Court
Annapolis, Maryland 21401
Representative from the Private Sector
Term expires 7/1/90

The entire Board of Directors was confirmed by the Senate of Maryland after hearings held on April 6, 1987 before the Senate Executive Nominations Committee

DIVISION HEAD PRESENTATION

In order to provide the new Board Members with an overall orientation to the Service, each of the MES Division Heads gave a short presentation on the current activities within their Division. There were also presentations from Jewel White, the MES Public Affairs Officer, Nancy Balenske, the MES Contract Administrator and Legislation Coordinator, and the Data Processing Manager, Tom McCabe

LEGISLATION UPDATE

The Board was briefly advised of the results of MES Legislation in the 1987 Session of the Maryland General Assembly, as follows

1 **MES Service District Bill (SB 805)** This Bill was killed after a lengthy debate on the floor of the Maryland Senate on April 3, 1987. It was clear that many Senators were unsure as to the extent and scope of the powers which MES currently holds, and that the proposed changes were viewed suspiciously by many. Also, the late inclusion of the Northeast Maryland Waste Disposal Authority in an amendment to the Bill brought some serious opposition from Harford County and other jurisdictions. It

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was clear that the Service will have a very difficult time attempting to pass this legislation in the future


2 MES Board of Directors (SB 186) This Bill was enacted after several amendments. The final version requires all Directors appointments to be subject to the advice and consent of the Senate except for the Director and Deputy Director. There was a lot of confusion on this Bill due to various opinions of the Counsel to the House and Senate Committees on the appropriate way to handle the difference between MES Officers, and Private and Public Sector Members of the Board.

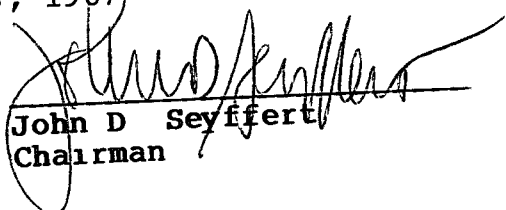
3 Used Oil This MES Bill, which would have removed the penalty for assessing a charge for collection of used oil at a service station, was killed by Delegate DiPietro. His stated reasons were a need to study the matter further. We believe he was concerned that there should be some limit on the ability of a service station to charge for collection of used oil, although several discussions with him were unable to resolve this issue.

4 Solid Waste Loan Act of 1987 This Bill, proposed by MES, was never introduced due to apparent elimination at the Governor's level, after recommendation by the Department of State Planning.

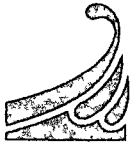
ADJOURNMENT

The meeting was adjourned at 1 00 p m. It was decided that the next meeting would be held at Hart-Miller Island on June 3, 1987.


Dr R Kenneth Barnes
Secretary


John D Seyffert
Chairman

(SEAL)



MARYLAND
ENVIRONMENTAL
SERVICE

BOARD OF DIRECTORS
MINUTES

MEETING 87-4
JUNE 3, 1987

LOCATION Hart-Miller Island

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
Edward A Griffith
Robert W Pierce
Edwin G Richards
Michael J Scibinico, II
John D Seyffert
Lawrence D Shubnell

OTHERS PRESENT Kenneth A Howarth

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Annapolis MD 21401
(301) 974 3281

APPROVAL OF MINUTES

Approval of the Minutes of Meetings 87-2 and 87-3 were deferred until the next meeting

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TOUR OF HART-MILLER ISLAND

The Board of Directors toured Hart-Miller Island, and returned to the Conference Room for a presentation on the current and projected operation of the Facility. The concerns pertaining to use of Hart-Miller Island as an eventual recreation area were discussed, and the Directors were generally given an update on the status of all of the major issues such as raising of the exterior dikes, the pending State budget amendment and general budget problems, and basic plans of the Service for crust management and optimization of the use of the Facility while meeting the discharge permit.

▲
Director
John D Seyffert

▲
Edward A Griffith
Corporate Treasurer

POTENTIAL SOLID WASTE PROJECTS

The Board was advised by Mr Seyffert of an upcoming meeting with Governor Schaefer regarding the status of solid waste facilities in Maryland, with particular emphasis on the Eastern Shore. The Service has worked for many years with several Eastern Shore Counties studying potential opportunities for resource recovery facilities, as

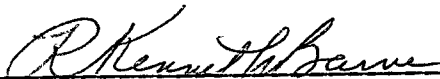
▲
Dr R Kenneth Barnes
Corporate Secretary

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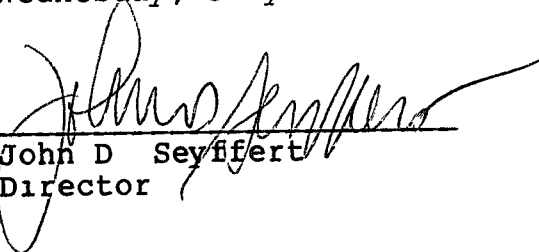
well as state-of-the-art landfills At the present time, three Counties (Caroline, Talbot and Queen Anne's) have signed an agreement to participate in a regional landfill MES hopes to be involved in the design, construction and operation of this Project There is also interest within the State in constructing a solid waste incinerator to be used in conjunction with the Eastern Correctional Institute recently opened in Somerset County Again, the Service hopes to be involved in this Project Mr Seyffert indicated that he would advise the Board at the next meeting of the Governor's desired approach

ADJOURNMENT

The Meeting adjourned at 1 00 p m The next meeting was scheduled for Wednesday, July 1 at the MES Headquarters at 2 30 p m



Dr R Kenneth Barnes
Secretary



John D Seyffert
Director

(SEAL)



MARYLAND
ENVIRONMENTAL
SERVICE

BOARD OF DIRECTORS
MINUTES

MEETING 87-5
JULY 1, 1987

LOCATION Annapolis Headquarters Office

TIME 2 30 AM

DIRECTORS PRESENT R Kenneth Barnes
 Edward A Griffith
 Robert W Pierce
 Edwin G Richards
 Michael J Scibinico, II
 John D Seyffert
 Lawrence D Shubnell

OTHERS PRESENT Kenneth A Howarth

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2020 Industrial Drive
Annapolis MD 21401
(301) 974 3281

DISTRIBUTION OF MATERIAL

The Directors were provided with copies of the Project Plans submitted to Governor Schaefer on June 16, 1987 for the Midshore Solid Waste Management Facility, and for the Eastern Correctional Institution (Somerset County) Solid Waste Resource Recovery Facility

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Natural Resources

APPROVAL OF MINUTES

The Board unanimously approved the Minutes of Meetings 87-2 (March 3, 1987), 87-3 (May 6, 1987), and 87-4 (June 3, 1987)

▲
Director
John D Seyffert

MES ACCOUNTING DIVISION REPORT

Ken Howarth discussed the recent resignation of the Accounting Manager, and related difficulties in preparing our financial accounts for the pending independent audit by Touche Ross. The major concern pertains to the status of our general ledger and balance sheet activities for the last several months. Although there is no indication of any improprieties, there is a need to obtain more day-to-day control in these areas. MES has engaged a local accounting firm to assist us in reconciling our accounts over the next few weeks in order to

▲
Edward A Griffith
Corporate Treasurer

▲
Dr R Kenneth Barnes
Corporate Secretary

BOARD OF DIRECTORS MINUTES
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prepare for the audit, and to make recommendations on instituting some controls to ensure that we do not continue in this manner. The high turnover in the Accounting Division during the last year has played a major role in the current difficulties, and it is hoped that we will be able to maintain a more stable staffing pattern in the near future.

SOLID WASTE ACTIVITIES

John Seyffert reported on the meeting held with Governor Schaefer on June 6, 1987 to discuss the solid waste situation in Maryland in general, and to focus on the Eastern Shore and MES efforts in particular. The meeting was attended by Bill Eichbaum and Ron Nelson from the Health Department, Secretary Brown, and Mark Wasserman and David Carroll from the Governor's Staff. Ron Nelson gave a brief presentation on the status of all of the Maryland landfills, followed by an MES presentation on our recent work analyzing solid waste options for various areas in Maryland.

The MES presentation focused on the Eastern Shore and the relative cost for individual landfills versus regional landfills, as well as the State subsidy that would be necessary to achieve an equivalent cost per ton for a regional energy recovery facility. Governor Schaefer was very receptive to MES being involved in helping the various local jurisdictions with solid waste management. He did not believe that the State was ready or able to commit major dollars to subsidize resource recovery activities. In his opinion, it would be a significant enough achievement to simply bring most of these jurisdictions up to modern day landfill standards.

Accordingly, the Governor directed MES to provide him with Project Plans in two areas - Midshore and Eastern Correctional Institution/Somerset County. These were supplied on June 16, 1987. We were in a position to do a fairly detailed plan on the Midshore Project using material from the proposal which we had already provided to the three Counties for this Project. On the

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ECI/Somerset Project, we were only able to provide basic preliminary information. The Department of General Services is currently overseeing a contract to review this approach in more detail. Subsequent to the Governor's meeting, MES met with both the Midshore and Somerset County Commissioners.

The Midshore meeting was held on June 23, 1987, and was attended by the Commissioners from Caroline, Talbot and Queen Anne's County. At the present time, there are two potential sites under consideration, the existing Easton Landfill, and the Hobbs Road Landfill in Caroline County outside of Denton. It was decided that the Counties would create an advisory committee to help MES work towards a service district for this Project, and to prepare a public education program to help the public acceptance of the Facility. It was also decided to do Phase I Applications for solid waste disposal permits from the Maryland Health Department simultaneously for each site. These applications will be prepared by the Counties, but may be submitted to DHMH under the signature of MES.

The meeting with the Somerset County Commissioners occurred on June 30, 1987. This Project presently contemplates adding a boiler for trash at the Eastern Correctional Institution. ECI already has a woodchip/oil boiler setup, and consequently much of the equipment necessary for generating steam or electric power. We would expect to take waste from Somerset County, ECI, UMES at Princess Anne, and perhaps Salisbury State College. There would be an ash-only landfill onsite at ECI. The County Commissioners appeared very receptive to this plan, although they could not "approve" anything without actual cost figures which have yet to be developed by the DGS consultant. It was agreed that Governor Schaefer would announce at his July 15, 1987 trip to Crisfield that the Commissioners were in favor of the concept, and would work with MES towards its implementation.

The Board then had a general discussion primarily on the Midshore Project. Larry Shubnell made a motion that the MES Board of Directors pass a Resolution indicating its interest in the Midshore Project, which Resolution would be sent to the

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Counties in an effort to clearly show that the MES Board was aware of the Project and very much in favor of it. The Motion was passed unanimously, and the Staff was directed to prepare a Resolution for signature by the Members of the Board as soon as possible.

SENATE BILL 805

MES appeared before a regular meeting of the Legislative Committee of the Maryland Association of Counties on July 1, 1987. The purpose was to discuss Senate Bill 805 which pertains to MES Service Districts. This Bill was soundly defeated in the 1987 Maryland General Assembly, and support of MACO is considered a critical and necessary element of any further efforts to pass this legislation. John Seyffert and Mike Scibinico gave a basic discussion of the Bill with emphasis on the fact that it did not create any power in MES to take any action without express approval of a County. Unfortunately, it was fairly evident that our request for support of the Bill was not being favorably received. There were several comments about MES being a State agency which could team up with the Health Department to the detriment of the Counties. All-in-all, there appears to be a lot more work to do if we are ever to obtain the support of MACO for SB 805.

Ed Richards reported that he felt we had at least convinced the staff of MACO that SB 805 presented no threat to the Counties. However, he agreed that the Members did not favor the legislation and consequently, felt that the only viable approach would be to try for a local Bill in the 1988 General Assembly pertaining strictly to the Midshore Counties.

HART-MILLER ISLAND

John Seyffert reported that at a meeting held on June 11, 1987, with Secretary Brown, and the new Secretary of DOT, Richard Trainer, it was decided that Hart-Miller Island would be committed to receiving maintenance dredging in support of the 50-foot Channel for the next ten years. Since this

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would entail raising the parameter dike of the Island approximately ten feet, Secretary Trainer directed his staff to apply for a new permit from the Army Corps of Engineers

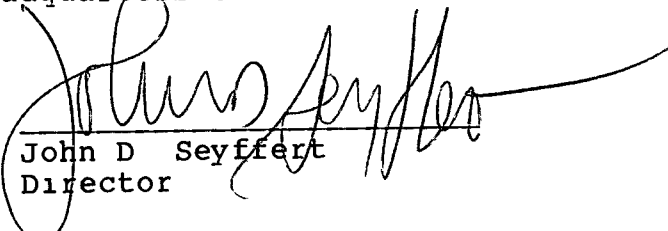
This decision has substantial impact on the previous State commitment for use of Hart-Miller Island as a recreational facility. The Board Members expressed some concern over MES being viewed as the entity responsible for this change. Since we are the operators of the Facility, there is certainly some connection that we cannot escape. However, the action of MPA applying for a new permit should insulate MES from this problem. In fact, there is nothing that MES has done or could have done to make a difference in this regard. The amount of material to be placed in the Island is exclusively at the direction of MPA.

Given that there is already recreational use of the beach at Hart-Miller Island, it seems quite possible that simply augmenting the public facilities related to the beach could satisfy a large portion of the population. Again, however, the Maryland Environmental Service is not responsible for nor does it have any authority to make decisions in this regard.

ADJOURNMENT

The Meeting adjourned at 4 30 p m. It was decided to hold no meeting in August, and that the next meeting of the Board of Directors would be on the first Wednesday in September, September 2, 1987 at 10 00 a m at the MES Headquarters Office.


Dr. R. Kenneth Barnes
Secretary


John D. Seyffert
Director

(SEAL)



MARYLAND
ENVIRONMENTAL
SERVICE

**BOARD OF DIRECTORS
MINUTES**

**MEETING 87-6
SEPTEMBER 2, 1987**

LOCATION Annapolis Headquarters Office

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
Edward A Griffith
Robert W Pierce
Edwin G Richards
Michael J Scibinico, II
Lawrence D Shubnell

OTHERS PRESENT Kenneth A Howarth

▲
2020 Industrial Drive
Annapolis MD 21401
(301) 974 3281

APPROVAL OF MINUTES

The Board unanimously approved the Minutes of Meeting 87-5 (July 1, 1987)

▲
An Agency of
the Department of
Natural Resources

PROJECT REPORT

A general discussion was held on the following MES Projects and Activities

I MIDSHORE LANDFILL

Mike Scibinico reported that the Resolution of the MES Board of Directors indicating support for the Midshore Landfill, as approved by the Board during the last meeting, was forwarded to all elected officials and interested parties in Caroline, Queen Anne's and Talbot Counties on July 31, 1987. The Service has received no response or acknowledgement of receipt of this Resolution from any party.

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Director
John D Seyffert

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Edward A Griffith
Corporate Treasurer

Ed Richards reported that the Advisory Committee Resolution has apparently been approved by the Commissioners of Caroline, Queen Anne's and Talbot Counties. Ed will obtain the names of those members appointed to the Committee so that the first meeting can be held as soon as possible. That Resolution also specifically identifies MES as the lead agency for the Project.

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Dr R Kenneth Barnes
Corporate Secretary

BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 2

The Phase I Application materials have been prepared by Mr. Visintainer under contract to Caroline County. Ed is turning these materials over to the Service for filing with the Department of the Environment as soon as possible. We are still proceeding on two sites (Easton, and Holly Road), but hope to make a decision in the near future on the actual site in order to avoid expensive duplication of hydrogeologic investigations required during Phase II of the permit process.

II MONTROSE

Mike Scibinico reported that the Sierra Club has sent a 60-day Notice of Intention to File Suit under the Clean Water Act for discharge violations at the Montrose Wastewater Plant. These violations are occurring since the Plant is old and physically incapable of meeting the standards contained in the present NPDES Permit. This is a good publicity move for the Sierra Club since the Maryland Government has refused in the last three years to provide the necessary capital funds to construct a new plant (due to the possibility that the Montrose School will be closed).

The Service is in the middle of this since we are the named Permittee. However, no one is suggesting that we can or could have solved this problem. The Service has steadfastly requested the necessary funds to make capital improvements required at the Plant.

The 60-day time period will run out on September 8, 1987. Our information is that the National Board of Directors of the Sierra Club has already approved the filing of the suit. It may be possible to forestall this action if a firm decision to close Montrose is reached, or by negotiations with the Sierra Club on a firm schedule for compliance.

III SOMERSET/ECI INCINERATOR

The Department of General Services is working with a consultant to determine the optimum configuration of a trash incinerator unit to be added to the existing boiler at the Eastern Correctional Institution in Somerset County. At the present time, indications are that the Service would operate the Plant. G O Funding is being requested for construction.

**BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 3**

IV JOPPA SAND AND GRAVEL

This Project was the subject of several newspaper articles as a result of the public concern by Governor Schaefer expressed at the July 14, 1987 Board of Public Works Meeting. MES had appeared at that meeting to report on an emergency procurement for the risk assessment at the site being performed by Dames & Moore. Governor Schaefer was very disappointed in the amount of time that had been extended on studies for this site since 1982, and questioned the need for an additional study.

The Service was directed to appear at the next Board Meeting, and report on possible ways to expedite this process. The Deputy Director appeared at the meeting, however, the Board did not request any information. A subsequent phone call to the Secretary of the Board determined that the Item had intentionally been omitted from the Agenda on the belief of the Secretary that the Board was no longer interested in the Item. The Secretary was specifically questioned as to whether any additional Board action was necessary in order for MES to proceed with the contract. He stated that he would investigate the matter further, but that we should proceed unless he called back to advise otherwise. No further communication has been received, and the Service is proceeding with the study.

Directors Griffith and Barnes indicated their displeasure at not being advised of this potential public controversy prior to the Board Meeting. Mike Scibinico responded that, although this contract was a fairly large amount, it was strictly a State activity with State budgeted funds, actions on which have never been reported to the Board of Directors as a matter of course. Further, in this instance, MES had no advance warning that this matter would be controversial at the Board of Public Works Meeting. In the future, the Service will certainly make every effort to inform the Board of any potential controversial matters prior to articles appearing in the newspaper.

V HART-MILLER ISLAND

A short discussion was held in regard to the necessity of raising the perimeter dike at the Island in order to accommodate the 50-foot channel. This could well be a controversial action. However, this should not involve the Service. Our responsibility is strictly for operations at the Island.

BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 4

Our continuing budget problems at the Island were also discussed. Due to errors made by the Maryland Port Administration in the last budget cycle, MES will run out of operational funds in March of 1988. A promised budget amendment for FY '88 has not been forthcoming, and this may impact the FY '89 budget process as well.

VI BCRRF

The Deputy Director reported on the new Agreement among the Service, Baltimore County and National Ecology for operation of the Baltimore County Resource Recovery Facility. The major impact on the Service of this Agreement is the reduction in budgets and funds from the County. For the last few years, approximately \$6 Million has flowed through our books for this Project on an annual basis. This will now be reduced to \$1.9 Million in FY 1988. National Ecology will use the RDF revenues from the Project to make up the budget difference, and is theoretically assuming some risk that these revenues will be sufficient.

This change was instituted by Stanley Guild in June, who was then the acting Budget Director for Baltimore County. There initially was a strong indication that the County would terminate the Project entirely, something they have a clear right to do under the governing Agreements. However, National Ecology convinced the County that the Project could be continued, and that they would be willing to take some risk in regard to the operation. The outstanding MES Revenue Bond with Maryland National Bank was paid off in-full on June 30, 1986 prior to institution of the new arrangement.

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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 5

VII HAWKINS POINT

The Hawkins Point Hazardous Waste Disposal application is proceeding. However, there is now some question as to whether Allied may obtain a decision from EPA relaxing the requirements for disposal of chrome refuse.

VIII DORSEY RUN

It was reported that this Plant is now nearing substantial completion, and that it will be the flagship operation of the Maryland Environmental Service.

IX CROWNSVILLE CLAIM

The contractor on the Crownsville Wastewater Treatment Plant, McElwee-Scarborough of New Jersey, has filed a claim for extra costs in excess of \$500,000. The claim is being handled by Assistant Attorney General Brent Hare at the Department of Natural Resources. Most of the charges relate to delays on the Project pertaining to a decision from the Health Department refusing to fund installation of synthetic liners in the ponds at the Facility.

X FREEDOM DISTRICT

Carroll County is proceeding with its design plans for expansion of the Freedom District Plant. The Service is attempting to get the County into formal negotiations on the State share and other State involvement in this process.

XI STATE CAPITAL FUNDS

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XII STATE MAJOR MAINTENANCE

It now appears that the State will agree to a revolving fund held by the Service for major maintenance at State facilities.

BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 6

FINANCIAL REPORT

Ken Howarth reported that Touche Ross is currently performing its annual audit of the Service. This is the final year under the Touche Ross contract, and the Service will be going out for bid for auditors for the next year.

Ken also indicated that we have made some improvements in our accounting system, and are hopeful of being able to very shortly produce a quarterly, if not monthly, statement for review by the Board of Directors on the financial condition of the Agency. There is still some question as to whether the current software being used by the Agency will be able to produce completely satisfactory reports. At the present time, the Service intends to continue working with this software through FY '88, and make a decision at that point whether to investigate an alternative software package. The primary problem with the existing software is that it treats all of our Projects as individual subsidiary companies, rather than customers. This results in a very complex process to reconcile our accounts. A software package that is focused more on separate projects of one company would appear to be better suited to the way in which we actually operate.

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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 7

MES ASSISTANT ATTORNEY


It was reported to the Board that Sean Coleman has been appointed the Assistant Attorney General for the Service Sean was our first choice as a result of the interview process held in May of this year He has been at the Department of Natural Resources where he has worked primarily on the Ocean City Beach Replenishment Project

BOARD OF DIRECTORS LIABILITY

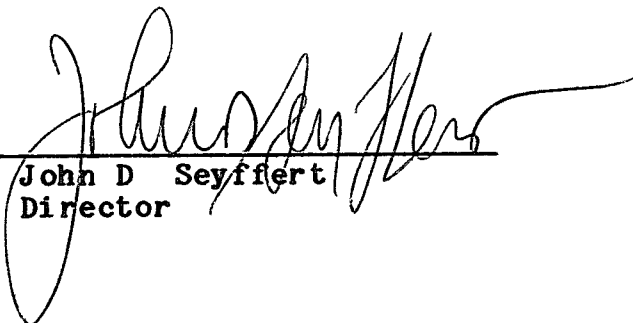
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ADJOURNMENT

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Dr R Kenneth Barnes
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John D Seyffert
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(SEAL)



MARYLAND
ENVIRONMENTAL
SERVICE

**BOARD OF DIRECTORS
MINUTES**

**MEETING 87-6
SEPTEMBER 2, 1987**

LOCATION Annapolis Headquarters Office

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
Edward A Griffith
Robert W Pierce
Edwin G Richards
Michael J Scibinico, II
Lawrence D Shubnell

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2020 Industrial Drive
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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 2

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**BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 3**

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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
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BOARD OF DIRECTORS' MINUTES
MEETING 87-6
SEPTEMBER 2, 1987
Page 7

MES ASSISTANT ATTORNEY


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BOARD OF DIRECTORS LIABILITY

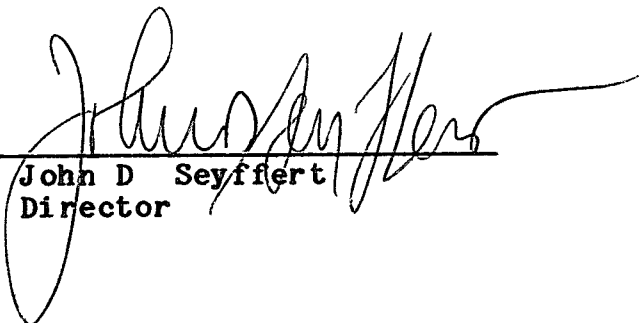
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ADJOURNMENT

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Dr R Kenneth Barnes
Secretary



John D Seyffert
Director

(SEAL)

BOARD OF DIRECTORS' MINUTES
MEETING 87-7
OCTOBER 7, 1987
Page 2

further adjust our Corporate overhead rates. At the present time, the Service is charging a 51 percent overhead rate. The Accounting Division will be analyzing these issues in the next two months with an aim towards making a presentation at the December Board Meeting.

II MONTROSE

John Seyffert reported that the Sierra Club has now filed suit against MES, and against the Director in his individual capacity, for the discharge violations at the Montrose Wastewater Plant. Sean Coleman gave a preliminary evaluation by the Attorney General's Office of the merits of the suit, and the potential for recovery by the Sierra Club. Since the State has now committed to close Montrose, it seems doubtful that the Court would consider any question of injunctive relief. In regard to the past violations, the Service is fairly clean on this since we have specifically requested funds in the last three years to improve the Facility. Those requests have been denied by either the Executive Department or the General Assembly. The issue of recovery of civil penalties for past damages is currently before the Supreme Court and is, to say the least, a major issue in regard to citizen suits under the Clean Water Act. There is no doubt that the Facility has been in violation since it is physically incapable of meeting the current discharge permit.

III BCRRF

Mike Scibinico reported that the Baltimore County Resource Recovery Facility had suffered an explosion on October 1, 1987. This was in the shredder, and resulted in damages in excess of \$250,000. At the present time, it appears as if an oxygen cylinder was improperly placed in a trash dumpster at the Maryvale College. In fact, the college called the Plant to warn them of the potential hazard twenty minutes after the explosion. There was no personal injury, and National Ecology expects to have the repairs made within a month. In regard to insurance, it would seem as though we will be able to clearly make a claim against the insurance carrier for the college.

IV. MIDSHORE LANDFILL

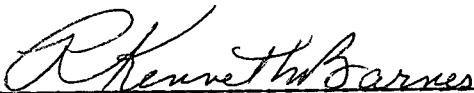
MES has now been designated as the lead agency for this Project under a Resolution signed by all three of the participating Counties. The first meeting of the Advisory Committee was held on September 24, 1987. Also, the Service has

BOARD OF DIRECTORS' MINUTES
MEETING 87-7
OCTOBER 7, 1987
Page 3

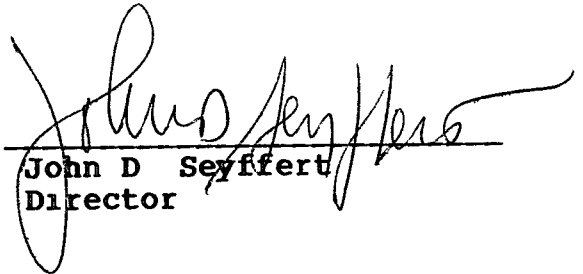
submitted the Phase I Applications to the Maryland Department of the Environment for each of the potential locations for the regional landfill

ADJOURNMENT

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Dr R Kenneth Barnes
Secretary



John D Seyffert
Director

(SEAL)



**MARYLAND
ENVIRONMENTAL
SERVICE**

**BOARD OF DIRECTORS
MINUTES**

**MEETING 87-8
NOVEMBER 4, 1987**

LOCATION Annapolis Headquarters Office

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
Edward A Griffith
Robert W Pierce
Edwin G Richards
Michael J Scibinico, II
Lawrence D Shubnell

OTHERS PRESENT Kenneth A Howarth

▲
2020 Industrial Drive
Annapolis MD 21401
(301) 974 3281

APPROVAL OF MINUTES

The Board unanimously approved the Minutes of Meeting 87-7, October 7, 1987

PROJECT REPORT

A general discussion was held on the following MES Projects and Activities

▲
An Agency of
the Department of
Natural Resources

I AUDIT REPORT

Ken Howarth reported that the Accounting Division is still analyzing the results of the FY '87 Audit We should be in a position to discuss this at the December Board Meeting and, in addition, provide some first quarter FY '88 figures

▲
Directo
John D Seyffert

II MONTROSE

The State has now officially decided to close the Montrose School for Delinquent Girls The closure schedule is fairly aggressive, and should result in only a skeleton crew being present at the Facility by January 1988 In the context of the lawsuit, the State has committed to eliminate any discharge from the Facility by June 1988 If necessary, the small amount of wastewater can be trucked out to another plant The Juvenile Services Administration is also investigating installing a septic system

▲
Edward A Griffith
Corporate Treasurer

▲
Dr R Kenneth Barnes
Corporate Secretary

III BCRRF

The Board inquired regarding any progress on the potential royalty claim against National Ecology, Inc. Mike Scibinico reported that no steps have been taken to-date. In regard to potential recovery, NEI has, of course, not obtained any revenues from the Palm Beach Project that would be susceptible to royalty payments. However, this matter should clearly be turned over to the Office of the Attorney General in the near future.

IV MIDSHORE LANDFILL

The Service has submitted a contract to the Midshore Counties for development of the Midshore Landfill. This would encompass two years of work, and bring the Project to the point of construction bid documents.

V HART-MILLER ISLAND

Mike Scibinico reported that operations at Hart-Miller Island are proceeding without any major problems. We have still not received the budget amendment promised by the Department of Transportation for FY 1988. As it currently stands, we will be out of funds sometime in March 1988. Ken Barnes suggested that we continue to send letters to people at MDOT, and the Governor's Staff who have an interest in this matter.

VI CROWNSVILLE CLAIM

The Assistant Attorney General representing MES on the Crownsville Claim (Brent Hare) is of the opinion that the Claim is totally without merit. The next step in the process is a formal procurement officer's decision, after which the claim will go to the Maryland State Board of Contract Appeals.

VII HORN POINT CLAIM

The Board was advised of a potential claim resulting from construction of the Horn Point bermed infiltration wastewater plant. The Service is currently withholding \$100,000 from the Contractor due to alleged improper construction of the berms. According to the specifications, the berms were to be built in eight-inch compacted lifts. However, the Contractor essentially just piled the dirt up, shaped it into a berm, and is now claiming that the result should be satisfactory to the

**BOARD OF DIRECTORS MINUTES
MEETING 87-8
NOVEMBER 4, 1987
Page 3**

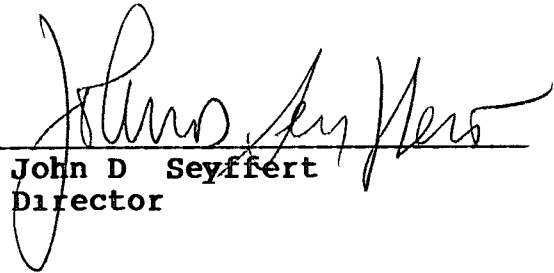
Service Since this is an EPA Grant, the State of Maryland Grant Management Division has a large say in any settlement. It is their current position that the berms are unacceptable as constructed (as is the position of MES). Consequently, we have little-to-no flexibility in negotiating with the Contractor. If he refuses to properly reconstruct the berms, another claim before the Board of Contract Appeals seems certain.

ADJOURNMENT

The Meeting adjourned at 11 30 a m. The next meeting of the Board of Directors is scheduled for the first Wednesday in December, December 2, 1987 at 10 00 a m at the Dorsey Run Wastewater Treatment Plant.

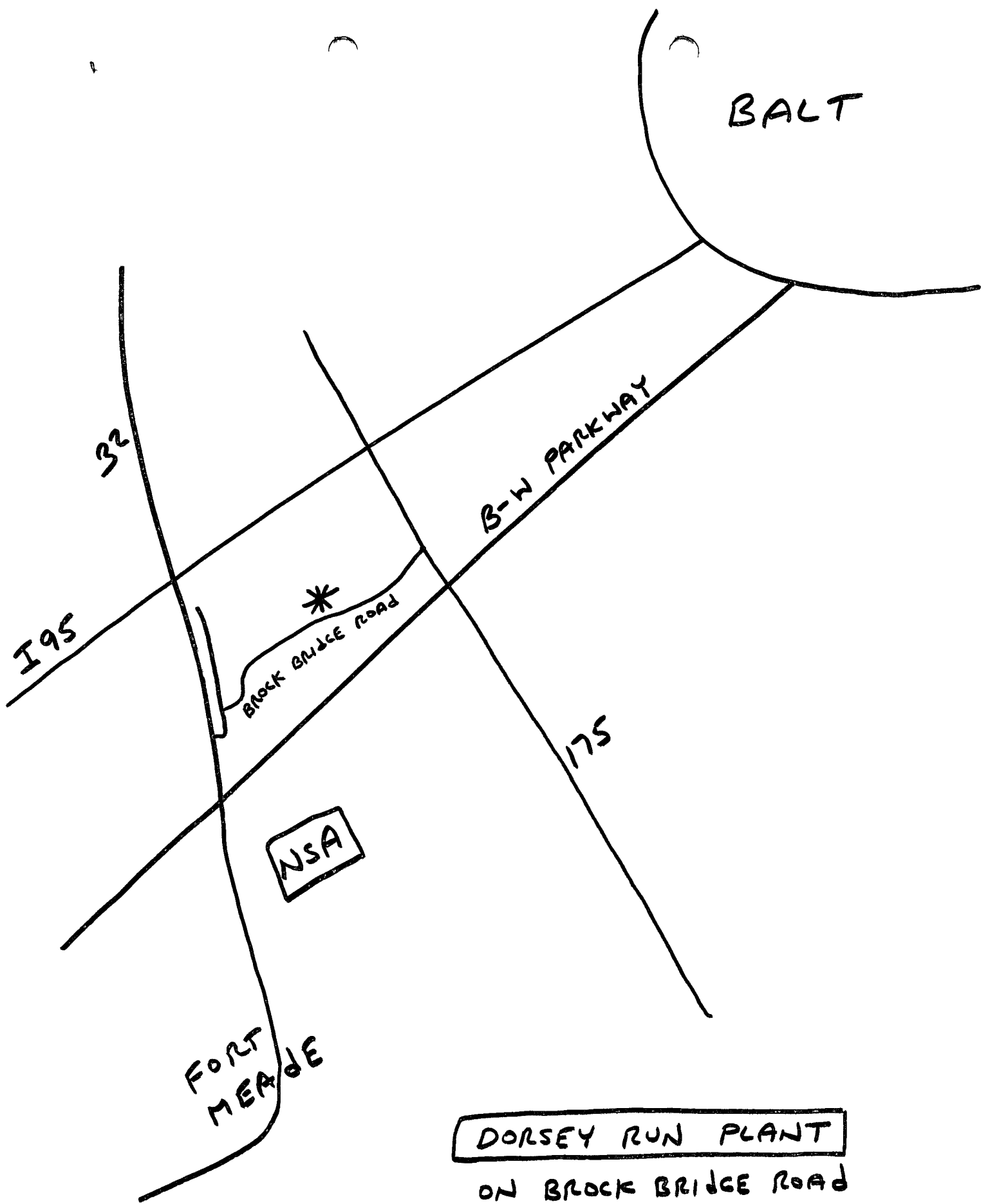


**Dr R Kenneth Barnes
Secretary**



**John D Seyffert
Director**

(SEAL)



DORSEY RUN PLANT

ON BROCK BRIDGE ROAD
1/4 MILE NORTH OF INTERSECTION
OF B-W PKWY & 175



MARYLAND
ENVIRONMENTAL
SERVICE

**BOARD OF DIRECTORS
MINUTES**

**MEETING 87-9
DECEMBER 2, 1987**

LOCATION Dorsey Run Advanced Wastewater Treatment Plant

TIME 10 00 AM

DIRECTORS PRESENT R Kenneth Barnes
Edward A Griffith
Robert W Pierce
Edwin G Richards
Michael J Scibinico, II
John D Seyffert

OTHERS PRESENT None

▲
2020 Industrial Drive
Annapolis MD 21401
(301) 974 3281

APPROVAL OF MINUTES

The Board unanimously approved the Minutes of Meeting 87-8, November 4, 1987

▲
An Agency of
the Department of
Natural Resources

MES STATE ORGANIZATION

The Service has received a letter from Charles Benton, Secretary of the Department of Budget and Fiscal Planning, indicating that he is initiating a review, at the Governor's request, of the appropriateness of the current organizational placement of the Service within State government. A report is being prepared by Ms Mary Naramore and Ms Kathy Gioffre from DBFP. They are looking at potential reorganization of MES and the Northeast Maryland Waste Disposal Authority. Options under consideration apparently include placing the Service within the new Department of the Environment, or perhaps the Department of General Services, as well as establishing the Service as an independent authority. There could also be a recommendation to merge MES with NEWDA. The DBFP staff had already met with John Seyffert and Mike Scibinico, and will be discussing this with several interested parties in the next few weeks. There is a strong indication that a decision will be made prior to the upcoming Legislative Session.

▲
Director
John D Seyffert

▲
Edward A Griffith
Corporate Treasurer

▲
Dr R Kenneth Barnes
Corporate Secretary

PROJECT REPORT

A general discussion was held on the following MES Projects and Activities

I EASTERN CORRECTIONAL INSTITUTE

The Service is continuing to proceed with plans for a trash incinerator at ECI as promised by Governor Schaefer to St Mary's County. This should be coming to the Board of Public Works in the next few weeks via an Agenda Item requesting a \$100,000 grant from the Solid Waste Facilities Loan Act of 1986 to pursue this Project. It is possible that the Board Meeting will generate some press coverage for the Service. Given the state of uncertainty regarding the current woodchip boiler at ECI, and the corrective measures to be taken, it is possible that the Board will not favorably receive the grant request. However, Governor Schaefer has made a public commitment to follow through with all necessary repairs at ECI.

II HART-MILLER ISLAND

The Service has not yet obtained the promised budget amendment for Hart-Miller Island. By letter of November 18, 1987, Secretary Brown advised Secretary Trainor that the situation was becoming critical. We have not yet received any response to this letter.

III HAWKINS POINT

There is very little activity at Hawkins Point due to Allied's continued negotiations with EPA on the scope of the necessary clean-up at the Baltimore Works. We recently filed a permit renewal application for the existing "Area 5" on the property.

IV JOPPA SAND & GRAVEL SITE

Dames & Moore, the consultant performing the remedial investigation on the Joppa property, will have a preliminary report to the Service on December 17, 1987. We are hopeful to obtain sufficient information from the consultant to seek an appropriation in the 1988 General Assembly for recommended clean-up of the site.

V FREEDOM DISTRICT

Carroll County will hold a public hearing on December 9, 1987 regarding their plan to expand the Freedom District Plant. There has been a letter to the Governor from Carroll County requesting the State's participation in the cost of the expansion. So far, the County has not indicated a desire to take over the operation and maintenance of the Facility. The State may want to voluntarily pay for additional nutrient removal at Freedom in keeping with the 40 percent reduction goal of the new Chesapeake Bay Agreement.

VI MID-SHORE LANDFILL

Negotiations are proceeding with the Mid-Shore Counties on an MES Contract for development of the Mid-Shore Landfill. This is about a \$500,000 effort for FY '88 & '89, and will be a significant amount of work for the Service.

MES FINANCIAL MATTERS

The Service is engaged in an intensive effort to identify our true financial picture. Although the last audit showed a reduction in our retained earnings of about \$300,000, our Controller believes that the audit missed about \$250,000 of funds received from EPA for the various construction grant projects now being managed by the Service. We would like the auditors to come back and formally concur with this finding, but it is quite possible we will have to wait until next year's audit to recognize these funds. In any case, the Service now believes that we came very close to breaking even for Fiscal Year 1987. The current analysis would also appear to indicate that our overhead rates are very close to a break-even point for FY '88 & FY '89. We hope to finalize this in the month of December in order to make any necessary changes in our corporate contracts and overhead recovery rates for the Fiscal Year 1989 budgets. Ken Howarth intends to make a presentation to the Board at the January meeting on this subject.

TOUR OF DORSEY RUN FACILITY


The Members of the Board were given a tour of the Facility by John Allen, the MES Regional Manager who will be in charge of the Plant. It was explained that the opening date has been delayed due to problems in hooking up the incinerator. At present, it is unclear when the Facility will be accepted by the

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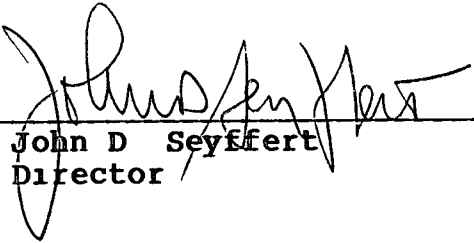
Department of General Services, but this should be within the next few months. The Dorsey Plant is a state-of-the-art facility achieving high levels of nutrient reduction. This Plant is expected to receive a lot of attention once it opens.

ADJOURNMENT

The meeting adjourned at 1 30 PM. The next meeting of the Board of Directors is scheduled for Wednesday, January 13, 1987, at 10 00 AM at the MES Headquarters.



Dr R Kenneth Barnes
Secretary



John D Seyffert
Director

SEAL