



MARYLAND  
ENVIRONMENTAL  
SERVICE

Parris N. Glendening  
Governor

James W. Peck  
Director

**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-1  
JANUARY 25, 1996**

**LOCATION:** MES Headquarters  
2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 10:00 a.m. (Scheduled)  
10:23 a.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Annette Anselmi  
William B. C. Addison, Jr.  
Edwin G. Richards  
Joseph F. Snee, Jr.  
Lawrence D. Shubnell  
Daniel F. McMullen

**DIRECTORS ABSENT:** Carolyn D. Davis

**OTHERS PRESENT:** Sean Coleman  
Kenneth A. Howarth  
Beth Schomburg  
Robert Miller  
Mike Wojton  
Lee Zeni  
Nancy Voorhees Balenske  
Ed Golas

**MINUTES**

A Motion to approve the Minutes of the December 15, 1995, meeting was made by Mr. Richards and seconded by Mr. McMullen. The Minutes were approved.

**PROJECT STATUS REPORT**

The following projects were highlighted:

BWI de-icing program has been in continuous operation since late November.

“Twenty-five Years of Service to the Citizens of Maryland”  
1970-1995

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The first billing has been prepared for the Shores of Calvert. The Octoraro Lakes Community project under potential new business would be a similar project.

MES is continuing to coordinate for State agencies the dredging issues.

The contract with Harford County for biosolids was recently signed.

Declining revenues from reduced tonnages at the Midshore Regional Landfill will require some reductions in operations including reduction in personnel. MES is meeting with the County administrators. As a footnote to this problem, Mr. Peck while attending a Solid Waste Authority Summit heard similar problems regarding flow control of waste from agencies similar to MES.

Mr. Peck advised the Board of letters sent by MES and future meetings to be held with the operator of the Regional Yard Waste Composting Facility addressing operational issues and the need to resolve some problems. MES is monitoring the project carefully and promoting public relations and communications with the surrounding community. MES has advised the Corps of Engineers of its interest in discussing the operation of the Washington aqueduct.

Legislation is being introduced by the District of Columbia's Department of Public Works to establish a Blue Plains Authority. MES may/could provide consulting services.

The 1st Urban Fiber project, for which MES provided extensive start-up services and is being operated by MES, is investigating the opportunity to move sludge from the facility to use at the Garrett County Landfill.

**FINANCIAL REPORT**

Mr. Howarth reviewed the operating results from November and December. The fringe rate is the best its been in two (2) years. The major increase in revenue over cost is due to the favorable increase in fringe recovery.

Questions were addressed regarding the balance sheet and the overdues on the accounts receivables.

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Ms. Anselmi handed out copies of the State of Maryland Local Government Investment Report which is not required of MES, but which we complete and submit to the Treasurer's office.

**PROCUREMENT**

Item 1 (96-03-37) was presented by Mr. Peck. Mr. Richards made the Motion to approve, Mr. Snee seconded, and Item 1 was approved.

Item 2 (Construction of Commercial Materials Recovery Facility), 3 (Rolling Stock Equipment), and 4 (CardBoard Baler) were reviewed by Mr. Peck and Ms. Anselmi. Discussion was held. Mr. Shubnell made the Motion to approve Items 2,3, and 4, seconded by Mr. Richards, and approved by the Board.

The Board notebook contained the Board of Directors' Notification - \$25,000 - \$99,999. Questions were addressed.

**PERSONNEL**

Ms. Schomburg reviewed the Sick Leave Incentive Program policy which implements the regulation that the Board approved on June 16, 1995. Mr. McMullen made the Motion to approve the policy and Mr. Addison seconded. The policy was approved by the Board.

The Employee Bonus Incentive Plan was kicked off January 1st. Mr. Zeni is chairing an in-house committee to review the submittals.

A seminar for MES supervisors is being held January 26th to review the performance-based compensation program and implement the evaluation system. Training is being provided by Department of Personnel and Ms. Jewel White.

**LEGAL**

Mr. Coleman informed the Board that the majority of his time has been spent dealing with the yard debris facility, the commercial materials recycling facility at Baltimore County Resource Recovery Facility, and Garnet of VA (Annapolis Junction Transfer Station).

A meeting with Mr. Peck is being held to discuss a possible trademark infringement case and what action to pursue.

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Favorable judgments have been received on collection cases but collections on several have been slow or nonexistent due to the debtors being out of state or judgment proof.

Mr. Coleman is tracking legislation addressing ethics issues and a constitutional amendment regarding holding more than one office.

Mr. Richards advised Mr. Coleman that the Allegeny County delegation is proposing legislation to authorize code counties to establish certain fees. Mr. Richards will send a copy to Mr. Coleman.

**NEW BUSINESS**

Mr. Peck reviewed the possible legislation expanding the membership of the Northeast Maryland Waste Disposal Authority so it corresponds with the membership of the Baltimore Metropolitan Council. Also, he addressed the possible Maryland Association of Counties amendment to open up membership to any county.

Mr. Wojton advised the members that MES has been approached by Harford County's Department of Public Works to acquire and operate the Darlington Water Supply.

Mr. Snee asked if there might be a business opportunity for the proposed Hyatt Resort in Cambridge. Possibly MES could assist with the permitting process.

Mr. Peck handed out the brochure designed to reach potential businesses and assist with the State's economic development.

Seventeen MES facilities were partially underwater during the recent flooding, but suffered no physical damage. Heroic efforts by MES personnel were performed at Friendsville before they were finally forced to evacuate.

A resolution was made by the Board thanking the MES employees and recognizing and commending the employees for their special efforts. The Motion was made by Mr. Richards, seconded by Mr. Addison, and passed unanimously.

Mr. Peck also received a phone call from Montgomery County's Public Works commending the employees, their capability, and assistance during the blizzard. A letter to that effect is forthcoming and will be passed onto the employees.

GENERAL DISCUSSION

MES has not received any feedback from the Governor's office regarding the MES competition issue.

Mr. Peck announced that annual accident costs are continuing to decline.


The first legislative budget hearing is scheduled for January 31st. MES will present a general overview emphasizing pass-throughs. Mr. Shubnell suggested the discussion of public v. private sector competition and its justification and appropriateness.

The FY 1995 Annual Operating and Financial Report which MES is required by law to submit was handed out.

ADJOURNMENT

The meeting adjourned at 12:15 p.m. The next meeting will be February 22, 1996.

  
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CAROLYN D. DAVIS  
SECRETARY

  
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JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-2  
FEBRUARY 29, 1996**

**LOCATION:** MES Headquarters  
2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 10:00 a.m. (Scheduled)  
10:10 a.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Annette Anselmi  
William B. C. Addison, Jr.  
Joseph F. Snee, Jr.  
Lawrence D. Shubnell  
Daniel F. McMullen

**DIRECTORS ABSENT:** Carolyn D. Davis  
Edwin G. Richards

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Robert Miller  
Lee Zeni  
Nancy Voorhees Balenske  
Edward Golas

**MINUTES**

A Motion to approve the Minutes of the January 25, 1996, meeting was made by Mr. Snee and seconded by Mr. Addison. The Minutes were approved.

**PROJECT STATUS REPORT**

The following items were highlighted:

The agency has submitted some significant proposals; one to Charles County to perform an analysis of their landfill closure and

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capping plan to identify any possible modifications which would reduce costs, and to MPA a proposal for dredged disposal options.

1st Urban Fiber has expressed its appreciation for the assistance MES provided during start-up operations.

Mr. Snee advised Mr. Peck of a possible opportunity for MES on the Whiteford sewer project in Harford County. He has discussed with Mr. Gerald Wheeler and Mr. Zeni will contact him.

A meeting is being held with Anne Arundel County to discuss the Department of Defense's desire to turn over operations of Fort Meade's water and wastewater treatment facilities.

Midshore Regional Landfill

Mr. Peck provided an overview of the presentation to the County Commissioners of the four Midshore Counties to address the deficit, a financing summary, and recommendations. The DRJ Midshore Account was reviewed as part of the deficit and the efforts MES expended in the bankruptcy settlement. Because of the DRJ debt, the County Commissioners have asked MES to contribute \$100,000 towards meeting the Landfill deficit. MES has already taken steps to reduce the landfills operation and maintenance costs. Questions were addressed and discussion was held. Mr. Peck made the motion to contribute a \$50,000 cash grant from the MES operating budget to the Midshore DRJ bad debt with a letter of explanation to the Commissioners. The motion was seconded and passed unanimously.

Regional Yard Waste Facility

Mr. Peck gave a brief overview of the project, its problems, and the measures MES has taken to correct the problems. The Service Agreement with BFI is being terminated March 2, 1996. A noise barrier will be erected to be funded by the MDE Tire Fund and Leyland Cypress trees have been planted to provide screening. Mr. Shubnell recommended that the citations which were issued to MES instead of BFI be rescinded by MDE and reissued in BFI's name for public record. Questions were addressed.

At approximately 11:45 a.m., Mr. Peck distributed a "Statement of Reasons for Meeting in Closed Session" and asked the Board to go into closed session. The purpose of the closed session was to consult with counsel (pursuant to Md. State Government Code Ann. §10-508(a)(7)) and to discuss potential litigation (pursuant to Md.

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State Government Code Ann. §10-508(a)(8)). Upon the motion of Mr. Peck the members voted unanimously to go into closed session. During the closed session Mr. Coleman discussed with the Board the BFI contract termination agreement. On a separate matter, Mr. Coleman also advised the Board of potential litigation involving another MES contractor. Present during the closed session were the Board members, and Messrs Coleman, Howarth and Miller. Messrs. Howarth and Miller left the room prior to discussion of the second issue. The Board took no formal action during the closed session. Following the discussions with counsel Mr. Addison moved to reopen the meeting, and the Board unanimously voted to go back into open session at 12:59 pm.

The Board discussed the conditions and terms of the Termination and Release Agreement with BFI. The motion was made by Mr. Snee to accept the Agreement and was seconded by Mr. McMullen. The motion passed.

**FINANCIAL REPORT**

Ms. Anselmi reviewed Resolution 96-02-1R to procure and finance machinery and equipment for the Baltimore Regional Yard Debris Composting Facility. Mr. McMullen made the motion to approve the Resolution, Mr. Addison seconded, and the Motion carried.

Ms. Anselmi handed out and reviewed an Investment Report and the recommended changes to the maturity guidelines. A motion was made to adopt the proposed recommendation by Mr. Shubnell and seconded by Mr. McMullen. The motion was passed.

Mr. Howarth reviewed the operating results from January. The results are in line with the expectations. Mr. Howarth advised the Board of the possibility of the need to increase mileage reimbursement.

**PERSONNEL**

Ms. Schomburg informed the members the Performance-based Compensation Plan is on-schedule. The last Supervisor's meeting for training on the evaluation forms is being held today. The Inspire Awards Committee has not yet approved any submittals.



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**GENERAL DISCUSSION**

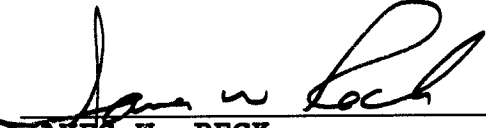
The Board notebook contained the Board of Director's Notification \$25,000-\$99,999. No questions.

The Delaware Solid Waste Authority has extended an invitation for a joint meeting in April, possibly the 25th. Further details to follow.

**ADJOURNMENT**

The meeting adjourned at 1:12 p.m. The next scheduled meeting is March 28, 1996.

  
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CAROLYN D. DAVIS  
SECRETARY

  
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JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-3  
MARCH 28, 1996**

**LOCATION:** MES Headquarters  
2011 Commerce Park Drive  
Annapolis, Maryland

**TIME:** 9:00 a.m. (Scheduled)  
9:10 a.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
William B. C. Addison, Jr.  
Joseph F. Snee, Jr.  
Lawrence D. Shubnell  
Daniel F. McMullen  
Carolyn D. Davis  
Edwin G. Richards

**DIRECTORS ABSENT:** Annette Anselmi

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Robert Miller  
Lee Zeni  
Nancy Voorhees Balenske  
Edward Golas  
Mike Wojton

**MINUTES**

Follow-up questions were asked referring to last month's meeting regarding the Midshore Commissioners response to the letter sent by MES and an editorial about the Regional Yard Composting Facility. A Motion to approve the Minutes of the February 29, 1996, meeting was made by Mr. Snee and seconded by Mr. Addison. The Minutes were approved.

**PROJECT STATUS REPORT**

The following items were highlighted:

"Twenty-five Years of Service to the Citizens of Maryland"  
1970-1995

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MES will continue to brief the Midshore County Commissioners on collections at the landfill.

Detailed discussions are being held with the District of Columbia's Department of Public Works. Blue Plains is being reorganized as an authority type of operation and task forces are being formed to implement. MES has been asked to facilitate. Mr. John Allen will be the facilitator. Questions were addressed.

A letter has been sent by MES to the Army Corps of Engineers regarding a possible role for MES to operate the Washington Aqueduct.

Meetings are on-going regarding the turnover of Fort Meade's water and wastewater treatment operations. Questions were addressed regarding purchase of the facilities by MES and possible expansion of services.

A briefing was given by MES to Charles County which was positively received. A meeting is being held in April to discuss possible projects.

Mr. Peck updated the Board on the dredging issues and short-term plans and long-term solutions.

**FINANCIAL REPORT**

Mr. Howarth reviewed the eight months operating results. Earned revenue is currently running ahead of Fiscal Year 1995 with labor and fringes up. Sick Leave usage has decreased and these figures were handed out. The accounts receivables are being monitored more closely and follow-up procedures have been developed regarding collections.

**PUBLIC INFORMATION REGULATIONS**

Resolution 96-03-1R was introduced by Mr. Peck and reviewed by Mr. Coleman. State agencies are required to adopt Public Information regulations which set out procedures and fees. Mr. Snee suggested Item .08 (5) be researched regarding the statutory authority limits for the returned check fee and the inclusion of a severability clause. Mr. Addison made the motion to approve the Resolution with those above items to be clarified. Mr. McMullen seconded. The motion passed.

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**PROCUREMENT**

Mr. Peck noted Item 1 for the Board's review and approval. Mr Addison made the motion to approve, Mr. McMullen seconded, and the motion passed.

The Board notebook also contained one item for Notification. No questions.

Also, the Board was asked to note the Memorandum included in the notebook from Ms. Anselmi cancelling the purchase of soil from Easton Airport.

**PERSONNEL**

Sexual harassment training has been received by all employees. Supervisory training for implementation of the new employess evaluation program is beginning and the evaluation program has started.

The first Inspire Award will be presented at today's meeting.

**LEGAL**

An investigation is being conducted by Human Relations regarding a terminated employee who is alleging discrimination based on age and race.

Mr. Munroe is defending an automobile accident case today in District Court.

At approximately 10:14 a.m., Mr. Peck distributed a "Statement of Reasons for Meeting in Closed Session" and asked the Board to go into closed session. The purpose of the closed session was to consult with counsel (pursuant to Md. State Government Code Ann. §10-508 (a)(7)) and to discuss potential litigation (pursuant to Md. State Government Code Ann. §10-508 (a)(8)). Upon the motion of Mr. Addison the members voted unanimously to go into closed session. During the closed session Mr. Coleman discussed with the Board the possible termination of an MES Contractor. Present during the closed session were the Board members, and Mr. Coleman. The Board took no formal action during the closed session. Following the discussions with counsel, Mr. McMullen moved to reopen the meeting, and the Board unanimously voted to go back into open session at 10:24 a.m.

NEW BUSINESS

MES sponsored a conference on Solid Waste in Salisbury last week. Participants came from Maryland and the lower shore of Virginia. Positive comments were received from the participants.

Mr. Peck informed the Board of the suggested format for the joint meeting with the Delaware Solid Waste Authority to be held in Dover, Delaware on April 25th.

The Strategic Plan is on-going. Preliminary feedback has been received and was handed out to the Board. The Board will be briefed and have an opportunity for input.

Mr. Peck introduced Mr. Nick Kuba, MES's LAN and PC Systems Manager and presented to him an Inspire Award for extraordinary service during unusual weather conditions to bring the autoscale systems on-line. Mr. Kuba is the first recipient of this award. Smaller awards were also given to 3 other employees.

In reference to the Governor's feedback to MES's response regarding competing against the private sector, he was satisfied with MES's role.

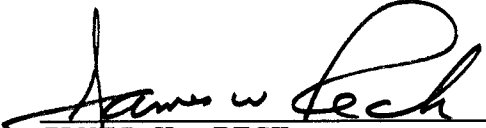
Mr. Peck thanked the Board for their support and direction as he marks his first full year of service as Director of the agency.

Mr. McMullen recommended that for the Board meeting held in Ocean City during the MACO conference, that the staff be housed in better accommodations.

ADJOURNMENT

The meeting adjourned at 10:44 a.m. The next scheduled meeting is April 25, 1996, in Dover, Delaware.

  
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CAROLYN D. DAVIS  
SECRETARY

  
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JAMES W. PECK  
DIRECTOR



MARYLAND  
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**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-4  
April 25, 1996**

**LOCATION:** Delaware Solid Waste Authority  
1128 S. Bradford Street  
Dover, Delaware

**TIME:** 3:00 p.m. (Scheduled)  
3:25 p.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Annette Anselmi  
William B. C. Addison, Jr.  
Joseph F. Snee, Jr.  
Lawrence D. Shubnell  
Daniel F. McMullen  
Edwin G. Richards

**DIRECTORS ABSENT:** Carolyn D. Davis

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Robert Miller  
Lee Zeni

A Joint Meeting was held with the Delaware Solid Waste Authority followed by a Maryland Environmental Service Board meeting.

**JOINT MEETING MINUTES**

Welcome and introduction by N.C. Vasuki, Executive Director of the Delaware Solid Waste Authority ("DSWA").

Introduction of MES Board and staff by Mr. Peck.

Mr. Vasuki presented an overview of the DSWA and its principal activities.

"Twenty-five Years of Service to the Citizens of Maryland"  
1970-1995

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Mr. Peck presented an overview of MES and its principal activities.

Mr. Peck, MES Board members and staff responded to questions posed by DSWA members.

Mr. Miller suggested there may be potential for cooperation between MES and DSWA in the area of marketing recyclable materials.

Mr. Vasuki explained that DSWA has increased its public perception activities in recent years. It hired a PR firm, established focus groups, done radio PSA's, and generally done more to increase public awareness of DSWA. They have especially focused on the fact that they are not supported by tax dollars. They have also increased programs to educate children: they have developed models for use as instructional aides, worked with school teachers to develop effective curriculum related to waste disposal. In particular, the DSWA put together a solid waste mystery game that won a gold prize at the 1995 SWANA conference.

Mr. Miller explained a potential MES program whereby MES will hire a contractor to pick up household hazardous waste at a central facility designated by MES. MES will procure a vehicle and employees to visit various sites around the State to pick up household hazardous waste and bring it to the central facility. He suggested that there might be an opportunity for MES and DSWA to work together to procure a single contractor to take the waste. Mr. Vasuki explained the current DSWA household hazardous waste program.

Mr. Vasuki suggested that there is an opportunity for cooperation in the area of wood waste recycling. Mr. Miller explained that MES could bring a tub grinder to DSWA for use. The cost may be as low as \$10/ton plus mobilization costs. The tub grinder can handle 80 tons per day (TPD) so DSWA needs to supply a minimum of 80 TPD to make the project cost effective.

Mr. Miller and Mr. Peck explained the various uses of tire chips being made in Maryland, and described the Scrap Tire Recycling System. Mr. Peck suggest that MES and DSWA should look at the economics of a joint purchase of a tire shredder.

A member of the DSWA asked if MES had a Research and Development program. He suggested that there is a need for such a program.

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Mr. Vasuki suggested that the two agencies should explore the development of a regional waste-to-energy facility and a landfill for disposal of non-processible waste.

Mr. Vasuki, Mr. Peck and several board members of both agencies suggested the need for staffs to meet regularly and for the respective boards to meet again.

Mr. Lanny Hickman, Executive Director of SWANA addressed those present. He expressed support for regional solutions to solid waste issues. He also stated that given the consolidation that's occurred in the private sector in solid waste disposal, it would not be surprising to see consolidation in the public sector as well.

The session ended at 5:15 p.m. No formal action was taken by either board.

**MES BOARD MEETING**

Mr. Peck called the meeting to order at 5:22 p.m.

Mr. Shubnell moved to approve the minutes of the previous meeting; Mr. McMullen seconded; the motion was approved by all.

**PROJECT STATUS REPORT:**

**ECI Water and Wastewater:** Mr. Peck explained that MES will be going to the Board of Public Works for approval of additional financing and improvements. Ms. Anselmi explained the details of the financing, which consists of the issuance by MES of Certificates of Participation in an amount not to exceed \$880,000. She explained the background of the project and the previous financing.

**Regional Yard Debris:** Mr. Peck informed the Board that since MES took over operations on March 2, 1996, the Facility has turned around. He has assigned a special assistant (to the Director) to deal with public outreach and communications. A few complaints are continuing, but seem to be from a small group of opponents who have previously expressed desire that their properties be bought from them. There have been 6 complaints so far in April. Some odors problems occur when work is done on the stormwater management ponds or in the saturated areas of the composting pad. County officials are pleased by MES efforts.



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Mr. Peck explained the current status of construction of the sound wall at the regional yard debris facility. Because there is some opposition from Anne Arundel County residents about putting the wall on the Anne Arundel County side of the railroad tracks, MES will move ahead to locate the wall on the Howard County side.

**Dredging:** There is to be a press conference by the Governor on or about May 3 to discuss dredge materials disposal options. An attempt is being made to get environmental agencies to agree on a program for handling dredged materials. The General Assembly included language in the budget bill that would allow study of disposal of dredged materials in the Deep Trough if other studies show that a containment area in the northern Chesapeake Bay area is not possible.

Mr. Snee asked about the technical details of an upper Bay island. Mr. Peck provided background. Mr. Snee suggested that if the project could be construed as a wetlands mitigation or reforestation project then developers would be willing to pay for some of the costs. Mr. Peck agreed to examine this possibility.

**Whiteford Wastewater Treatment Plant:** Mr. Snee asked about MES involvement in the Whiteford, Maryland Wastewater Treatment Plant. Mr. Zeni explained that he had spoken to the Harford County Director of Public Works and was told that there probably would not be a role for MES. The funding is in place and the plant will be located in Pennsylvania.

**Somerset County Landfill:** Ms. Anselmi advised that it appears that the Rural and Economic Community Development Agency ("RECD") will provide federal funds for the Somerset County Landfill. A meeting with RECD, MES and Somerset County is set for May 3rd.

**FINANCIAL REPORT**

The third quarter financial reports were distributed to the Board. Mr. Howarth advised that March was a strong month for the agency. There continues to be a significant amount of pass-through costs that are driving up gross revenues.

Ms. Anselmi discussed how the BCRRF project has been a success for MES and Baltimore County. When MES took over operations several years ago, the project was costing Baltimore County \$2 - \$2.5 million per year. This fiscal year the project will break even or possibly even have a surplus situation.

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Mr. Howarth discussed the status of fringe benefits costs. It appears the agency's fringe benefits costs will be about 3% under fringe recovery. This could possibly result in a favorable variance of \$225,000. This could also require MES to adjust its fringe benefits recovery rate.

Mr. Howarth advised that Program Development Costs are running about the same as this time last year.

Mr. Howarth advised that most revenue growth has occurred as a result of pass-through costs in the Waste Management Program.

Mr. Howarth advised that many clients are requesting an additional level of detail with MES invoices.

Mr. Howarth advised that 80% of collection efforts with receivables are related to haulers and product supply. The agency is becoming more systematic with collection; collection efforts are becoming more aggressive.

Mr. Howarth's general assessment: MES is having a strong year; results are better than expected.

Mr. McMullen asked about vehicle purchases. Does MES use the State bid, or procure on its own. Mr. Howarth explained that MES uses both. Last year it procured on its own in order to take advantage of year end close out of new models.

Mr. Snee asked if the Board has established an appropriate cash balance. Mr. Shubnell explained that the issue has been discussed, but no policy has been finalized. Mr. Howarth stated that his personal goal is to have the cash balance equal receivables. The agency's auditors have not addressed the issue yet. Mr. Howarth will propose at the end of the fiscal year that some amount of income in excess of costs should be set aside in a restricted earnings account. Next year the new overhead methodology will be utilized, and this methodology includes a 3% component for working capital. However, some State agencies are critical of being required to pay MES any amounts for working capital.

Resolution 96-04-1R was introduced and Mr. Howarth explained the reason for the resolution. Some large MES clients have complained about the overhead rate for large projects. The impact of adoption of the new overhead rate will be a reduction of approximately \$55 - \$60 thousand. However, the reduction will be

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offset by new revenue from additional labor being subject to overhead recovery under the new methodology.

Mr. Shubnell moved to approve the resolution; Mr. Snee seconded; all approved.

Resolution 96-04-4R was introduced and Ms. Anselmi explained the purpose of the resolution and its components. Mr. Shubnell stated that he was comfortable with the financing. Mr. McMullen moved to approve; Mr. Snee seconded; all approved.

**PROCUREMENT**

Mr. Peck explained Items 1, 2 and 4. Items 3 and 5 were withdrawn and replaced by a revised Item 3. Mr. Snee moved to approve Items 1, 2, 4 and revised Item 3. Mr. McMullen seconded; all approved.

**PERSONNEL**

Mr. Peck advised that the "Inspire" awards committee has made additional recommendations. He distributed a memorandum regarding the second group of awardees.

Resolution 96-04-2R was introduced and Mr. Peck explained the background of the resolution. The agency will begin paying performance-based pay in Fiscal Year 1998, based on FY 1997 evaluations. For FY 97, MES proposes to award eligible employees step increases under the current salary plan. The State will be granting standard step increases for State employees in FY 1997. No cost-of-living-allowances will be made. This will be the last year MES utilizes the current salary plan. Mr. Snee moved to approve the resolution; Mr. Addison seconded; all approved.

Resolution 96-04-3R was introduced and Mr. Peck explained the background. The agency wants to provide 1 additional day of paid leave for eligible employees, to be used on or before December 31, 1996. Ms. Schomburg explained that employees will be advised that the extra day is being given because of the success of the employees in keeping fringe benefits costs down, particularly worker's compensation costs. By awarding an extra day of paid leave, the agency allows employees to share in the bottom line success of the agency.

Mr. Shubnell stated the importance of the manner by which the employees are told of the extra day of paid leave. Mr. Addison

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likewise stated that employees should be told that the extra day of paid leave is a one-time benefit. Mr. Addison moved to approve the motion; Mr. McMullen seconded; all approved.

**LEGAL**

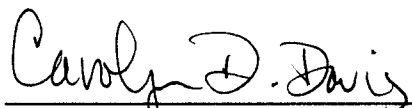
Mr. Coleman advised the Board that the Office of the Attorney General will be filing suit against a firm that is utilizing a trade name called "Toppro". The agency and the Office of the Attorney General believe that this trade name violates MES' trademarks for Leafgro® and ComPRO®. Mr. Snee asked that copies of the pleading be sent to him.

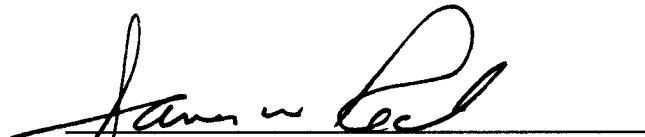
Mr. Coleman advised that the Office of the Attorney General was successful in having a District Court auto tort case against the agency and an employee dismissed.

Mr. Coleman advised that a former male employee has filed a claim with the EEOC alleging sex-based discrimination. The employee claims that he was disciplined for an infraction for which a female employee was not disciplined.

**ADJOURNMENT**

The meeting adjourned at 6:25 p.m. The next scheduled meeting is May 30, 1996 at the Regional Yard Debris Facility.

  
\_\_\_\_\_  
**CAROLYN D. DAVIS  
SECRETARY**

  
\_\_\_\_\_  
**JAMES W. PECK  
DIRECTOR**



Parris N. Glendening  
Governor

James W. Peck  
Director

**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-5  
MAY 30, 1996**

**LOCATION:** Regional Yard Debris Facility  
7101 Dorsey Run Road  
Jessup, Maryland

**TIME:** 10:00 a.m. (Scheduled)  
10:15 a.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Annette Anselmi  
William B. C. Addison, Jr.  
Joseph F. Snee, Jr.  
Lawrence D. Shubnell  
Edwin G. Richards  
Daniel F. McMullen

**DIRECTORS ABSENT:** Carolyn D. Davis

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Robert Miller  
Lee Zeni  
Nancy Voorhees Balenske  
Mike Wojton  
Greg Africa  
Patrick Carroll

Mr. Peck welcomed the Board to the Regional Yard Debris Facility.

**MINUTES**

Prior to approving the Minutes, follow-up questions were asked regarding last months' meeting with the Delaware Solid Waste Authority and possible projects. A Motion to approve the Minutes of the April meeting was made by Mr. Snee and seconded by Mr. Shubnell. The Minutes were approved.

**PROCUREMENT**

Mr. Peck noted the items for Notification in the Board notebook.

Mr. Peck reviewed Item 1 and 2. Mr. McMullen made the motion to approve, Mr. Addison seconded, and the Items were approved. Item 3 was reviewed. Mr. Shubnell made the motion to approve, Mr. Snee seconded, and the Item was approved.

**PERSONNEL**

A memo included in the notebook announces the latest recipients of the Inspire Award. A copy of the memorandum to the employees announcing the additional day of personnel leave was given to the Board. Ms. Schomburg also informed the Board that today is the first day of supervisory training. Senior level staff will receive training at a later date.

**LEGAL**

No response had been received from the Commission on Human Relations regarding the sexual discrimination claim.

Mr. Coleman believes the Governor's Executive Order regarding collective bargaining does not apply to MES.

In response to Mr. Shubnell's question regarding Piper and Marbury; there have been no changes.

No answer has been filed by the Defendant in the Leafgro trademark infringement case.

**NEW BUSINESS**

Mr. Peck introduced a request by State Forest and Park Service to purchase trash bags for their Trash-Free program again this year. Their request is for \$12,000.00. Mr. Shubnell moved to approve the request, Mr. McMullen seconded, and the request was approved.

**GENERAL DISCUSSION**

Mr. Peck handed out a list from the "Baltimore Business Journal" which lists the Maryland Environmental Service as the 4th largest environmental consulting firm in the Baltimore area.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-5  
MAY 30, 1996  
PAGE 4**

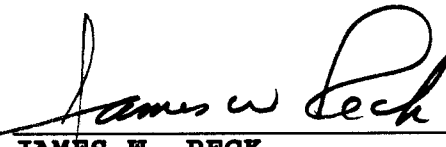
Mr. Peck is also serving on a Department of Business and Economic Development Task Force to coordinate the approach for environmental services.

Future meetings were discussed as follows: June 27 - Gunpowder State Park; August 15 - MACO, Ocean City; July 25 - location to be determined.

**ADJOURNMENT**

The meeting adjourned with a project briefing and a tour of the facility.

  
\_\_\_\_\_  
**CAROLYN D. DAVIS  
SECRETARY**

  
\_\_\_\_\_  
**JAMES W. PECK  
DIRECTOR**



**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-6  
JUNE 27, 1996**

**LOCATION:** Gunpowder Falls State Park  
Days Cove Area

**TIME:** 10:00 a.m. (Scheduled)  
10:15 a.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Annette Anselmi  
William B. C. Addison, Jr.  
Lawrence D. Shubnell  
Edwin G. Richards  
Joseph F. Snee, Jr.  
Daniel F. McMullen

**DIRECTORS ABSENT:** Carolyn D. Davis

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Robert Miller  
Lee Zeni  
Nancy Voorhees Balenske  
Mike Wojton

Mr. Peck introduced Mr. Rick Barton, Superintendent, Forests & Parks. Mr. Barton welcomed the Board to the Days Cove Area of Gunpowder Falls State Park and addressed his remarks to the Trash Free Parks Program which MES has provided financial support to over the years. He presented to Mr. Peck the Platinum Park plaque to recognize MES's sponsorship. Ms. Tina Bianca, Park Naturalist gave an overview of the park's history and programs.



**BOARD OF DIRECTORS MINUTES  
MEETING 96-6  
JUNE 27, 1996  
PAGE 2**

**MINUTES**

The Motion to approve the Minutes of the May meeting was made by Mr. Shubnell and seconded by Mr. Addison. The Minutes were approved.

**PROJECT STATUS REPORT**

The following items were highlighted:

**Regional Yard Waste Facility:**

Equipment was vandalized which caused the facility to be out of operation for two weeks. Yard waste was diverted to county facilities. The Howard County police are investigating and MES has posted a \$5,000 reward. MES has been meeting with MDE to promote a cooperative approach to solving any problems.

**ECI Phase II:**

Groundbreaking was held.

**Garrett County Round Glade:**

The closing for the loan from MDE is July 11th.

**Department of Business and Economic Development Task Force:**

During a committee meeting which Mr. Peck was attending, the Vice President of First Urban Fiber suggested MES play an increased role in the State.

Mr. Richards posed questions to the Board regarding the status of the upgrade of Cambridge's wastewater treatment plant. The upgrade to the collection system is not part of MES's contract with the City. It is being done by the Town's engineers. He also asked about assistance with problems with a private sewer. MES will find out the status of any schedule for compliance, but has not been ordered in by MDE. Mr. Richards also expressed the need for providing technical assistance to small towns and would like to discuss with John Allen.

**FINANCIAL REPORT**

Mr. Howarth reviewed the eleven months operating results. At July's meeting he will review the Restricted Retained Earnings line by line.

Mr. Shubnell requested a breakout in the Operating Segment Revenue of the Operating Results between Corporate and Non-State.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-6  
JUNE 27, 1996  
PAGE 3**

Mr. Howarth also advised the Board the Equipment Fund rates will be adjusted in 1997.

Ms. Anselmi informed the Board of an investment policy update. Meetings were held with Nations Bank and MES made the decision to take the investment strategy in-house due to the fees being paid to the bank and to maximize MES's funds. These investments will be presented to the Board on a quarterly basis.

**EQUIPMENT RESOLUTION**

Mr. Peck and Ms. Anselmi presented Resolution 96-06-1R to the Board. This is an Intent to Finance equipment for Hart-Miller Island and Baltimore County. Mr. McMullen made the motion to approve the Resolution, Mr. Addison seconded, and the motion passed. Mr. Shubnell abstained from the vote due to the financing aspects of the Resolution.

**PROCUREMENT**

Mr. Peck noted the items for Notification in the Board notebook.

Mr. Peck reviewed Items 1 - 8. Mr. McMullen made the motion to approve, Mr. Snee seconded, and the Items were approved.

**PERSONNEL**

Ms. Schomburg noted the Memorandum in the Board notebook citing the latest employees to receive Inspire awards.

**LEGAL**

A recent complaint has been received from the Commission of Human Relations regarding discrimination based on race. Mr. Coleman expects the issue to be resolved.

MES has filed a motion to default in the TopPro case. The defendant's response was filed late with incorrect allegations.

Mr. Coleman is working on a draft agreement with MDE regarding the yard debris facility which will help establish a cooperative relationship with the regulatory department.

A complaint has been received regarding money withheld from an employee who has filed for personal bankruptcy.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-6  
JUNE 27, 1996  
PAGE 4**

**NEW BUSINESS**

Questions were addressed regarding MES's role with the Baltimore County Resource Recovery Facility and equipment financing.

Mr. Robert Miller gave a presentation to the Board on the Hart-Miller Island Project. Mr. Peck informed the Board that the Maryland Port Commission reversed their earlier vote and voted in favor of MES's continuing role in the project.

The next meeting will be July 25th at MES Headquarters.

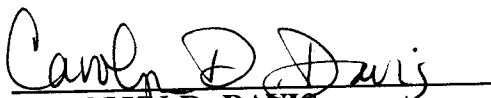
At this time, the Board of Directors voted to go into closed session to discuss the compensation of an official of the Service.

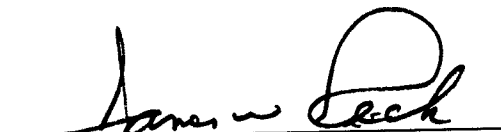
Mr. Peck distributed a notice of closed session. Ms. Anselmi did not participate in the closed session and was not present. The Board did not take any official action while in closed session.

After meeting briefly in closed session the members voted at 12:25 p.m. to reconvene in open session. At that time Mr. Richards moved to repeal Board Resolution 94-6-1R. Mr. Snee seconded and the motion was passed by the Board. Ms. Anselmi was not present in the meeting room and did not vote on the motion.

Mr. Richards then moved (a) to approve an annual salary of \$79,500 for the MES Treasurer, effective the first full pay period in July, 1996; and (b) to require the Treasurer to be a full-time officer who shall perform the duties set forth in the Natural Resources Article of the Annotated Code of Maryland, and such other duties as may be assigned by the Board or the Director. Mr. McMullen seconded and the motion was passed by the Board. Ms. Anselmi was not present in the meeting room and did not vote on the motion.

Mr. Richards then moved to reestablish the Board's Compensation Committee to be a Human Resources Committee responsible for reviewing compensation and human resources issues related to the senior staff of the Service, and to nominate Mr. McMullen to be chairman of the committee. Mr. Addison seconded and the motion was passed by the Board. Ms. Anselmi was not present in the meeting room and did not vote on the motion.

  
CAROLYN D. DAVIS  
SECRETARY

  
JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-7  
July 25, 1996**

**LOCATION:**                   **MES Headquarters  
2011 Commerce Park Drive  
Annapolis, Maryland**

**TIME:**                       **10:00 a.m. (Scheduled)  
10:10 a.m. (Convened)**

**DIRECTORS PRESENT:** **James W. Peck, Director  
Annette Anselmi  
William B. C. Addison, Jr.  
Lawrence D. Shubnell  
Edwin G. Richards  
Daniel F. McMullen  
Carolyn D. Davis**

**DIRECTORS ABSENT:** **Joseph F. Snee, Jr.**

**OTHERS PRESENT:**       **Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Robert Miller  
Lee Zeni  
Nancy Voorhees Balenske  
Mike Wojton  
James Haywood**

**MINUTES**

The Motion to approve the Minutes of the June meeting was made by Mr. Addison and seconded by Mr. Shubnell. The Minutes were approved.

**PROJECT STATUS REPORT**

The following items were highlighted:

**HOWARD COUNTY - DEEP RUN:**

The final report was delivered and a presentation given. MES has been directed to explore other alternatives due to the limited size of the facility.

Mr. Shubnell asked about the status of the Coca-Cola project. The company made the decision to build their plant outside the area.

**REGIONAL YARD WASTE FACILITY:**

July has been one of the best months regarding the number of complaints. MES is continuing to meet with MDE to develop a cooperative relationship. Another attempt was made to sabotage equipment. MES is investigating alternatives to costly overnight security. The use of the odor neutralizing spray mister is being expanded and MES is continuing its community outreach efforts.

**MONTGOMERY COUNTY:**

MES has received verbal approval of its proposal to operate the Materials Recycling Facility. The addition of this project will add 7 new positions and be a \$2.0 million dollar operating project.

**HART-MILLER ISLAND:**

All the material has been stockpiled for this year.

**GARNET CORP:**

MES submitted a proposal to operate the Annapolis Junction Transfer Station. The Company has requested a proposal to operate a temporary transfer station at the Millersville Landfill.

**CES:**

Questions were addressed regarding a possible agency conflict of interest with Creative Environmental Solutions regarding a study for development of a site as an upland dredged material containment facility. Discussion followed and Mr. Peck informed the Board of MES's very careful approach to this issue and MES's clearly stated primary responsibilities to MPA.

**CHARLES COUNTY:**

The County has approved a proposal for engineering services. This is a direct result of Mr. Peck's and the marketing staff's efforts in Southern Maryland.

**FINANCIAL REPORT**

Mr. Howarth reviewed the Preliminary Pre-Audit Results. A preliminary balance sheet will be presented at August's meeting.

Discussion was held on the fund balance and the return of a portion of it to the State. Suggestions were made to create a new line item entitled, "Price Adjustment to Overcharges" and that this should be discussed with the auditors and brought back to the Board. Also discussed was the need to redefine working capital.

The Board reviewed the recommended Retained Earnings changes. Discussion was held. The motion was made by Mr. Richards to accept the recommended changes with a change in the description and name of the Employee Development Fund. Ms. Davis seconded it. The motion adopting recommended changes to the Retained Earnings was approved. The change will be reviewed at August's meeting. Ms. Davis congratulated MES on the amount of training being provided. Mr. Richards thanked MES for his invitation to one of the training sessions. He sent a representative to it and found it very informative.

Mr. Peck suggested \$100,000 be moved from Program Development to Working Capital. Discussion was held but no action was taken.

Mr. Haywood handed out and reviewed MES's Investment Portfolio Summary. A decision was made to temporarily work with a funds management group. A future goal is to increase investment proceeds.

Mr. Peck advised the Board of the negative variance in the Tubgrinder Fund due to start-up costs and recommended that these costs of \$7,624.62 be funded with Program Development funds. Mr. Addison made the motion to fund the variance, Mr. McMullen seconded, and the motion was approved. Mr. Richards abstained from the vote due to the impact of the use of the tubgrinder at the Midshore Landfill.

**PROCUREMENT**

Mr. Peck reviewed Procurement Items 1 - 8. Mr. Shubnell made the motion to approve, Mr. Addison seconded, and the Items were approved.

Mr. Peck noted the items for Notification.

Ms. Anselmi informed the Board of the bids received for the Master Lease Purchase Financing procurement.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-7  
JULY 25, 1996  
PAGE 4**

**PERSONNEL**

The Board notebook contains the list of employees recently receiving Inspire awards. Ms. Davis asked if the price assigned to the Merlin project is do-able. The costs are being examined. Mr. Peck displayed the MES Newsletter which features recent Inspire awards.

Personnel Policies and Procedures for Scheduled Hours, Attendance Standards, Lateness, and the Tuition Assistance Program were presented to the Board for review and comment to finalize in August.

The proposed policy for the Drug and Alcohol Testing Program will be mailed prior to August's meeting.

Mr. Peck announced Ms. Anselmi's resignation and welcomed any input from the members regarding filling the position. A luncheon is being held in her honor at Carrol's Creek on July 26th.

Mr. McMullen asked if there has been any reaction to the Governor's Executive Order on collective bargaining. Mr. Coleman responded that the Executive Order does not apply to MES.

**LEGAL**

The complaint received from the Commission of Human Relations has been resolved. The employee was hired for another job.

Mr. Coleman is currently reviewing the proposed Drug and Alcohol Testing program.

A motion for default judgement has been filed by MES in the TopPro case.

MES has filed a motion for summary judgement in a bankruptcy case involving an ex-employee. The employee alleges MES improperly withheld funds from the employee.

Mr. Coleman is working with the agency in drafting a report on the hazardous waste mitigation site at Martin State Airport.

The office has received another Public Information Act request for the Regional Composting Facility.

Harford County may attempt to draw MES into a suit involving hazardous waste disposal at the Bush Valley Landfill.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-7  
JULY 25, 1996  
PAGE 5**

**NEW BUSINESS**

Mr. Addison asked if there is any potential for new business regarding run-off from underground parking lot stormwater tanks. These tanks are regulated under stormwater management and MES currently has agreements with certain counties for stormwater management.

**GENERAL DISCUSSION**

The committee developing MES's strategic plan has been meeting regularly. A draft has been prepared and a meeting to finalize the plan is scheduled. Mr. Richards requested an advance copy to review.


Mr. Peck has one more meeting of the State Business Plans committee. A plan has been drafted and will be presented to the State's Department of Business and Economic Development. MES is referenced as an asset to the State's development.

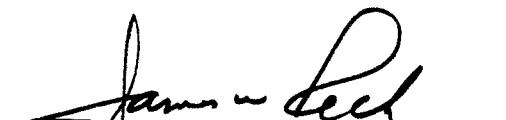
The September meeting will be held the 26th at Hart-Miller Island. Transportation will be provided from MES.

The second annual MES employee picnic is being held August 17th at Sandy Point State Park.

The next meeting will be August 15th during MACO at the Coconut Malorie, Ocean City, Maryland.

The meeting adjourned at 11:52 a.m.

  
CAROLYN D. DAVIS  
SECRETARY

  
JAMES W. PECK  
DIRECTOR





Parris N. Glendening  
Governor

James W. Peck  
Director

**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-8  
AUGUST 15, 1996**

**LOCATION:** Coconut Malorie Hotel - Board Room  
60th Street & The Bay  
Ocean City, Maryland 21842

**TIME:** 9:00 a.m. (Scheduled)  
9:40 a.m. (Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Annette Anselmi  
Edwin G. Richards  
Lawrence D. Shubnell  
Joseph F. Snee, Jr.  
Daniel F. McMullen  
Carolyn D. Davis

**DIRECTORS ABSENT:** William B.C. Addison, Jr.

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Ken Howarth  
Mike Wojton  
Lee Zeni  
Bob Miller  
Phil Favero, University of Maryland

MINUTES

Mr. Peck asked if there were any additions or deletions from the Minutes of the meeting of July 25, 1996. Mr. Snee asked about an entry in the minutes stating that funds are to be returned to the State. In response, Mr. Howarth explained the MES indirect cost recovery methodology. He stated that he has discussed the accounting treatment of any variances in excess of 3% with the MES auditors and they agree that such funds will be treated as unearned project reserve funds. These funds will be reviewed in future years to offset rate reductions to MES clients in accordance with the indirect cost recovery methodology.

"Twenty-five Years of Service to the Citizens of Maryland"  
1970-1995

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 2**

Mr. Snee asked if MES will actually write a check to the State. Mr. Howarth explained that the excess indirect cost recovery variances will be retained to offset rate reductions in later fiscal years. Mr. Peck stated that a check for some amount will be sent to the Department of Management and Budget to return the unearned portion of the funds collected from State reimbursable clients.

Mr. Shubnell asked about the reference to "Price Adjustment Overcharges". Mr. Howarth explained that funds would be returned to all MES clients through an adjustment in a future indirect cost recovery rate. Mr. Shubnell asked that the Minutes be revised to reflect this (Specifically, the words "the State" in the first sentence of the second paragraph on page 3 of the July 25 minutes will be replaced with the phrase "all clients through an adjustment in the future rate.")

Mr. McMullen moved to approve the Minutes of July 25, 1996, with the proposed changed. Mr. Shubnell seconded; the Minutes were approved unanimously.

**PROJECT STATUS REPORT**

**GARRETT COUNTY LANDFILL CLOSURE:**

Mr. Peck announced that he had attended a ground breaking for the closure of the Round Glade Landfill in Garrett County. There was much interest by the local media. Tire chips will be used for the drainage area; \$500,000 in funding will be obtained from the MDE Scrap Tire Fund. Ms. Anselmi announced that an agreement has been signed with the Garrett County Sanitary Commission for treatment of the leachate from the Landfill.

**HART-MILLER ISLAND:**

Mr. Miller announced that the dike raising project is proceeding well.

**WASTEWATER TREATMENT FACILITIES:**

Mr. Wojton stated that the agency has maintained a low level of NPDES violations despite significant amounts of rainfall this spring and summer.

**TOWN OF PERRYVILLE:**

Mr. Wojton advised the Board that MES operators had assisted the Town of Perryville in restarting its wastewater treatment plant after a chemical discharge from the local veterans hospital killed all the wastewater biomass. MES provided seed sludge from another of its plants and the plant came back on line in a very short period of time.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 3**

**STRATEGIC PLANNING**

Mr. Peck introduced Phil Favero of the University of Maryland. Copies of the draft strategic plan were previously distributed to the Board.

Mr. Favero explained that the strategic planning process consists of three phases: Preparation; Implementation; and Review. He then briefly reviewed the process that the senior staff had undertaken to reach the point where it now had a draft plan to present to the Board.

Mr. Shubnell asked if there was a timetable for the Board's review and approval of the plan. Mr. Peck responded in the negative. He also reminded the Board that the staff needs the Directors' input to finalize the plan. He also stated that he would like to finalize the plan so the staff may begin to implement it. Mr. Peck stated that he was pleased with the draft plan.

Ms. Davis stated that she too was pleased with the product, and she especially like the chart format of the action plan which includes performance measurements. She suggested that the Board should go on a retreat in the fall which would be dedicated to review and discussion of the draft plan.

Mr. Peck reminded the Board that MES must present a "business plan" to the General Assembly at least 2 weeks prior to December 1, 1996. Mr. Shubnell pointed out that the Strategic Plan is not really a business plan, as that term is used in the private sector. General discussion ensued and the consensus was that the Strategic Plan was consistent with the document that had been requested by the General Assembly.

Mr. Peck commended Mr. Favero and Wayne Rhodes of University of Maryland for the fine work they did on the Plan. Mr. Shubnell suggested that they be invited to the retreat.

Mr. Snee recommended that the term "self-supporting" be emphasized in the Plan. He pointed out that this is a very unique characteristic of MES. He also stated that he thought that the detailed explanation of MES' non-competition with the private sector could be toned down and emphasized much less.

After further discussion the Board agreed that they should try to meet on Friday, September 20 for further discussion of the Strategic Plan.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 4**

FINANCIAL REPORT

Mr. Howarth announced that the annual audit starts Monday, August 19. He is hopeful that the auditor's report will be available for the regular business meeting in September. He expects that operating net income will be approximately \$470,000 for FY 96. This amount is derived after taking deductions for the Regional Compost Facility (\$130,000) and the DRJ bankruptcy (\$50,000).

Mr. Howarth then explained the proposed changes to the retained earnings accounts. He recommends that "Employee Development" be renamed to "Employee Recognition and Incentives". Further changes to the various restricted retained earnings accounts are detailed in the document entitled "Retained Earnings Analysis".

Mr. Howarth suggested that the auditors should be invited to the October meeting to discuss the audit and financial statements.

Mr. Richards asked why the depreciation costs are down by \$700,000? Mr. Howarth explained that this was because of the reclassification of certain assets to capital leases. Mr. Richards then asked why motor vehicle O & M was down by \$100,000. Mr. Howarth responded that the depreciation of a number of project assets was completed in FY 95.

Mr. Howarth advised that he is still negotiating with MDOT about overhead recovery, especially with regards to Md. Aviation Administration's concerns about whether MES overhead rate is consistent with FAA restrictions on how federal aviation funds are used.

Bank resolutions:

Mr. Richards moved to approve the resolution, Mr. McMullen seconded, the motion was unanimously approved.

Temporary Line of Credit:

Mr. Howarth advised the Board that because of the significant amount of cash that the agency may have to expend prior to reimbursement by the MPA for work on the Hart-Miller Island dike raising, he is requesting approval to negotiate a temporary \$3 million line of credit from NationsBank. He explained that MES may have to make payments to contractors before MPA has processed invoices and reimbursed MES. Even if the line of credit was not used, MES would be required to pay a 40 basis point commitment fee. Several board members stated that they insist that MPA must reimburse MES for the commitment fee. Mr. Shubnell asked if a cash flow analysis had been done. Mr. Howarth

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 5**

responded in the affirmative, and gave a copy of the cash flow analysis to Mr. Shubnell. Mr. Snee asked if MES could charge MPA a fee for taking this risk. Messrs. Peck, Coleman and Howarth explained that MES cannot charge an explicit amount for profit, but it can make sure that all of its costs are recovered. Mr. Peck inquired if funds from Retained Earnings could be used in lieu of the line of credit. Mr. Howarth explained that the Retained Earnings are accounting funds, not cash funds; they are unrelated to cash flow. Without a line of credit MES would have to liquidate some of its investments.

Mr. Snee then moved to approve the procurement of a \$3 million line of credit from NationsBank, subject to the requirement that MPA reimburse MES for the commitment fee. Ms. Davis seconded the motion, and it was unanimously approved.

Resolution 96-08-1R:

Mr. Shubnell moved to approve the resolution; Mr. McMullen seconded; the motion was unanimously approved.

PROCUREMENT

Ms. Anselmi explained Item 1. Item 5 (approval of contract No. 96-03-37) was added to the agenda. Mr. McMullen moved to approve Items 1 through 5; Mr. Shubnell seconded; the motion was unanimously approved, except that Mr. Snee abstained from voting on the motion.

PERSONNEL

INSPIRE Awards

Mr. Peck noted the awards that have been made during the previous month. A copy of the INSPIRE Committee's recommendations was included with the agenda.

Personnel Policies

Ms. Schomburg offered explanation of the proposed policies on Tuition Assistance (No. 8.02), Lateness (No. 5.02) and Scheduled Hours (No. 1.11) that were distributed to the Board at the July meeting. She noted that the tuition assistance policy greatly streamlines the approval process, and that the training must benefit MES. Ms. Davis moved to approve the policies as proposed; Mr. McMullen seconded; and the motion was unanimously

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 6**

approved.

Ms. Schomburg distributed proposed policies on Annual Leave, Holidays and Acting Capacity status for review by the Board and approval at the September meeting.

Drug and Alcohol Policy

Ms. Schomburg distributed the proposed Drug and Alcohol Policy. The Board was asked to review the proposed policy with the intention of adopting the policy at the September meeting.

Mr. Snee pointed out that the proposed policy requires that employees be disciplined in some instances even if they receive a probation before judgment on the alleged offense. Because a PBJ is not a conviction of a crime, he questioned whether disciplinary action in this instance would be constitutional. Mr. Coleman explained that the definition of conviction in the proposed policy was adopted from the recent legislation that rewrote the State's personnel law. He suggested that the intent may have been to impose employment discipline in a PBJ case because normally a PBJ is imposed where the facts warrant a conviction anyway. Mr. Snee asked that an opinion of the Attorney General be obtained addressing the legality of this provision.

Executive Session

At 11:34 a.m., upon a motion by Mr. Snee, seconded by Mr. McMullen, and unanimously approved, the Board voted to go into closed session. The Board did not take any official action while in closed session. During the closed session the Board discussed compensation issues related to senior staff of the Service. At 12:15 p.m. Mr. Peck left the closed session. At 12:30 p.m., upon motion by Mr. McMullen, seconded by Mr. Richards, the Board voted to go back into open session.

Personnel

Mr. McMullen moved to amend Paragraph 1 of Resolution 95-3-3R (salary of the Director) to change the amount of the Director's salary to be \$94,500 per year, effective October 1, 1996. All other terms of the resolution remain the same. Mr. Richards seconded the motion and it was unanimously approved, with the exception that Mr. Peck was not present and did not participate in the discussion or adoption of the motion.

Mr. Richards moved to adopt the following resolution:

Pursuant to MES policies authorizing year-end bonuses for executive staff and

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 7**

senior management, the director is authorized to expend, in accordance with current MES policies, up to \$15,000 for payment to executive staff and senior management employed by the Service on June 30, 1996, subject to final approval by the Board of Directors.

The motion was seconded by Mr. Shubnell and unanimously approved, with the exception that Mr. Peck was not present and did not participate in the adoption of the motion.

LEGAL

Mr. Coleman advised the Board that 22 plaintiffs living near the Regional Compost Facility have filed suit against MES, the participating Counties, MDE, BFI, and a number of MES and County employees. They have also filed tort claims with the State Treasurer's Office. The plaintiffs are alleging personal injury and property damage, and are seeking compensatory damages, punitive damages, and injunctive relief to close the facility.

NEW BUSINESS

Use of Program Development Funds

Mr. Peck advised the Board that he had negotiated a contract with Sanifill for MES to operate the temporary transfer station Sanifill will establish at the Anne Arundel County Millersville Landfill. The temporary transfer station will be in operation until January 1, 1997, when Sanifill is scheduled to open the Annapolis Junction Transfer Station. Mr. Peck agreed to waive overhead and management fee recovery on MES operations at the temporary transfer station, but only if Sanifill ultimately hires MES to operate the Annapolis Junction Transfer Station. If Sanifill does not hire MES, then it will have to reimburse MES for the overhead and management fees. Because the waiver of the fees was made in relation to business development, Mr. Peck proposes to utilize up to \$32,600 of Program Development Funds to reimburse MES for such fees. Mr. Shubnell moved to approve the use of \$32,600 in Program Development Funds for reimbursement of overhead and management fees related to the operation of the temporary transfer station; Ms. Davis seconded the motion; it was unanimously approved.

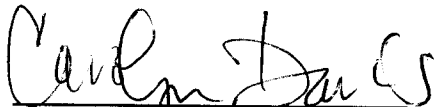
Resignation of Ms. Anselmi

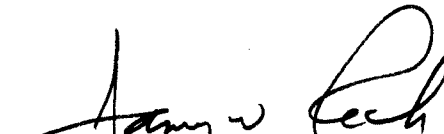
In honor of Ms. Anselmi's many and significant contributions to the Maryland Environmental Service, Mr. Shubnell requested a resolution be prepared to be presented to Ms. Anselmi.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-8  
AUGUST 15, 1996  
PAGE 8**

**ADJOURNMENT**

The meeting adjourned at 12:50 p.m. The Board will hold its next business meeting at Hart-Miller Island Dredged Material Containment Facility on Thursday, September 26, 1996 at 10:00 a.m.

  
CAROLYN D. DAVIS  
SECRETARY

  
JAMES W. PECK  
DIRECTOR





MARYLAND  
ENVIRONMENTAL  
SERVICE

Parris N. Glendening  
Governor

James W. Peck  
Director

**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-9  
September 26, 1996**

**LOCATION:** Hart-Miller Island Dredged Material  
Containment Facility  
Baltimore, Maryland 21221

**TIME:** 10:00 a.m.(Scheduled)  
10:10 a.m.(Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Edwin G. Richards  
Lawrence D. Shubnell (left at 11:10 a.m.)  
Joseph F. Snee, Jr.  
Carolyn D. Davis  
William B.C. Addison, Jr.

**DIRECTORS ABSENT:** Daniel F. McMullen

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Kenneth A. Howarth  
Michael Wojton  
Lee Zeni  
Robert Miller  
Nancy Voorhees Balenske  
Michelle Vargo  
Wayne Young

**REMARKS**

The voting portion of the meeting was conducted at the beginning of the meeting while a quorum was present.

“Twenty-five Years of Service to the Citizens of Maryland”  
1970-1995

**BOARD OF DIRECTORS MINUTES  
MEETING 96-9  
SEPTEMBER 26, 1996  
PAGE 2**

MINUTES

The Motion to approve the Minutes of the August meeting was made by Mr. Snee and seconded by Ms. Davis. The Minutes were approved.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1-6. Questions were addressed. Mr. Shubnell made the motion to approve, Mr. Snee seconded, and the Items were approved.

The Board notebook contained the items for Notification.

PERSONNEL

Annual Leave, Holidays, & Acting Capacity Ms. Schomburg briefly reviewed the Personnel Policies and Procedures for Annual Leave, Holidays, and Acting Capacity which were handed out at August's meeting. Mr. Addison made the motion to approve the policies, and Ms. Davis seconded. The motion was approved.

Drug & Alcohol Testing Program Policy Mr. Snee advised the Board that Mr. Coleman had addressed his question regarding the legality of disciplinary action contained in the Drug and Alcohol Policy, and he concurs with the research. Questions were addressed. Mr. Snee made the motion to approve the policy, and Mr. Addison seconded. The motion was approved.

RESOLUTION

The Resolution prepared to present to Ms. Annette Anselmi in recognition of her service to MES was presented to the Board. Mr. Addison made the motion to adopt the Resolution. The motion was seconded by Mr. Shubnell and adopted unanimously by the Board. It will be presented to Ms. Anselmi.

EXECUTIVE SESSION

At 10:38 a.m., upon a motion by Mr. Addison, seconded by Ms. Davis and approved, the Board voted to go into closed session to discuss personnel matters and compensation of agency employees, pursuant to MD. State Government Article §10-508(a)(1). Present

**BOARD OF DIRECTORS MINUTES  
MEETING 96-9  
SEPTEMBER 26, 1996  
PAGE 3**

during the closed session were the Board members and Mr. Coleman.

Following the discussion, Mr. Richards moved to return to open session, Mr. Addison seconded, and the motion was approved. Mr. Snee moved to approve a recommendation by the Director to award INSPIRE bonuses to employees designated by the Director. Mr. Addison seconded, and the Board approved the motion.

**INSPIRE AWARDS**

The Board notebook contained the list of recent employees receiving Inspire Awards. Questions were addressed.

**STRATEGIC PLAN**

The Board decided to hold an all day meeting for October's meeting to allow time to discuss the Strategic Plan. The meeting will be October 24th starting at 9:30 a.m.

**PROJECT STATUS**

Mr. Peck introduced Mr. Wayne Young, Director of the Environmental Dredging Program.

Mr. Peck informed the Board of a meeting which took place with key individuals at the Aberdeen Proving Ground which was suggested by Mr. Zeni and arranged by Mr. Snee. MES gave a presentation on related services it could provide to Aberdeen. The presentation was well-received.

**FINANCIAL REPORT**

Mr. Howarth reviewed the operating results ending August 31, 1996. Revenue in excess of costs was specifically addressed.

Mr. Howarth handed out copies of the Audit Report to be brought back for review and discussion at next month's meeting. The auditors have been invited to attend October's meeting.

Mr. Howarth addressed revenue questions.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-9  
SEPTEMBER 26, 1996  
PAGE 4**

PERSONNEL

The Board received the Equal Employment Opportunity, Employee Health and Safety, Overtime/Compensatory Time, and Use of Compensatory Leave policies for review and approval at October's meeting.

LEGAL

Mr. Coleman advised the Board he is currently drafting motions to dismiss the claims filed by the 22 plaintiffs living near the Regional Compost Facility. To date, no action has been taken by the Treasurer's Office with regard to the tort claims.

Negotiations have started regarding settlement of the trademark infringement issue.

Mr. Coleman also informed the Board that he is working with MPA's attorneys on the acquisition of Poplar Island.

The Human Relations Commission has interviewed employees regarding a discrimination claim.

GENERAL DISCUSSION

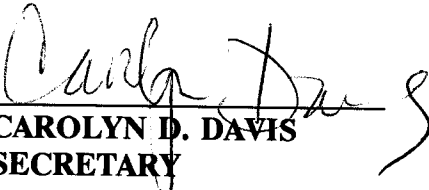
Mr. Peck introduced the staff of Hart-Miller Island to the Board. Inspire Awards were presented to Mr. Eric Winstead and Mr. Terry Cosner.

The scheduling of meetings for November and December will be discussed at the next meeting on October 24, 1996 at MES Headquarters.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-9  
SEPTEMBER 26, 1996  
PAGE 5**

ADJOURNMENT

The business portion of the meeting adjourned at 11:45 a.m. The adjournment was followed by a presentation given by Mr. Wayne Young on the Governor's Dredging Plan and a presentation, followed by tour given by Ms. Vargo of the Hart-Miller Island Dredged Material Containment Facility.

  
CAROLYN D. DAVIS  
SECRETARY

  
JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-10  
October 24, 1996**

**LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland 21401

**TIME:** 9:30 a.m.(Scheduled)  
9:50 a.m.(Convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Carolyn D. Davis  
Kenneth A. Howarth  
Edwin G. Richards  
Lawrence D. Shubnell  
Joseph F. Snee, Jr.  
William B.C. Addison, Jr.  
Daniel F. McMullen

**OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Michael Wojton  
Lee Zeni  
Robert Miller  
Nancy Voorhees Balenske  
Edward Golas  
James Haywood  
Hament Patel  
Robert Munroe  
Patrick Boyce (KPMG)  
Tim Holley (KPMG)

**ANNOUNCEMENT**

Mr. Peck announced that the Governor has approved the appointment of Mr. Kenneth A. Howarth as Treasurer of the Maryland Environmental Service effective October 11, 1996.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-10  
OCTOBER 24, 1996  
PAGE 2**

MINUTES

The Motion to approve the Minutes of the September meeting was made by Mr. Addison and seconded by Mr. McMullen. The Minutes were approved.

AUDIT REPORT

Mr. Howarth introduced members of his staff, Mr. Hament Patel, Controller; Mr. James Haywood, Financial Administrator; and Mr. Edward Golas; Deputy CFO and the auditors, Mr. Patrick Boyce and Mr. Tim Holley. The auditors reviewed the financial statements letter which had been distributed to the Board members at September's meeting. The management letter and audit report on FY96 indirect costs were distributed and discussed. The issue of the Year 2000 and two (2) digit date fields was also discussed.

PROJECT STATUS

Mr. Snee asked if there has been any follow-up from Aberdeen Proving Ground. Mr. Zeni responded there has not been.

First Urban Fiber - Mr. Peck attended the Open House during which MES received favorable verbal recognition for its work at the plant. There have been two unsuccessful attempts with production start-up which have nothing to do with MES's operations.

Grumman-Northrop - MES had been working with the company to operate the water and wastewater treatment plants for two buildings which they are selling. At the request of Baltimore County, MES has stopped negotiations so a three-way agreement can be negotiated between Baltimore County, Grumman, and MES. Certain elements are still being negotiated.

Annapolis Junction - A notice to proceed has been issued by USA Waste for MES to operate the transfer station.

Regional Compost Facility - Mr. Peck gave an overview of the background of the project and the measures taken over the past several months to improve operations at the Facility. A Howard County Councilman has introduced a Resolution (copy distributed) urging the County to close the Facility. A \$22 million lawsuit has been filed by a group of neighboring citizens against MES, the three regional counties, and MDE. The citizens are also asking that the Facility be closed.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-10  
OCTOBER 24, 1996  
PAGE 3**

At 11:00 a.m., upon a motion by Mr. McMullen, seconded by Mr. Snee and approved, the Board voted to go into closed session to discuss the lawsuit with Counsel. Present during the closed session were the Board members, Mr. Coleman, Ms. Schomburg, Mr. Miller, Mr. Wojton, Mr. Munroe, Ms. Voorhees Balenske, Mr. Golas, and Mr. Zeni. Following the discussion, at 11:55 a.m., Mr. Shubnell moved to return to open session, Mr. McMullen seconded, and the motion was approved. After carefully examining the direction being taken by MES management with regards to the Regional Composting Facility, it was the consensus of the Board that the agency continues to act in a responsible and appropriate manner, and that MES should take appropriate action to come to resolve issues regarding the Facility.

**PROCUREMENT**

Mr. Peck reviewed Procurement Items 1-5. Questions were addressed. Mr. Richards made the motion to approve, Mr. Addison seconded, and the Items were approved.

The Board notebook contained the items for Notification.

**RESOLUTIONS**

Mr. Peck introduced Resolution 96-10-2R expressing the Board's intent to purchase equipment and subsequently reimburse MES for these purchases. Mr. Coleman and Mr. Miller addressed the Resolution. Mr. Richards made the motion to adopt the Resolution. The motion was seconded by Mr. McMullen and adopted unanimously by the Board.

Mr. Peck introduced Resolution 96-10-3R to finance the purchase of a wheel loader. Mr. Addison made the motion to adopt the Resolution, Ms. Davis seconded, and the motion was approved.

At 12:03 p.m., the Board, upon a motion by McMullen, seconded by Mr. Snee, voted to go into closed session to discuss the compensation of an official of the Maryland Environmental Service, pursuant to MD. State Government Article 10-508(a). Present during the closed session were the Board members except Mr. Howarth, and Mr. Coleman. At 12:32 p.m., upon a motion of Mr. Addison, seconded by Ms. Davis, the Board voted to return to open session. Upon a motion by Ms. Davis, seconded by Mr. Richards, the Board voted to approve resolution 96-10-1R, establishing the salary of the Treasurer. The vote was 6 aye, 1 nay (Mr. Snee) and 1 not present (Mr. Howarth). The Board expressed its desire to reexamine the salary of the Treasurer in approximately six months.



**BOARD OF DIRECTORS MINUTES  
MEETING 96-10  
OCTOBER 24, 1996  
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**FINANCIAL REPORT**

Mr. Golas reviewed the three months operating results. He specifically addressed component make-up of Revenues in excess of costs. Discussion was held about the Accounts Receivable Aging Report.

**PERSONNEL**

Ms. Schomburg asked for questions regarding the Policies and Procedures for Equal Employment Opportunity, Employee Health and Safety, Overtime/Compensatory Time, and Use of Compensatory Time which were handed out at September's meeting. Mr. Addison made the motion to approve the policies, and Mr. Richards seconded. The motion was approved.

Policies for Processing New Employees, Pre-Employment Medical Examinations, and Jury Duty were submitted for the Board's review and approval at the November meeting.

**INSPIRE AWARDS**

The Board notebook contained the list of recent employees receiving Inspire Awards.

**LEGAL REPORT**

Mr. Coleman reported that the Office of the Attorney General has filed motions to dismiss the claims filed by the 22 plaintiffs living near the Regional Compost Facility.

Regarding the TopGRO trademark infringement litigation, MES is in the discovery process, but negotiations are still ongoing regarding potential settlement.

The Human Relations Commission has dropped its investigation regarding a discrimination claim due to a finding of no probable cause.

Mr. Coleman complimented Mr. Munroe on the excellent job he has been doing working with Mr. Peck and Mr. Wojton on the Grumman-Northrop negotiations.

The Office has been notified of an automobile accident involving an MES employee injury.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-10  
OCTOBER 24, 1996  
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**NEW BUSINESS**

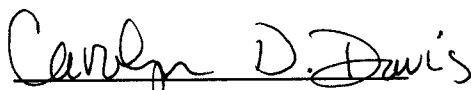
Mr. Richards advised the Board of Caroline's County attempt to get MDE's attention on an issue and receiving no response asked MES to intercede. MES was successful and MDE is going to ask MES to take over a facility in that County.

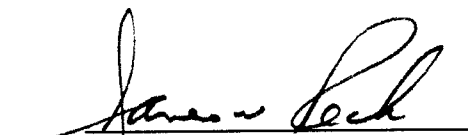
**GENERAL DISCUSSION**

The Board decided on the schedule for the remainder of the year. The November meeting will be held November 21st at 10:00 a.m. and December's meeting on December 13th at 1:00 p.m., preceding the agency Holiday Party. Both meetings will be held at headquarters.

**ADJOURNMENT**

The business portion of the meeting adjourned at 1:08 p.m. Ms. Davis and Mr. McMullen left the meeting. Phil Favaro and Mr. Wayne Rhoades had previously joined the meeting and Ms. Jewel White joined the meeting at this time. The adjournment was followed by the Board of Directors going through the Strategic Plan. Comments and suggestions were made by the members to be incorporated into the Plan. A revised draft will be provided to the Board prior to November's meeting. The agency's Annual Report was also distributed to the Board.

  
**CAROLYN D. DAVIS  
SECRETARY**

  
**JAMES W. PECK  
DIRECTOR**



**BOARD OF DIRECTORS  
MINUTES  
MEETING 96-12  
December 13, 1996**

- LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland 21401
- TIME:** 1:00 p.m.(Scheduled)  
1:28 p.m.(Convened)
- DIRECTORS PRESENT:** James W. Peck, Director  
Kenneth A. Howarth (via conference call)  
Carolyn D. Davis  
Daniel F. McMullen  
Edwin G. Richards (arrived at 1:38 p.m.)  
Joseph F. Snee, Jr. (arrived at 1:45 p.m.)
- DIRECTORS ABSENT:** Lawrence D. Shubnell  
William B.C. Addison, Jr.
- OTHERS PRESENT:** Sean Coleman  
Beth Schomburg  
Lee Zeni  
Robert Miller  
Nancy Voorhees Balenske  
Edward Golas  
Michael Wojton  
Rachel Rios  
Jay Johnson  
Welford L. McLellan  
James Allen  
Rex Bowman  
Kathy Walton

**BOARD OF DIRECTORS MINUTES  
MEETING 96-12  
December 13, 1996  
PAGE 2**

**OPENING REMARKS**

A quorum was not present when the meeting convened. No official business was conducted until a quorum was present.

**INSPIRE AWARDS**

Mr. Peck presented Inspire Awards to Kathy Walton, Jay Johnson, and Rex Bowman. He also introduced James Allen, Chief of the Eastern Correctional Institution Co-Generation Facility.

Gift baskets were presented to the Board members as a token of the agency's appreciation for their dedicated service.

**PROJECT STATUS**

Mr. Peck brought the Board up to date on the following projects:

Anne Arundel County - MES is in the process of delivering a proposal to operate the Fort Meade Water and Wastewater Treatment Facilities.

First Urban Fiber - MES delivered a proposal for expansion of services, which is under preliminary review.

Hart-Miller Island - The dike raising is expected to be completed by January which will mean a substantial cost savings to the Maryland Port Administration.

**QUORUM**

A quorum was present at 1:47 p.m. and official business began.

**MINUTES**

The Motion to approve the Minutes of November's meeting was made by Mr. Snee and seconded by Mr. Richards. The Minutes were approved.

**PROCUREMENT**

Mr. Peck reviewed Procurement Items 1-4. Questions were addressed. Mr. McMullen made the motion to approve, Ms. Davis seconded, and the Items were approved.

**BOARD OF DIRECTORS MINUTES  
MEETING 96-12  
December 13, 1996  
PAGE 3**

The Board notebook contained the items for Notification.

**PERSONNEL**

Ms. Schomburg asked for questions regarding the Policies and Procedures for Hiring Salaries and Shift Differential which were handed out at November's meeting. Mr. Snee made the motion to approve the policies, and Mr. Snee seconded. The motion was approved.

At this time, due to scheduling conflicts, Mr. McMullen and Ms. Davis left the meeting. No further official business took place.

Mr. Peck informed the Board notification was received from the Department of Budget and Management allowing the use of carryover funds for ECI, and for billing on a reimbursement basis.

**FINANCIAL REPORT**

Due to the date of the meeting the operating results were not available. Mr. Golas presented to and reviewed with the Board the Overhead Recovery Comparison.

**PERSONNEL (continued)**

No Policies and Procedures were submitted to the Board for review.

Mr. Peck will be going to Western Maryland to present other Inspire Awards.

Mr. Coleman addressed Mr. Snee's question from last month regarding the employee handbook disclaimer. Language from the handbook and employee contract was handed out.

Mr. Peck advised the Board that the 401(K) alternatives and data have been prepared. He recommended discussion be held next month to allow the other Board members to be present.

Ms. Schomburg announced that the Drug and Alcohol Testing training was begun last week and will continue into January.

**LEGAL**

Mr. Coleman informed the Board that the State's Motion to Dismiss in the Regional Compost Facility lawsuit was denied because the plaintiff's filed an amended complaint the morning of the hearing. New motions will be filed by the parties.

**NEW BUSINESS**

Mr. Peck informed the Board of the following:

**BOARD OF DIRECTORS MINUTES  
MEETING 96-12  
December 13, 1996  
PAGE 4**

MES is working with the United States Agricultural Research Service on forming a partnership to study composting various types of yard waste and agricultural waste.

The Northeast Maryland Waste Disposal Authority is looking at co-marketing all recyclables for Baltimore and Montgomery Counties. They recently received \$75,000.00 for recycling education. The Authority is also putting out an RFP for a regional Materials Recycling Processing Facility.

In June 1997, CRinc. will turn over operation of the Montgomery County Materials Recycling Facility to MES.


**GENERAL DISCUSSION**

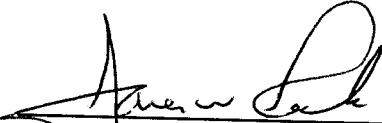
Mr. Peck pointed out to the Board the framed Vision Statement hanging on the wall. A formal process to track the goals and objectives of the Strategic Plan will be set up.

Next month's meeting will be January 30th at 10:00 a.m.

**ADJOURNMENT**

The meeting adjourned at 2:33 p.m.

  
**CAROLYN D. DAVIS**  
**SECRETARY**

  
**JAMES W. PECK**  
**DIRECTOR**