

Maryland Department of Natural Resources



Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401
(301) 974-7281

William Donald Schaefer
Governor

Torrey C. Brown, MD
Secretary

**BOARD OF DIRECTORS
MINUTES
MEETING - 91-1
JANUARY 24, 1991**

George G. Perdikakis
Director

LOCATION: 2020 Industrial Drive
Annapolis, Maryland

TIME: 10:30 (Scheduled)
10:30 (Convened)

DIRECTORS PRESENT: George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Robert W. Pierce
Annette Grim
Edwin G. Richards (joined at 11:00)

OTHERS PRESENT: Nancy Voorhees Balenske
Kenneth A. Howarth
Maureen O'F. Gardner
Beth Schomburg
Debra Wagner

APPROVAL OF MINUTES

Discussion was held about deleting from the Minutes under Project Status, "based upon 75% business usage". Dr. Barnes made the motion and Mr. Griffith seconded. The motion was passed, the Minutes were corrected and signed.

NEW BUSINESS

Mr. Perdikakis informed the Board of MES's new role in handling dredged materials. We are currently working with the Maryland Port Administration to plan dredging projects for the State. Mr. Perdikakis just returned from the Cabinet Meeting and a presentation of this project. MES is advertising for a Dredged Material Project Manager. By taking on this venture, Mr. Perdikakis is looking to the future to protect the Agency.

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MES BOARD OF DIRECTORS MINUTES
MEETING 90-1 - JANUARY 24, 1991
Page 2

Baltimore and Anne Arundel Counties are also holding discussions with MES about dredging projects in their counties. MES would act as the project manager.

Other areas of possible expansion are emission control and sediment and erosion control.

MES has been invited by Kent County to make a presentation on solid waste.

LEGISLATION

Ms. Beth Schomburg reviewed MES legislative activities this Session.

One bill has been submitted taking the Used Oil Law and adding "antifreeze" to the Act defined as "motor fluid".

Two bills to provide funding have also been submitted - the Solid Waste Facilities Loan Act of 1991 and the Recycling Loan Act of 1991.

PROJECT STATUS

Mr. Perdikakis introduced Ms. Debra Wagner to the Board. Ms. Wagner is employed by MES to work with the Used Oil Program and has successfully created MES's Antifreeze Program. She reviewed the program for the Board, answered questions, and handed out the 1990 Annual Report (see attached).

FINANCIAL REPORT

Ms. Grim reviewed the November and December operating results (see attached). Ms. Grim informed the Board that discussion has been held about changing the format of the report. Capital Improvement Program funds will be reported on separately.

The equipment fund accounting application is under development. An equipment fund accounting will be provided every three months.

Mr. Perdikakis thanked Mr. Kenneth Howarth for the long hours he has worked and the dedication he has shown to his job.

At this time, Mr. Perdikakis asked the Board for a Resolution to enact the Executive Order increasing all MES Corporate Employees' work week from 35.5 to 40.0 hours per week. Dr. Barnes made the motion authorizing Mr. Perdikakis to enact the Executive Order (contract details to be worked out) to increase the Corporate Employees' work week to 40.0 hours. Mr. Pierce seconded. The motion passed unanimously.

LEGAL REPORT

Ms. Gardner reported no major changes from last month's report. A settlement claim has been made to James Julian, and Ms. Grim is continuing to work with Baltimore County and National Ecology.

GENERAL DISCUSSION

Elkton - Mr. Perdikakis met with the Mayor to resolve operational problems and MES will continue to operate their facility.

Mr. Richards asked if MES will be involved with the new prisons. Mr. Perdikakis told the Board MES will be involved right at the start of the projects. The current ECI project is essential to any further prison expansion.

Mr. Griffith asked if we have all the software we need. Ms. Grim said "no"; MES is still reviewing its needs.

Discussion was held about the procurement of auditing services. The request for proposal will be mailed the end of February. It is anticipated that the banking services will be mailed in March.

ADJOURNMENT

The meeting adjourned at 11:45 a.m. The next scheduled meeting will be February 21, 1991 at 10:00 a.m.

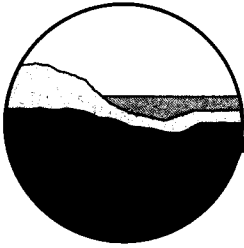
(absent)

R. Kenneth Barnes, Secretary



George G. Perdikakis, Director

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Maryland Department of Natural Resources



Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401
(301) 974-7281

William Donald Schaefer
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING - 91-2
FEBRUARY 21, 1991**

Torrey C. Brown, MD
Secretary

George G. Perdikakis
Director

LOCATION: 2020 Industrial Drive
Annapolis, Maryland

TIME: 10:00 (Scheduled)
10:15 (Convened)

DIRECTORS PRESENT: Annette Grim
Edward A. Griffith
Robert W. Pierce
Edwin G. Richards

OTHERS PRESENT: Nancy Voorhees Balenske
Dane S. Bauer
Maureen O'F. Gardner
Kenneth A. Howarth
Reed W. McDonagh
Beth Schomburg

CONVENING THE MEETING

In the absence of Mr. Perdikakis, who was participating in a press conference, the meeting was led by Ms. Grim.

A quorum was not in attendance despite calling the Directors to ensure their attendance. However, with Ms. Gardner's advice, it was agreed that business could be conducted and if votes were taken and the affirmation of the 4 Directors present was unanimous, these matters could be taken to Mr. Perdikakis for his confirmation. It was also decided to reaffirm any Resolutions discussed and voted upon at the next meeting.

INTRODUCTION OF MR. REED W. MCDONAGH

Ms. Grim introduced Mr. Reed W. McDonagh, a former Deputy Director of the Service, to the Board. Mr. McDonagh is under contract to the Service to market for the Agency in Southern Maryland. Mr. Griffith expressed his appreciation of Mr. McDonagh's talents and welcomed his return. Mr. Pierce concurred.

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APPROVAL OF MINUTES

Mr. Pierce questioned the reference to MES acting as a "general contractor" for dredging projects and requested its substitution with "project manager".

Mr. Griffith asked for clarification of the Corporate policy 40 hour work week now that the Governor has rescinded the change for State employees. Ms. Gardner responded the policy now stands in the Minutes and can be effected at such time it is necessary.

Mr. Griffith made the motion to approve the Minutes as corrected, Mr. Pierce seconded and the motion passed with Mr. Perdikakis' confirmation.

NEW BUSINESS

Ms. Grim informed the Board of a personal computer audit being performed by the consultant hired to evaluate the Agency's needs.

Ms. Grim told the Board the request for proposal for banking services will be going out by the end of March. The proposal defines all the services needed by the Agency.

Mid-Shore Landfill Account - A depository account needs to be established for the facility. Ms. Grim requested the Board's concurrence to open an account at the Maryland National on the Eastern Shore with drive-up and overnight depositing. A standing Resolution exists to open accounts. A signatory card needs to be signed by Mr. Griffith as Treasurer.

A/E Selection Process - Ms. Grim reviewed with the Board an outline (see attached) of the A/E procurement process which allows the Agency to hire qualified firms for various Corporate projects. This formalized structured approach allows MES to avoid bidding each project.

Report on Mr. Perdikakis' Vehicle - A letter to the Board Members from Mr. Perdikakis was passed out (see attached) responding to the Board's approval in January to purchase a vehicle to be used in the performance of his duties. Mr. Perdikakis' proposal to purchase the vehicle and pay all operational costs and business mileage under 15,000 and be reimbursed \$425 per month plus mileage over 15,000 was accepted by the Board on a motion offered by Mr. Richards and seconded by Mr. Pierce.

LEGISLATION

Ms. Beth Schomburg gave a status report as follows:

Used Tires - MES, the Department of the Environment, and Delegate Virginia Thomas are working together on a Bill to place funding into a Used Tire Fund. Proceeds will come from a requirement on wholesalers to purchase licenses. MES will have the authority to establish a used tires collection system. The main objective of the Bill is to recycle used tires.

Composting - Delegate Thomas has also introduced House Bill 892 which establishes a panel to study the marketing of compost materials and submit a report to the Governor and General Assembly. MES worked with MDE, the Department of Agriculture, and Delegate Thomas on 5 amendments, including adding MES to the panel and giving municipalities time to establish composting facilities. The amendments have been accepted.

Mr. Richards asked if MES has seen Senator Winegrad's Bill on imposing a recycling surcharge. MES has heard about the Bill but has not taken a position.

PROJECT STATUS

Mid-Shore - MES is waiting for the Governor's Office to respond to an opening date. We will move forward early next week if no response has been received.

Garrett County - MES, Piper & Marbury, and Alex Brown will be making a presentation to the County on the financing of the landfill project with MES Revenue Bonds.

Elkton - A visit was made earlier this month and a meeting was held with the Mayor and plant staff. Various issues were discussed and problems were resolved. MES is trying to obtain funds from MDE to make certain improvements to the facility.

Mid-Atlantic Newsprint Recycling - They have received the MIDFA Loan. MES will be receiving quarterly reports on their operation. They will be ready to accept mixed paper on May 1, 1991. An outlet for glossy paper has been found. They have responded to Baltimore County's request for proposal for mixed paper.

Baltimore County

- o **Dredging Projects** - Funds are not available to complete all of their projects.
- o **Thermal** - They have presented a series of pro forma statements and will be meeting with the County on 3/1/91. Mr. Perdikakis met with County Executive Roger Hayden and Congresswoman Helen Bentley, and received approval to investigate RDF production.
- o **National Ecology** - An offer has been made with a counteroffer. National Ecology holds equipment leases which MES does not want to take over at full value.

ECI - Mr. Perdikakis, Ms. Grim and Mr. Bauer have been meeting with the Legislature regarding the project and we are moving forward with the sale of Revenue Bonds for expansion. Letters were sent to Delegate Ryan and Senator Levitan thanking them for the opportunity to speak with them and letting them know we are proceeding with the sale.

FINANCIAL REPORT

Ms. Grim reviewed the 7 months' operating results (see attached). These results contain expanded notes and an outline of capital projects.

Ms. Grim presented to the Board, for information only, two Resolutions (see attached) which will enable Villa Julie College to design and construct a self-contained package treatment plant with proceeds from MES Revenue Bonds. These are being presented in this manner because Mr. Perdikakis told County Executive Roger Hayden if there is continued public concern with the facility, MES will not proceed with the project. The Resolutions will be brought before the Board for action when all approvals have been received.

Ms. Grim presented to the Board the attached Equipment Resolution for various pieces of equipment. Mr. Griffith made the motion to purchase and finance the equipment, Mr. Pierce seconded, and the Resolution passed to be confirmed and signed by Mr. Perdikakis.

Also presented to the Board was a Resolution reaffirming the Service's authority to make application for Federal grant assistance and accept grant awards. This Resolution is required as part of the grant application for Phase II Expansion of the Eastern Correctional Institution Wastewater Treatment Plant. Mr. Griffith made the motion to approve, Mr. Richards seconded, and the motion passed to be presented to Mr. Perdikakis for his confirmation.

LEGAL REPORT

Ms. Gardner reported the following:

- o James Julian - Mr. Perdikakis negotiated a settlement for \$107,000.
- o MES has been sued for an automobile accident had by a former employee using an unauthorized vehicle. Ms. Gardner intends to file a Motion for Summary Judgment at the appropriate time, and is presently gathering evidence to support the Motion.
- o National Ecology - An Answer has been filed to the Third Amended Complaint.

GENERAL DISCUSSION

Mr. Pierce asked about measures which can resolve the quorum requirement. Ms. Gardner responded the statute would have to be amended through the Legislature.

Ms. Grim will review with Mr. Perdikakis the business conducted at this meeting for his confirmation.

ADJOURNMENT

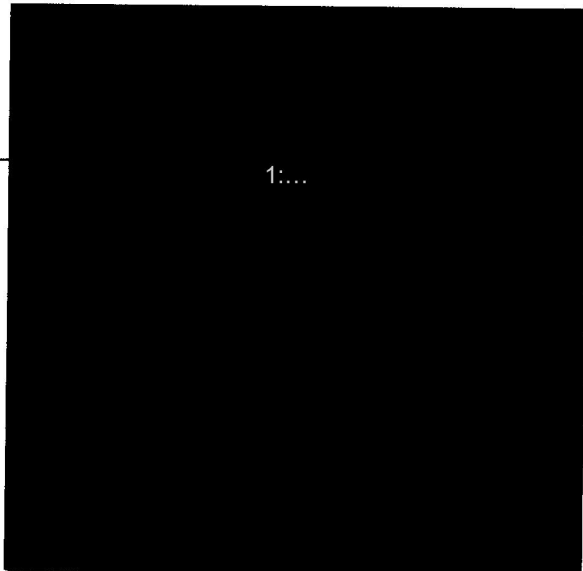
The meeting adjourned at 11:39 a.m. The next scheduled meeting is March 21, 1991 at 10:00 AM.

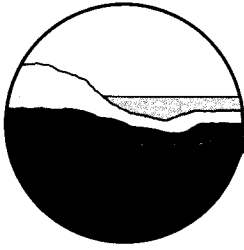
R. Kenneth Barnes, Secretary

1:...

or

SEAL





Maryland Department of Natural Resources



Maryland Environmental Service
2020 Industrial Drive
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(301) 974-7281

William Donald Schaefer
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING - 91-3
MARCH 21, 1991**

Torrey C. Brown, MD
Secretary

George G. Perdikakis
Director

LOCATION: 2020 Industrial Drive
Annapolis, Maryland

TIME: 1:30 (Scheduled)
1:50 (Convened)

DIRECTORS PRESENT: George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce
Edwin G. Richards

OTHERS PRESENT: Maureen O'F. Gardner
Kenneth A. Howarth
Nancy Voorhees Balenske

APPROVAL OF MINUTES

Mr. Perdikakis opened the meeting by reviewing the Minutes of the February 21, 1991 meeting since a quorum was not in attendance at that meeting. As Mr. Perdikakis was reviewing the Minutes, he provided an update and additional information on various items. (The Minutes of the February and March meetings will be approved and signed at the April meeting.) The items are as follows:

- o Mr. McDonagh's hiring by the Agency came from the need to establish a basis in Southern Maryland. Mr. Perdikakis discussed the success of Mr. Dan McMullen's marketing in Western Maryland.
- o The 40-hour work week becomes effective July 1, 1991 for all employees.
- o The consultant performing the personal computer audit is currently interviewing various employees and will be assisting MES in putting together an RFP for computer needs.
- o Mr. Perdikakis reviewed with the Board the purchase of a vehicle. He is maintaining a record of his usage and will provide the Board with quarterly reports. Mr. Perdikakis contributed \$2,000 towards the vehicle's purchase.

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BOARD OF DIRECTORS MINUTES
MEETING - 91-3, MARCH 21, 1991
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Mr. Barnes made a motion to reaffirm the action taken at the February meeting to approve Mr. Perdikakis' proposal to purchase the vehicle and pay all operational costs and business mileage less than 15,000 and be reimbursed \$425/month + \$.11/mile if business miles exceed 15,000 miles. Mr. Pierce seconded, and the motion passed.

Mr. Perdikakis reported the Used Tire Legislation passed the Environmental Matters Committee and is on the House Floor. The composting legislation failed and will be going to summer study.

Mid-Shore - No date has been scheduled with the Governor's Office for the opening. MES is going to proceed and would like all Board Members to be there.

Garrett County - MES will be meeting with the County on April 4th.

Elkton - MES is making monthly visits and will be presenting the 1992 budget to them.

Mid-Atlantic Newsprint Recycling - They are expanding into glass and cans.

Baltimore County - MES may have to scale back the project because of the lack of users of RDF. Mr. Perdikakis and Ms. Grim met with BG&E to ensure their continued use of and payment for RDF. If no solution can be reached, the facility will be closed and re-evaluated for other uses.

Mr. Griffith asked about the status of the offer and counteroffer. There has been no change. MES will continue to maintain its position in regard to the equipment leases and Ms. Grim will continue to handle the negotiations.

A correction is made in the Minutes in regard to the James Julian settlement. It reads as follows, "Mr. Perdikakis negotiated a settlement for \$107,000." Copies of the settlement paper will be given to the Board.

LEGISLATION

Mr. Perdikakis reported all projects in the Capital Budget have been approved. MES will have full control of these funds. While the Revenue Bond vs. GCL approach is not finalized, MES will have full control over the expenditure of funds.

PROJECT STATUS

Kent County - Mr. Perdikakis read a letter to the Board requesting MES's services for a landfill.

ECI Power Plant - This project continues to operate under budget. The purchase of electricity has cost less than \$15,000 to date for FY 1991.

REAFFIRMATION OF RESOLUTIONS

Equipment Resolution - Mr. Richards made a motion to reaffirm the February 21st Resolution to purchase and finance various pieces of equipment. Dr. Barnes seconded and the motion passed.

Federal Grant Assistance - Mr. Richards made the motion to reaffirm the February 21st Resolution affirming the Service's authority to make application for Federal grant assistance and accept grant awards. Mr. Griffith seconded and the motion passed.

Mr. Perdikakis asked Ms. Grim and Mr. Howarth to give a presentation to the Board at the April meeting on the Equipment Fund.

LEGAL REPORT

Ms. Gardner reported the National Ecology Answers to the Interrogatories has been prepared and will be given to Mr. Perdikakis and Ms. Grim for review.

Ms. Gardner also requested a correction be made in the February Minutes as follows: The February Minutes state that Summary Judgment has been requested in the Simonds v. Clendenin case. The Minutes should be corrected to read that Ms. Gardner intends to file a Motion for Summary Judgment at the appropriate time, and is presently gathering evidence to support the Motion.

FINANCIAL REPORT

Ms. Grim reviewed the 8 months' operating results (see attached).

Mr. Perdikakis asked the Board for project suggestions or opportunities for MES.

Ms. Grim told the Board that the Legislative Auditors will make a recommendation that MES pay DNR during the year instead of at the end of the year. This measure will reduce MES's interest earnings.

Mr. Griffith asked about the Data Processing spending increase. This increase reflects programming changes to our system to accommodate the health care plan modifications.

GENERAL DISCUSSION

Mr. Richards expressed his appreciation of no longer being in the landfill business and stated how impressed he is with the Mid-Shore Landfill operation by MES.

He also passed along his conversation with Mr. Robert Sallitt of Queen Anne's County and Mr. Sallitt's appreciation of Mr. Perdikakis' intervention on behalf of the County to resolve their rubble landfill problems.

BOARD OF DIRECTORS MINUTES
MEETING - 91-3, MARCH 21, 1991
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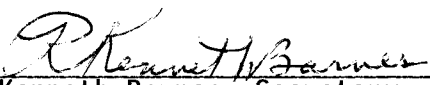
Mr. Perdikakis thanked Mr. Richards and stated he has never worked with three more dedicated County Administrators.

A question was asked about the status of accounts receivable. Mr. Howarth will bring a report to the Board.

Mr. Perdikakis asked the members for their assistance to review salaries and reclasses at a special session.

ADJOURNMENT

The meeting adjourned at 3:20 p.m. so that the members could go into an Executive Session at the request of Mr. Perdikakis. The next scheduled meeting is April 18, 1991.

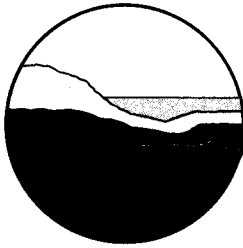


R. Kenneth Barnes, Secretary



George G. Perdikakis

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William Donald Schaefer
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George G. Perdikakis
Director

BOARD OF DIRECTORS MINUTES

MEETING - 91-4
APRIL 18, 1991

LOCATION: 2020 Industrial Drive
Annapolis, Maryland

TIME: 10:00 AM (Scheduled)
10:08 AM (Convened)

DIRECTORS PRESENT: George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce

OTHERS PRESENT: Nancy Voorhees Balenske
Dane Bauer
Maureen O'F. Gardner
Edward Golas

APPROVAL OF MINUTES

A motion was made by Dr. Barnes to approve the Minutes of the March 21, 1991 meeting. The motion was seconded by Mr. Pierce. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

LEGISLATION

Mr. Perdikakis summarized the 1991 Legislative Session. House Bill 1202 passed which establishes a tire recycling collection system and places a tax on tire dealers. MES will manage the fund and the flow of tires will be controlled by the Agency.

MES also received \$24 million in GCL funds for State customer requested capital projects in FY 1992. The ability to issue revenue bonds was left intact. ECI water and wastewater improvements will be financed through the issuance of Certificates of Participation. A letter was sent to the Legislature advising that MES would secure appropriate approvals prior to financing other State projects with revenue bonds.

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Language was also included in the Capital Budget Bill exempting MES from DGS procurement requirements for the 1992 capital program. The amount of \$500,000 was provided for the design of State projects.

PROJECT STATUS

o **Elkton** - Mr. Perdikakis met with the Mayor to review the MES budget proposal. While the Commissioners had received an alternate proposal, they subsequently voted to retain MES for FY 1992. The competitor had promised "no odors" and offered few details. Mr. Perdikakis plans to set up a group comprised of the Mayor, Mr. Bauer, a community representative, and himself to discuss and review the project on a regular basis.

o **ECI Power Plant** - MES is continuing to operate under the 1991 budget.

o **Baltimore County** - MES and the County has successfully negotiated with BG&E to contribute \$435,000 in FY 1992 to assist in finding an overall solution to burning RDF. The County Council will approve the continued operation of the Texas facility.

o **Midshore** - March invoices are being sent out to haulers for approximately \$100,000. No official opening day ceremony has been set.

o **Freedom District** - The facility is performing well and within budget.

o **Garrett County** - Mr. Perdikakis met with the County Commissioners on Tuesday and stressed the need to move ahead with the new landfill project and closure of the existing landfill. While in the area, Mr. Perdikakis made nonscheduled stops to MES facilities. He is planning to spend a week in Western Maryland during the summer to oversee operations first hand.

o **ECI Water, Wastewater and Power Support - Financing** - Mr. Perdikakis asked Ms. Grim to review with the Board the revenue bond transaction. Ms. Grim told the Board the financing structure has been tentatively reviewed by the Board of Public Works and the Rating Agencies who have also seen the document drafts. The Trustee proposals are being reviewed for technical merit and cost by MES.. A Bond Authorization will be presented for approval at the next Board Meeting, May 16th. Piper and Marbury is acting as Bond Counsel and PFM (an independent financial advisor) will verify certain details of the transaction, including price, at the sale, tentatively scheduled for May 23, 1991. Mr. Perdikakis asked for the Board's attendance.

FINANCIAL REPORT

Ms. Grim reviewed the nine months' operating results (see attached). The Equipment Fund is still being reconciled and the current numbers do not include Midshore and computer equipment. A full accounting of the Equipment Fund will be provided in May.

Ms. Grim introduced Mr. Edward Golas, MES's newly-hired Cost Accountant. Mr. Golas prepared the report in Mr. Howarth's absence.

A presentation will be made to the Board in May by Mr. Robert Waters, the consultant hired by MES to assess MES's computer needs. The RFP for the system software purchase will be sent out in two weeks.

In concluding, Mr. Perdikakis asked Ms. Grim to provide a breakdown of the Project Variances so that the Board may take action on these items by the end of June, the close of the fiscal year.

NEW BUSINESS

o **DPSC** - Secretary Robinson has agreed to MES operating the other two DPSC power plants.

o **Kent County** - MES is negotiating with the County for the design, construction, operation and financing of a new landfill and closure of the old landfill.

o **Frederick County** - Mr. Perdikakis will be meeting with the Commissioners on April 23, 1991 to discuss their landfill.

Mr. Griffith asked about Piney Orchard and their hook up to Jessup. Mr. Perdikakis responded there are no problems.

Mr. Perdikakis told the Board a report on dredging will be given next month.

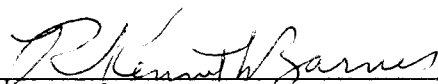
LEGAL REPORT

Ms. Grim and Ms. Gardner are meeting with Baltimore County on the National Ecology suit. The two parties have moved closer to resolving their differences. MES did not take over the equipment leases and was advised that National Ecology has sold them.

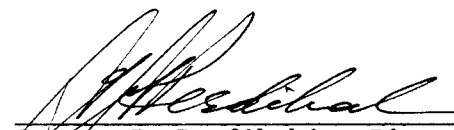
BOARD OF DIRECTORS MINUTES
MEETING 91-4, APRIL 18, 1991
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ADJOURNMENT

Dr. Barnes made the motion to adjourn, Mr. Pierce seconded. The meeting adjourned at 11:25 a.m. The next scheduled meeting is May 16, 1991 at 10:00 a.m.

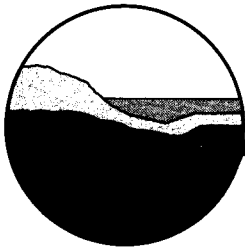


R. Kenneth Barnes, Secretary



George G. Perdikakis, Director

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Secretary

BOARD OF DIRECTORS MINUTES

MEETING - 91-5
MAY 16, 1991

George G. Perdikakis
Director

LOCATION: 2020 Industrial Drive
Annapolis, Maryland 21401

Time: 10:00 AM (Scheduled)
10:15 AM (Convened)

DIRECTORS PRESENT: George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce
Lawrence D. Shubnell

OTHERS PRESENT: Nancy Voorhees Balenske
Kenneth A. Howarth
Maureen O'F. Gardner
Dane Bauer
Beth Schomburg

APPROVAL OF MINUTES

A motion was made by Dr. Barnes to approve the Minutes of the April 18, 1991 meeting. The motion was seconded by Mr. Griffith. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

HARDWARE/SOFTWARE CONTRACT

Mr. Perdikakis reviewed with the Board the work being performed by the consultant, Management Consulting Services. The Board initially approved a Contract for \$16,500 which evaluated the Agency's financial, accounting, and statistical management information needs. (The report of findings is attached as Exhibit A). The Agency requires additional services under this Contract for an Amendment of \$18,000 and requests an additional Contract for \$50,000 to prepare the functional requirements of new hardware and software, and the request for proposal to suppliers. In order to proceed with the work under the Amendment and the new Contract, the Board's concurrence is needed.

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BOARD OF DIRECTORS MINUTES
MEETING - 91-5 - MAY 16, 1991
Page 2

Discussion was held. Mr. Griffith passed along the information that the Bureau of Census is selling their computer equipment.

Mr. Shubnell stressed the importance of talking with other individuals for feedback relating to their uses and experiences. He also expressed his concern that the value of work be equivalent to the money being expended for the work. Mr. Perdikakis responded that he has asked MDOT to provide an assessment of our approach.

Mr. Griffith made a motion to accept the report and to proceed with the Amendment and Contract to complete the work. Dr. Barnes seconded and the motion passed unanimously.

Mr. Robert Waters of Management Consulting Services then came into the meeting to present to the Board the "Status of Information Projects" (copy attached). A recommendation will be made to Mr. Perdikakis and Ms. Grim in mid-September.

Mr. Perdikakis told the Board a monthly progress report will be given.

ECI

Mr. Robert Tenanty gave a presentation to the Board on the construction of the water supply and wastewater treatment facilities at the Eastern Correctional Institution. This system is being constructed because the prison is using 48% of Somerset County's water supply. Construction is being funded by an \$8.5 MES Revenue Bond issue. The Department of Public Safety and Correctional Services will pay the debt service.

Mr. Perdikakis asked for the Board's approval to award the construction contract to the low bidder, George & Lynch, Inc. The bid process is summarized in the attached memorandum dated May 15, 1991. Mr. Pierce made the motion, Mr. Shubnell seconded, and the motion passed unanimously.

Ms. Grim then reviewed the Resolution to authorize the sale of Certificates of Participation. The sale will be held May 30, 1991 at Piper & Marbury. Dr. Barnes made the motion to approve the Resolution to proceed with the bond authorization, Mr. Griffith seconded. The Resolution was approved and executed by those members in attendance.

Mr. Shubnell asked that a letter be prepared confirming his abstention from participation in the sale since his employer, Legg Mason will likely be submitting a bid. Ms. Gardner will handle the letter.

PROJECT STATUS

Mr. Perdikakis reviewed with the Board certain projects as listed in the attachment labeled, "Water/Wastewater Update", May 16, 1991.

PROGRAM DEVELOPMENT FUND REQUEST

Mr. Perdikakis asked Ms. Beth Schomburg to review with the Board the request to expend \$125,000 from the Program Development Fund for a Recycling Newsletter and the Antifreeze & Used Oil Programs (supporting documentation attached). Mr. Pierce made the motion to approve \$125,000 from the Program Development Fund for the Antifreeze & Used Oil Programs and a Recycling Newsletter. Dr. Barnes seconded and the motion passed unanimously.

(A short break was taken for lunch.)

FINANCIAL REPORT

Ms. Grim reviewed the ten months' operating results (attached) and the Equipment Fund (see attached).

The Board was also apprised of the 6 responses to the Independent Financial Auditing Services RFP and Mr. Perdikakis asked for the Board's concurrence of the selection procedure (see attached). An Audit Committee consisting of Ms. Grim, Mr. Griffith, and Mr. Howarth is evaluating the proposals and will be making a recommendation to Mr. Perdikakis. Dr. Barnes made the motion to approve the evaluation procedure, Mr. Shubnell seconded and the motion passed unanimously.

Mr. Perdikakis tabled for discussion the item, "Proposed Uses of 1991 Net Income". The proposed applications were handed out for future discussion. Also tabled was "Hughesville" until a meeting is held with MDE.

LEGAL REPORT

Ms. Gardner announced the preparation of final documents settling the National Ecology suits. MES will assume leases of 5 open/2 closed trailers.

Mr. Perdikakis also advised the Board that the settlement reached with the Horn Point contractor will be pursued against the architect/engineer for the project.

Ms. Gardner also told the Board that an employee, Wayne Powell, has filed another discrimination claim against MES.

A/E EVALUATION METHOD

Ms. Grim reviewed briefly with the Board the revised evaluation method (see attached) for the Architectural/Engineering procurement for the Fiscal Year 1992-93 programs. The weight of the selection was changed to 60-40 (cost-technical). Mr. Pierce made the motion approving the revision, Dr. Barnes seconded. The motion passed unanimously.

GENERAL DISCUSSION

Mr. Perdikakis and Annette Grim met with Treasurer Lucille Maurer to highlight the growth and changes within MES since 1988. The highlights are attached.

ADJOURNMENT

The meeting adjourned at 1:20 p.m. The next monthly Board Meeting will be held June 20th at 10:00 a.m. The Special Meeting for the bond sale for the Eastern Correctional Institution is May 30, 1991 at 10:00 a.m. at the offices of Piper & Marbury.

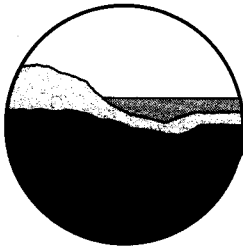


R. Kenneth Barnes, Secretary



George G. Perdikakis, Director

SEAL



Maryland Department of Natural Resources



Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401
(301) 974-7281

William Donald Schaefer
Governor

Torrey C. Brown, MD
Secretary

George G. Perdikakis
Director

**BOARD OF DIRECTORS
MINUTES
MEETING - 91-6
June 20, 1991**

LOCATION: 2020 Industrial Drive
Annapolis, Maryland 21401

TIME: 10:00 AM (Scheduled)
10:13 AM (Convened)

DIRECTORS PRESENTS: George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Edwin G. Richards

OTHERS PRESENT: Nancy Voorhees Balenske
Kenneth A. Howarth
Maureen O'F. Gardner
Beth Schomburg

APPROVAL OF MINUTES

A motion was made by Dr. Barnes to approve the Minutes of the May 16, 1991 meeting. The Motion was seconded by Mr. Griffith. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

PROJECT STATUS

- o **ECI** - The Notice to Proceed has been issued for construction of the water supply and wastewater treatment facilities.
- o **Baltimore County Resource Recovery Facility** - Recommended force reduction has occurred and vacancies are being carefully reviewed prior to filling the position. The Assistant Superintendent has been transferred to Montgomery County.
- o **Montgomery County Recycling Center** - The Center will be ready in August 1991. Mr. Perdikakis told the Board they will be invited to attend the opening.

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BOARD OF DIRECTORS MINUTES

MEETING - 91-6

June 20, 1991

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o Midshore Landfill - Mr. Richards mentioned an article which appeared in the Star-Democrat praising the operation of the Landfill. Mr. Perdikakis discussed the insufficient funds to develop surrounding roads and the need to maintain good relations with the area residents. MES may look at short-term financing.

o Elkton - MES received a letter from the Administrator stating satisfaction with operations.

o Western Maryland - Mr. Perdikakis is planning a multi-day visit to this region and possibly the Southern region.

o Kent County - MES will begin negotiating with the County to oversee design completion and to build and operate their landfill.

o Garrett County - MES is currently negotiating the Consent Order on the County's behalf and anticipates selling bonds in August. A question was asked about the size of the bonds. Ms. Grim responded 6.9 million depending on closure costs. The transaction will be a negotiated underwriting by Alex Brown at the request of the County.

FINANCIAL REPORT

Ms. Grim reviewed the eleven months' preliminary operating results, the Equipment Fund, and the Fund Balances (see attached). Mr. Perdikakis requested a breakdown of fixed charges for the July meeting. Discussion was held about an inventory of fixed assets.

Deloitte & Touche has been selected as the independent financial auditor.

Discussion was held regarding future uses of the 1991 Earnings in excess of costs. Funds will be needed to expand and relocate the Agency's office space and additional funds will be needed for software and hardware.

Mr. Perdikakis opened discussion on the need to increase to \$1 million the Reserves under "Emergency Repairs". Bond rating agencies look at these funds as a measure of financial flexibility.

Mr. Richards suggested putting together a Resolution setting purposes, uses, and controls for these monies.

Dr. Barnes made the motion to increase to \$1 million the Reserved Fund for Emergency Repairs. Mr. Griffith seconded and the motion passed unanimously.

Mr. Perdikakis also asked the Board to review the current guidelines of charging 1% of direct costs to corporate clients for Program Development. He would like to increase it to 2%. Funds are needed for research. Copies of the Program Development Fund Resolution adopted in 1986 were passed out. This will be voted on at the next meeting.

NEW BUSINESS

Mr. Perdikakis informed the Board of 3 new Operation & Maintenance Contracts:

Poolesville (\$350,000/yr.), Wayson's Corner Bingo Hall (\$60,000/yr.) and Old South Country Club (\$16,000/yr.)

An invitation has been received from the Tri-County Council for MES to make a presentation on July 11, 1991 for a regional solid waste landfill.

A presentation will also be made in September to Central Maryland to discuss the possibility of a regional facility.

Mr. Griffith asked about the tire recycling project. Mr. Perdikakis responded that a presentation will be made at the next meeting. Per his direction, Ms. Schomburg is spearheading the project. Mr. Richards asked if a line item could be set up for tire recycling. Tire recycling costs will be shown as a specific use of Program Development Funds.

Mr. Perdikakis reported there is talk that our newsletter, Currents, may receive publication honors from the State.

Mr. Perdikakis is discussing with MPA the transfer of reforestation and re-creation of wetlands for highway remediation to MES via an Executive Order.

LEGAL REPORT

Ms. Gardner reported the following:

The documents have been forward to Equal Employment Opportunity Commission for the Wayne Powell discrimination suit.

The automobile accident by a former employee is still pending.

National Ecology - Mr. Perdikakis is reviewing the Settlement Agreement.

ECI RESOLUTION

Ms. Grim reviewed the Resolution (see attached) to finance Phase II of the Eastern Correctional Institution water and wastewater facilities. A grant application has been made to the Department of Commerce and this Resolution is required as part of the application. Mr. Griffith made the motion to approve the Resolution, Mr. Richards seconded, and the motion passed unanimously and was signed. A more detailed Resolution will be presented to the Board outlining the project's reimbursable costs.

BOARD OF DIRECTORS MINUTES
MEETING - 91-6
June 20, 1991
Page 4

GENERAL DISCUSSION

Mr. Richards brought before the Board the problem of small municipal sewage treatment plants needing assistance with operating their facilities. He suggested setting up a program providing assistance to operate. The question of funding was raised. Mr. Perdikakis asked Mr. Richards to prepare a Resolution directing Mr. Perdikakis look into the possibility of establishing a program, perhaps jointly with the Maryland Department of the Environment. Mr. Richards and Mr. Perdikakis will meet and prepare it for the next meeting.

Mr. Griffith asked how the dredging project is proceeding. Mr. Perdikakis responded it is proceeding well and an agreement with the Army Corps of Engineers has been negotiated for next year's dredging needs.

Discussion was held regarding the increase in Mr. Perdikakis' salary which is scheduled for the Board of Public Works Agenda, June 26th.

The July Board Meeting will be held on July 25th so that more time may be given to preparing the end of the year operating report and reserve balances.

ADJOURNMENT

Mr. Griffith made the motion to adjourn the meeting, Mr. Richards seconded. The meeting adjourned at 12:05 p.m.

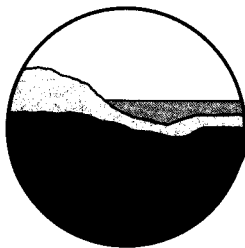


R. Kenneth Barnes, Secretary



George G. Perdikakis, Director

SEAL



Maryland Department of Natural Resources



Maryland Environmental Service

2020 Industrial Drive
Annapolis, Maryland 21401
(301) 974-7281

William Donald Schaefer
Governor

BOARD OF DIRECTORS
MINUTES
MEETING - 91-7
July 25, 1991

Torrey C. Brown, MD
Secretary

George G. Perdikakis
Director

LOCATION: 2020 Industrial Drive
Annapolis, Maryland 21401

TIME: 10:00 AM (Scheduled)
10:15 AM (Convened)

DIRECTORS PRESENT: George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce
Edwin G. Richards
Lawrence D. Shubnell

OTHERS PRESENT: Nancy Voorhees Balenske
Maureen O'F. Gardner
Kenneth A. Howarth
Beth Schomburg
Mike Taylor
Larry Walsh

APPROVAL OF MINUTES

A motion was made by Dr. Barnes to approve the Minutes of the June 20, 1991 meeting. The motion was seconded by Mr. Griffith. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

PROJECT STATUS

-- Kent County -- The Public Hearing was held last month. MES representatives attended. Mr. Perdikakis had planned to introduce a simple Resolution to the Board authorizing MES to proceed with financing for the project, however at the time of the Board Meeting staff had not completed the Resolution. Mr. Perdikakis assured the Board that such an incident would not occur again. Effective immediately, Beth Schomburg will be responsible for the Board Agenda and Minutes. The Agenda will be finalized one week before the Board Meeting and sent to all members. No additions will be accepted unless approved by Mr. Perdikakis.

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BOARD OF DIRECTORS MINUTES

MEETING - 91-7

July 26, 1991

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-- ECI -- The project looks like it will be completed on time. MES resolved a permit issue which could have presented a legal problem that would have delayed the project.

-- Westvaco -- Mr. Perdikakis and staff attended a meeting with Westvaco officials last week. Although Westvaco does not want MES to handle their wastewater as originally intended, they do, however, want MES to construct a landfill for them.

-- BCRRF -- The facility is doing well despite some budget cuts.

-- Wastewater Treatment Facilities -- In general, the facilities did well over the last year. Experienced some problems with the media used in the sand filter at Green Ridge, but water and wastewater staff are in the process of correcting.

-- Maryland Municipal League -- MES was represented at the Conference. Many municipalities seemed interested in our services. Mr. Perdikakis met with Mayor Crouse of Elkton who has become a strong supporter of MES.

-- Frederick County -- Mr. Perdikakis and staff gave a presentation to the County Commissioners. Chances look good for MES to undertake their landfill project.

-- Tri-County Council -- The Agency gave a presentation before the Council which was well received and could possibly result in added projects.

SCRAP TIRE MANAGEMENT PROGRAM

Larry Walsh, Project Engineer for Waste Management, described MES's Scrap Tire Management Program. Mr. Walsh discussed the short-term, mid-term and long-term solutions to the scrap tire problem. He also discussed MES's progress in meeting the requirements of HB 1202 Scrap Tires - Recycling - Fees.

FINANCIAL REPORT

Ms. Grim reviewed the year end preliminary operating results, the Equipment Fund and the Fund Balances (see attached).

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NEW BUSINESS

Mr. Perdikakis introduced a Resolution to use \$100,000 from FY '91 operating costs to establish an Employee Training and Development Program. After visiting MES water and wastewater employees in Western Maryland, he decided that it would further enhance MES services if we establish such a program. The program would target three levels of employees:: ESOA's, middle management and upper management. The curriculum would include technical, customer service, management and safety training information. MES would bring consultants in to conduct one and two days seminars.

Larry Shubnell recommended putting together a budget on how the \$100,000 will be used. Mr. Perdikakis assured him that it would be ready for the next meeting.

Mr. Pierce made a motion to approve the Resolution, Mr. Shubnell seconded and the motion passed unanimously.

LEGAL REPORT

Ms. Gardner reported the following:

The documents have been forwarded to Equal Employment Opportunity for the Wayne Powell discrimination suit. MES will probably not hear anything on this issue for four or five months.

BCRRF - currently working on Equipment Leases.

GENERAL DISCUSSION

Mr. Perdikakis again expressed his dismay that MES staff had not prepared the Kent County and Program Development Resolutions in time for the Board Meeting. Due to this fact, it is possible that a Board Meeting will need to take place next week. Mr. Perdikakis informed the members that they will be notified if this is the case.

Mr. Griffith asked if MES has received a report from the computer expert. Mr. Perdikakis stated that topic will be discussed in September.

Ms. Grim informed the Board that the IRS has put out regulations on what can and cannot be reimbursed from bond proceeds. MES Board Resolutions have typically been very broad, but under these new regulations, they will have to be much more specific.

The August Board Meeting will be held at the Maryland Association of Counties Convention.

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MEETING - 91-7
July 26, 1991
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ADJOURNMENT

Mr. Griffith made the motion to adjourn the meeting, Mr. Perdikakis seconded. The meeting adjourned at 12:05 p.m.

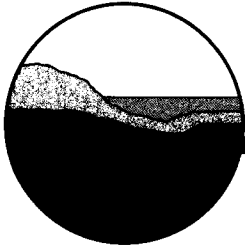


R. Kenneth Barnes, Secretary



George G. Perdikakis, Director

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Maryland Department of Natural Resources



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William Donald Schaefer
Governor

Torrey C. Brown, MD
Secretary

**BOARD OF DIRECTORS
MINUTES
MEETING - 91-8
August 22, 1991**

George G. Perdikakis
Director

LOCATION: Sheraton Hotel and Conference Center
Ocean City, Maryland

TIME: 11:00 AM (Scheduled)
11:15 AM (Convened)

**DIRECTORS
PRESENT:** George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce
Edwin G. Richards

**OTHERS
PRESENT:** Maureen O'F. Gardner
Kenneth A. Howarth
Beth Schomburg
Tom Sprehe
Larry Walsh

APPROVAL OF MINUTES

A motion was made by Dr. Barnes to approve the Minutes of the July 25, 1991 meeting. The motion was seconded by Mr. Griffith. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

PROJECT STATUS

Dredging-Mr. Perdikakis introduced Tom Sprehe, Program Director for Waste Management, to the Board and explained to the Board that Tom was invited to attend because of some great news concerning MES and the Port Authority. MES will undertake a multi-faceted project that could amount to over \$5 million. Tom Sprehe will brief the Board at the next meeting on the details. Mr. Perdikakis recognized Keith Tate as playing

BOARD OF DIRECTORS

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a major role in this accomplishment with MPA. LTMS (Long-Term Management-Strategy) is nearly ready to be released, and it very well could be a model for the rest of the country. Currently the Philadelphia Corp is considering using the Maryland LTMS as a model. MES involvement in LTMS may potentially save the State \$1.5 million.

MES has developed an exceptional relationship with the Department of Transportation. Mr. Perdikakis advised the Board that even as we operate as a company we appreciate the bureaucratic process.

Mr. Perdikakis gave credit to Bob Agee, Special Assistant to the Secretary of Transportation. Mr. Agee is a fine strategist who also understands the issues.

Adrian Teel, the Port Director has given MES the lead in the following projects:

- creating a new dredged material containment facility
- chrome remediation at Dundalk Marine Terminal
- HMI crust management
- Pooles Island
- Poplar Island

Keith Tate will oversee these projects. The Corp has said that HMI is the best containment facility in the country.

These additional projects will result in a tremendous increase in revenue both long-term and short-term; but we need to scrutinize our operating methods. For example, MES needs to upgrade and maintain equipment. An analysis comparing purchase versus lease of vehicles is underway.

The PC Manager will come on board within the next two weeks.

RELOCATION - MES needs to move quickly on relocation. Mr. Perdikakis about to negotiate with the Attorney General's office to bring Maureen and MES's legal staff over to the Director's office.

In order to relocate, Mr. Perdikakis shall send a letter to Dr. Brown asking for exemption from going through the Department of General Services and to go seek the approval of the Board of Public Works to use MES funds for a new location.

GENERAL - Projects are doing well, however there is a chance that because of fiscal concerns BCRRF may be down sized.

WATER & WASTEWATER - Mr. Perdikakis told the water and wastewater staff that it is a priority to lower violations at our facilities. The Southern Region had zero violations for the month of July - quite an accomplishment.

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August 22, 1991

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Kent County - the project is going well. A series of meetings regarding budget and technical issues have occurred.

Montgomery County - Biggest and Best - designed MRF facility on the East Coast. Scheduled to open September 21. Governor is scheduled to attend.

Mid-Atlantic Paper - Mixed paper facility. First shipment to go overseas in the next two weeks.

State Budgets - Internal review of state-client budgets produced a reduction in general O & M costs. Overhead rate will go from 72% to 69% for FY 93. Mr. Perdikakis said that in order to keep good employees, he needs more flexibility in setting salaries.

Hart Miller Island - The Agency, even though it hasn't been told to do so yet, shall reduce HMI budget. The Island will be reorganized and some positions may be eliminated. In light of the budgetary crisis that the State is experiencing, MES should be more sympathetic.

ECI - Described using the unused revenue bond allocation from Phase I to secure Federal Grants from EDA for Phase II expansion.

Capital Budget Hearing - MCI project may be financed with Revenue Bonds.

Scrap Tire Recycling - Mr. Perdikakis introduced Larry Walsh, Project Manager for Recycling. Mr. Walsh described the "Invitation to Participate in Maryland Scrap Tire Management Program". An advisory committee will be appointed to review proposals and recommend the firms to set-up operations in Maryland.

GENERAL DISCUSSION

Mr. Perdikakis announced that because of the tremendous growth of the Agency and special projects over the last few years MES needs to re-evaluate its organizational structure. Waste Management has approximately 200 employees. It is a very diverse workforce.

Mr. Perdikakis said that it may be time to think about hiring a deputy. He will call for an executive session to further discuss it.

Mr. Perdikakis will ask the two Board Officers to assist in the reorganization.

Mr. Perdikakis said that he hoped to reorganize the Agency within the next 60 days.

BOARD OF DIRECTORS

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LEGAL REPORT

Maureen Gardner told the Board about a Human Relations Complaint filed by Adrian Murray who was injured on the job. When her disability leave expired and was told she could never perform her routine duties, she requested a light duty position. She was informed that we didn't have such a position available. Ms. Murry has filed a suit based on sex and race. Ms. Gardner said that it didn't appear that Ms. Murray had a case.

Mr. Perdikakis said that he was dismayed that this is the first time he has heard about this, and from now on all incidents such as this should be brought immediately to his attention or to his assistant's attention (Beth Schomburg).

NEI Resolution - MES Equipment Lease Agreement for five (5) open trailers and two (2) closed trailers originally leased by NEI. MES will enter into 30 month tax exempt leases with Signet Bank. This relieves NEI of lease responsibilities and completes the terms of the settlement with NEI. Mr. Perdikakis asked for the Board's unanimous approval.

Dr. Barnes moved to adopt the resolution.

Mr. Pierce seconded the motion. The Resolution received unanimous approval.

TRAINING AND DEVELOPMENT PROGRAM

Beth Schomburg described the new program which will be funded by \$100,000 appropriation from the Board. The Program will concentrate on two areas: Management and technical training. Emphasis will be placed on providing training to employees located in remote areas of the State. The program consists of hiring contractual trainers, establishing regional libraries and obtaining treatment plant simulation software. Mr. Pierce said that he thought the program sounded great, but historically MES has begun training programs and then drops the ball. He hoped that this would not happen, and he asked when the program would be in place. Ms. Schomburg said that much of the program would be in place within the next few months. Mr. Pierce again urged that the program be put in place as soon as possible.

Mr. Pierce moved to approve the Program, Mr. Griffith seconded and it was approved unanimously.

Mr. Perdikakis announced that he will announce on Tuesday that John Allen will be appointed the Deputy Chief of Operations and Maintenance. He said that Mr. Allen has proven himself to be a dedicated, loyal and hard-working employee and will be an asset to the Agency in this new capacity.

BOARD OF DIRECTORS

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FINANCIAL REPORT

Mr. Perdikakis says that the Pre-Audit Balance Sheet is exceptional. Now he must persuade Budget and Fiscal Planning to allow us to keep these monies.

Ms. Grim went through and explained the report (see attached).

Mr. Pierce, when looking at the Program Development Fund, asked about the regional sludge study. Mr. Perdikakis said that some parts of the study were unsatisfactory and that an Eastern Regional Sludge Facility is probably unnecessary.

When explaining the Equipment Fund results to the Board, Mr. Perdikakis said that he plans to purchase an 8-seater mini-van for the Agency. He said that there are many occasions for its use, for example presentations and tours of facilities.

Mr. Perdikakis stated that the equipment fund was an excellent idea in that it gives us an assessment of whether we are losing or gaining money.

Retained earnings spreadsheet was explained to the board by Annette Grim.

Mr. Perdikakis pointed out to the Board that the Agency has spent \$65,373.59 for tire recycling which he recommends to be charged to Program Development Fund. Other tire recycling funds could then be used for prospective activities.

Dr. Barnes moved to deduct \$65,373.59 from the Program Development Fund.

Mr. Griffith seconded the motion.

The motion received unanimous approval.

PROGRAM DEVELOPMENT RESOLUTION

Annette Grim explained the Program Development Fund Resolution to the Board. The Resolution would allow the Agency to take 1-1/2% of corporate retained earnings on a monthly basis and place it in the Program Development Fund.

The procedures established in 1986 for the Program Development Fund are updated by this resolution.

Dr. Barnes moved to adopt the Resolution.

BOARD OF DIRECTORS

August 22, 1991

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Mr. Pierce seconded.

The Resolution received unanimous approval.

Ms. Grim pointed out that with approval of the Resolution, there will be \$239,000 put into the Fund for FY 91 for a balance of \$529,114 in the Program Development Fund.

Mr. Perdikakis informed the Board that MES is pursuing recovery of \$46,000 from the Horn Point Settlement.

A report on Exceptional Sick Leave Requests Usage will be given in the 1st Quarter of FY 1992. Currently \$200,000 is reserved for leave costs. The Agency's choices include development of a Sick Leave Bank, elimination or reduction of reserves.

Ken Howarth said that since we operate as fee for service only - you collect only when you charge time, and if someone is off sick - he/she becomes an overhead expense unless a special account is identified. The report will show how much extraordinary sick leave is being incurred.

The 1991 results, after Program Development and Training allocations, plus the unreserved balance thru June 30,1990 indicates \$647,000 in unearned revenue to be allocated. Mr. Peridkakis recommended two possible uses:

- Relocation of the Agency
- Data Processing Initiatives

Mr. Pierce moved to use \$200,000 for relocation of the Agency. Mr. Perdikakis informed the Board that the Agency has out-grown our present space to the point where it is affecting our operations.

Mr. Griffith seconded the motion.

The motion received unanimous approval.

Annette Grim suggested that the Board allocate \$300,000 for DP initiatives which would include:

- Preventive Maintenance
- PC Management (LANS)
- Accounting Hardware and Software

Ms. Grim mentioned that the new PC Manager would start shortly.

BOARD OF DIRECTORS

August 22, 1991

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Dr. Barnes asked how that position would relate to Tom McCabe's position.

Ms. Grim said that the new position would report directly to her.

Mr. Perdikakis recommended allocating \$300,000 with the condition that it would not be spent without prior approval from the Board. Each task will come before the Board for approval. He recommended a special meeting to further discuss the DP plan, but urged the Board to approve the \$300,000 to be set aside,

Dr. Barnes moved to allocate \$300,000 for DP initiatives.

Ed Richards seconded the motion.

The motion received unanimous approval.

KENT COUNTY RESOLUTION

Mr. Perdikakis explained the Kent County Resolution which authorizes MES to finance the design and construction of a new landfill and closure of the existing landfill.

Mr. Griffith moved to adopt the resolution.

Dr. Barnes seconded the motion, and it received unanimous approval.

TAX EXEMPT FINANCING RESOLUTION

Annette Grim explained the resolution which allows MES to be reimbursed. It applies toward any costs/financings after September 7, 1991 for project expenses incurred prior to the actual tax exempt financing.

Ms. Grim pointed out that these federal reimbursement regulations have been pending since 1986/Tax Reform Act.

Mr. Perdikakis stated that the resolution was prepared by Piper and Marbury at our request. The document was amended to strike "Deputy Director" and replaced with "The Director or His Designee".

Dr. Barnes moved the Board adopt the resolution as changed.

BOARD OF DIRECTORS

August 22, 1991

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Mr. Griffith seconded the motion.

The resolution as changed adopted unanimously.

PROGRAM DEVELOPMENT REQUEST FOR SCRAP TIRE ARTIFICIAL REEF

Mr. Perdikakis explained that this pilot project will accomplish two goals: 1) utilize scrap tires in an environmentally acceptable manner and 2) help replenish the State's diminished oyster population.

Mr. Richards moved to allocate \$80,000 from the Program. Development Fund for the project.

Mr. Pierce seconded the motion.

The motion passed unanimously.

GENERAL DISCUSSION

Ed Richards informed the Board that the Town of Denton has expressed that they are very pleased with MES's services.

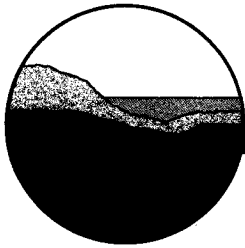
Mr. Perdikakis said that John Allen and Dane Bauer have taken the lead. John has acted as a goodwill ambassador.

Mr. Perdikakis ended the meeting by pledging to the Board that he will strive to make next year as successful as this year and he thanked the Board for their support.

The meeting adjourned at 2:45 PM.


R. Kenneth Barnes, Secretary


George G. Perdikakis, Director



Maryland Department of Natural Resources



Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401
(301) 974-7281

William Donald Schaefer
Governor

Torrey C. Brown, MD
Secretary

George G. Perdikakis
Director

**BOARD OF DIRECTORS
MINUTES
MEETING - 91-9
September 26, 1991**

LOCATION: Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401

TIME: 10:00 AM (Scheduled)
10:15 AM (Convened)

**DIRECTORS
PRESENT:** George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce
Edwin G. Richards

**OTHERS
PRESENT:** Kenneth Howarth
Beth Schomburg

APPROVAL OF MINUTES

A motion was made by Mr. Griffith to approve the Minutes of the August 22, 1991 meeting. The motion was seconded by Mr. Pierce. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

PROJECT STATUS

Montgomery County MRF - The facility opened on September 21, 1991. The Governor attended. The facility was well received by the public. The event was very successful.

Mid-Shore - The project is going well. Kent County may enter into the partnership. The Agency recommends that Kent be included, but must pay their fair share. MES is currently discussing recycling projects with the counties.

Scrap Tires - A presentation before the Governor has been scheduled. RFP is 95% complete.

Recycling presentation before Environmental Matters Committee.

MES gave a presentation on our involvement in recycling. The Agency received cudos from the counties and the environmental groups.

Dredging - Currently negotiating with the Corp of Engineers. The water quality issues have been resolved.

Water and Wastewater - Violations for the month of August for State facilities decreased to three.

Poolesville - Recently had a town meeting to explain MES's role. Town officials and citizens were very impressed.

Elkton - The town is very happy with the Agency and is giving us additional work.

PG County - The County has given us the go ahead to purchase several large pieces of composting equipment on their behalf.

Garrett County - The County is experiencing serious financial trouble. The Agency has suggested that they investigate alternative solutions to their solid waste problems such as exporting their waste to another jurisdiction's landfill.

Westvaco - Westvaco asked us to competitively bid. MES informed them that it is against Agency policy to compete with the private sector but if they require our assistance, we will be more than happy to help.

FINANCIAL REPORT

Mr. Perdikakis informed the Board that he and Annette Grim met with Secretary Benton to discuss MES's year-end results. Secretary Benton agreed to allow MES to use \$300,000 for DP initiatives and for office relocation. \$1.0 million from unearned revenue through 1/30/91 shall be used to offset the State's deficit. MES also plans to revert \$500,000 in projected unearned revenue from FY 92.

Audit - The independent audit by DeLoitte & Touche is nearly complete. There have been no surprises. Ms. Grim stated that the personnel conducting the audit have not met the Agency's expectations. As examples: the lead auditor has been off during the last wrap-up week and the unrecorded liability search was conducted during the wrap-up week it is usually done in August.

FINANCIAL REPORTS FOR JULY AND AUGUST

Mr. Perdikakis congratulated Annette Grim and Ken Howarth because it is the first time since he has been Director that we have prepared separate financials for July results. He said it is a clear indication of the progress the Agency has made.

Annette Grim explained the July and August financial statements (see attached).

Resolution - Annette Grim explained that a "Housekeeping" Resolution is necessary in order to finalize the NEI settlement. Basically the Resolution affirms Annette Grim's authority to sign the agreement and designated Beth Schomburg as Secretary for that transaction. Mr. Griffith made a motion to approve the Resolution, Dr. Barnes seconded. The Resolution received unanimous approval from the Board.

GENERAL DISCUSSION

Mr. Perdikakis explained to the Board that he keeps a monthly log of all personal telephone calls he makes on his car phone. In that the cost of these calls are relatively nominal, Mr. Perdikakis said that with the Board's approval the charges will be tallied and he will write a check to the Agency to cover the costs. Mr. Griffith agreed that this method of payment is more practical than to pay on a monthly basis. The Board agreed that the Director's personal car phone charges should be paid at the end of the year.

Annette Grim announced that the new PC Manager has been hired.

Mr. Perdikakis informed the Board that Reed McDonagh's contract has expired. Mr. McDonagh has done exceptional work for the Agency and has opened many doors for us in Southern Maryland. He suggested that Mr. McDonagh's contract be renewed for another six months. The Board unanimously agreed.

Mr. Perdikakis said that Dan McMullen's contract has also expired. Mr. McMullen represents the Agency in Western Maryland and has done an outstanding job. The Board agreed to renewing his contract.

Mr. Perdikakis informed the Board that Assistant Attorney General Maureen Gardner is no longer with the Agency and that the position has been re-evaluated and it has been determined that due to the growth of the Agency and the increase in complexity of issues faced by MES the position will be upgraded. This recommendation was made by Jud Garrett, Deputy Attorney General and Thomas Deming, Principle Council, Attorney General's Office, DNR.

BOARD OF DIRECTORS

September 26, 1991

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Mr. Perdikakis stated that he and Tom Deming have conducted interviews and would shortly be making a decision. Mr. Griffith asked if Sean Coleman had applied. Mr. Perdikakis stated that he did. Each member of the Board stated their satisfaction with Mr. Coleman's past performance as Assistant Attorney General for the Agency.

Annette Grim suggested moving the Board Meeting to the fourth Thursday of the month in order to have the monthly financial report completed for the Board Meeting. The Board agreed.

The meeting adjourned at 11:45 AM.

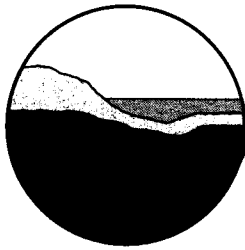


R. Kenneth Barnes
R. Kenneth Barnes
Secretary



George G. Perdikakis
George G. Perdikakis
Director

SEAL



Maryland Department of Natural Resources



Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401
(301) 974-7281

William Donald Schaefer
Governor

Torrey C. Brown, MD
Secretary

George G. Perdikakis
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 91-10
October 24, 1991**

LOCATION: Maryland Environmental Service
2020 Industrial Drive
Annapolis, Maryland 21401

TIME: 10:00 AM (Scheduled)
10:10 AM (Convened)

**DIRECTORS
PRESENT:** George G. Perdikakis
R. Kenneth Barnes
Edward A. Griffith
Annette Grim
Robert W. Pierce

**OTHERS
PRESENT:** Robert Agee
Kenneth Howarth
Thomas Sprehe
Beth Schomburg
Nancy Voorhees Balenske

APPROVAL OF MINUTES

A motion was made by Dr. Barnes to approve the Minutes of the September 26, 1991 meeting. The motion was seconded by Mr. Pierce. The Minutes were approved and signed by Mr. Perdikakis and Dr. Barnes.

DREDGING UPDATE

Mr. Robert Agee of the Maryland Department of Transportation reviewed with the Board the Service's present and future role with the Department and their satisfaction with the level of activity and support from the Agency. Currently, the Department is working to turn over the handling of wetlands mitigation to MES. Mr. Agee commended the Service on its ability to build consensus with various interest groups regarding dredging projects.

*"Twenty Years of Service to the Citizens of Maryland"
1970 - 1990*

DNR TTY for Deaf: 301-974-3683

PROJECT STATUS

Mid-Shore - The Counties are negotiating with Kent County to become part of the regional effort. Greg Africa, Project Manager of the Landfill, pointed out to the Contractor a discrepancy which would amount to over \$140,000 of charges that MES should not pay. Mr. Perdikakis noted that Mr. Africa did an exceptional job at documenting his case, and that based on this, the Contractor will probably drop the claim.

Montgomery County - The County has asked MES for a proposal to establish a household hazardous waste program.

Prince George's County Yard Waste Composting - At the request of the County, MES has recently evaluated and advertised for major yard waste composting equipment which should help to get the project underway.

Scrap Tires - MES and MDE met with the Governor and the RFP will be issued by the 2nd week of November. We are currently negotiating some details with MDE.

Baltimore County - The County has requested a proposal from MES for yard waste composting.

Southern Region - This region had no violations the month of September. In January an update of the number of violations received in the past 5 to 6 years will be provided.

Mid-Atlantic Recycling Corp. - Mid-Atlantic is experiencing financial difficulties. Annette Grim and George Perdikakis have scheduled a meeting with the president to discuss possible solutions.

FINANCIAL REPORT

Ms. Grim reviewed the three months' operating results (see attached).

EQUIPMENT FUND RESOLUTION

Ms. Grim reviewed the Resolution (see attached) for capital equipment purchases. Ms. Grim also advised the Board that the Agency is working to secure its own line of credit.

Dr. Barnes made the suggestion that all Resolutions be numbered.

A motion was made by Mr. Pierce to approve the Resolution, seconded by Mr. Griffith and passed unanimously.

STATE COST CONTAINMENT RESOLUTION

Mr. Perdikakis presented the Resolution (see attached) to reduce the cost of operations to our water and wastewater treatment clients by \$500,000 and to pass this savings onto the State. Dr. Barnes made the motion to approve the Resolution, Mr. Pierce seconded, and the motion passed unanimously.

NEW BUSINESS

Town of Hurlock - accepted our proposal to perform tv work on sewer system.

City of Hagerstown - a proposal has been sent to evaluate their wastewater treatment plant.

Chesapeake College - proposal sent for sewer evaluation work.

Mettiki Coal Company - we are preparing a proposal to assist in operation, sampling and quality control of wastewater, stormwater and industrial discharges.

Elkton - the sewer crossing has been completed, we are providing general oversight for the A/E study of sewers, executing a change order with construction contractor to extend trunk sewer line, and we are working with the A/E on several additional sewer designs and installations.

GENERAL DISCUSSION

o **Assistant Attorney General** - Mr. Perdikakis has received approval to hire.

o **Sexual Harassment Case** - An employee was accused of sexual harassment. Mr. Perdikakis contacted EEO and an investigation and evaluation were conducted and recommendations were made for all parties involved. The employee was fired and his Division Chief was penalized 5 vacation days for failing to respond to various complaints and is required to develop a program to be presented to all employees.

o **Office Space** - A site containing 35,000 square feet has been selected.

o **Management Consulting Services Contract** - Additional services are required. A presentation will be made at the next Board Meeting.


BOARD OF DIRECTORS MINUTES
MEETING 91-10
October 24, 1991
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o **Reorganization** - Mr. Perdikakis will discuss possible reorganization at the next meeting. He has scheduled a one-day retreat with upper and mid-level managers.

o **Board Meeting** - Due to the Thanksgiving holiday, the next Board Meeting will be held November 26, 1991 at 10:00 AM.

o **Audit Report** - Mr. Howarth handed out the report to be discussed at the next meeting.

The meeting adjourned at 12:25 p.m.



R. KENNETH BARNES
SECRETARY



GEORGE G. PERDIKAKIS
DIRECTOR

SEAL