



MARYLAND
ENVIRONMENTAL
SERVICE

Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 97-01
January 30, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland 21401

TIME: 10:00 a.m. (Scheduled)
10:06 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Carolyn Davis, Secretary
Edwin G. Richards
Joseph F. Snee, Jr.
William B.C. Addison, Jr.
Lawrence D. Shubnell

DIRECTORS ABSENT: Daniel F. McMullen

OTHERS PRESENT: Beth Schomburg
Robert Munroe
Lee Zeni
Michael Wojton
Robert Miller
Edward Golas
James Haywood
William Chicca
Susan Merkel

**BOARD OF DIRECTORS MINUTES
MEETING 97-01
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OPENING REMARKS

Mr. Peck introduced and welcomed Catherine Pieper Stevenson. Ms. Stevenson was appointed MES Deputy Director on January 29, 1997.

MINUTES

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

FINANCIAL REPORT

Mr. Golas reviewed the FY 97 Operating Results for the six months ending December 31, 1996, and discussed Overhead Recovery. He noted that the Agency is \$30,700 ahead of last year, as of 12/31/96, and that the annualized Overhead Recovery should be approximately \$40,000 ahead.

Mr. Howarth noted that the cash figures include the \$2 million line of credit for dike raising at HMI. The line of credit has been paid down to \$1.3 million

Mr. Howarth noted that \$3.5 million is due from MPA for dike raising at Hart-Miller Island. Mr. Peck noted that he has had a discussion with the Director of the Port regarding this matter and was advised that they will work to rectify the situation.

Mr. Snee inquired as to how much of the \$3.5 million is current and how much is aged. Mr. Howarth responded that \$1.3 million is 31-60 days past due.

Mr. Snee asked whether MES contract language provides for payment of interest on delinquent accounts. Mr. Howarth replied generally not, although there is provision for interest payment on overdue balances on product accounts and customer accounts at Midshore. Mr. Snee stated that, in effect, MES is providing interest free loans.

Ms. Davis asked what the downside was to charging interest. Mr. Howarth responded that there is no downside. Overdue accounts reduce available working capital.

Mr. Peck noted that MPA is responsible for the line of credit and that they are paying the interest charges.

After some further discussion of the matter it was recommended that MES look into modifying future contract language to provide for interest payment on delinquent accounts.

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Mr. Shubnell inquired as to whether there had been any disputes with customers regarding the overhead rate. Mr. Howarth responded that there have been questions from some customers, i.e., MPA, DOT, MAA. Mr. Peck noted that MPA sent auditors in and that the auditors were impressed with MES procedures. The auditors wrote a letter, which Mr. Peck distributed to the Directors, commending MES. MAA and DOT auditors have also been in to review Agency procedures. No problems or discrepancies have been uncovered. Mr. Peck noted that MES encourages our customers to come in and review our procedures.

Mr. Howarth discussed the favorable variance on fringe for the last six months. He recommended that the Agency reduce fringe for the second half of the year by using the FY 97 alternative absorption percentage of 44.2%.

Mr. Snee inquired if there was any across the board difference between former State employees and Corporate employees. Mr. Howarth responded that fringe is the same for everyone.

Mr. Addison made a Motion to approve the alternative fringe absorption percentage of 44.2% for the second half of FY 97. Mr. Snee seconded the Motion. The Motion was unanimously approved.

Mr. Golas asked the Directors to review the financial presentation and let him know if they had any questions.

Mr. Haywood made a presentation to the Board regarding increasing MES employer contributions for the 401K plan. Mr. Haywood advised that he had investigated parity between State and Corporate retirement plans. MES currently contributes approximately 6% to the State Pension System for employees in the State plan. Therefore, if this proposal is approved it will bring the Corporate 401K plan in line with State Pension system contributions.

Ms. Davis asked if there were any projections as to how many employees will increase their contributions. Mr. Haywood responded that he projects a 25% to 30% increase. Mr. Peck added that we are committed to improving participation by educating employees. Mr. Peck will send employees a memorandum explaining the changes. Mr. Howarth noted that this change will not affect the fringe rates.

A Motion to increase MES contributions to employee 401K accounts up to a maximum of 6%, as further detailed in a memorandum to the Board from Jim Haywood, dated January 22, 1997, was made by Mr. Addison and seconded by Ms. Davis. The Motion was unanimously approved.

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RESOLUTIONS

Resolution 97-01-02R confirms certain Project Reserve Funds, confirms the transfer of funds to those Project Reserve Funds, and authorizes the use of such funds by the Service.

Mr. Peck advised the Board that the State Auditors have finished their audit. They did not have much to say other than the Board needed to provide a mechanism for using reserve funds. This Resolution creates that mechanism.

A Motion to approve the Resolution was made by Mr. Addison and seconded by Ms. Davis. The Resolution was unanimously approved.

Mr. Howarth advised the Board regarding the Bank Account Resolution which authorizes establishment of an account for Grumman-Northrop. Mr. Peck advised the Board that MES will be taking over operation of the Water Supply, Wastewater, and Fire Protection Operations at the Baltimore County site.

A Motion to approve the Resolution was made by Mr. Snee and seconded by Mr. Addison. The Resolution was approved.

Mr. Shubnell excused himself from the meeting at 10:55 a.m.

At 11:00 a.m., Mr. Peck recommended that the Board meet in Closed Session to: 1) discuss the compensation of the Deputy Director as permitted under § 10-508 (a)(1) of the State Government Article; 2) consult with counsel regarding pending litigation pursuant to § 10-508(a)(8) of the State Government Article; and 3) consider the acquisition of real property for a public purpose as permitted under §10-508(a)(3) of the State Government Article. Mr Howarth then made a motion to go into Closed Session, which was seconded by Mr. Addison. The Board members voted unanimously to go into Closed Session. Ms. Stevenson excused herself from the Closed Session.

During the Closed Session, all Board members, except Mr. McMullen, Mr. Shubnell, and Ms. Stevenson, were present, along with counsel, Mr. Munroe. During the Closed Session, the Board discussed the possible acquisition of real property in Talbot County, Maryland, and the salary level of the new Deputy Director. Mr. Munroe also discussed with the Board the status of Moore, et al. v. Maryland Environmental Service, et al. Following the discussion, Mr. Addison moved that the Board go back into Open Session, which motion was seconded by Ms. Davis and approved by all present.

The Board resumed Open Session at 11:25 a.m. Ms. Davis moved for adoption of Board Resolution 97-01-1R with Deputy Director's salary to be set at \$82,000. Mr. Addison seconded the motion, and all Board members voted in favor.

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Mr. Snee excused himself from the meeting at 11:30 a.m.

Mr. Wojton advised the Board that 1st Urban Fiber has asked the Service to have senior staff assigned to the facility and to have MES work schedules correspond with their shifts. MES will be offering a pay incentive in an effort to attract senior staff to the site.

Mr. Peck advised the Board that start-up for the Annapolis Junction Transfer Station is scheduled for next week, provided construction is complete. Approximately 3,000 tons of waste per day will be loaded on rail cars and shipped to King George County. MES has been asked to operate the King George County facility in Virginia. Research is being conducted regarding the feasibility of this out-of-state venture. Mr. Peck advised the Board members that he would keep them apprised of developments.

Mr. Zeni advised the Board that the Beltsville location is being pursued as a possible site for the Regional Composting Facility.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1 through 4. There were no questions. Mr. Richards made a Motion to approve, Mr. Addison seconded, and the Items were approved.

The Board notebook contained the items for notification.

PERSONNEL

Ms. Schomburg presented the Policies and Procedures for Bereavement Leave and Military Leave. These items will be voted on at the next meeting.

INSPIRE AWARDS

The Board notebook contained the list of recent employees recommended for Inspire Awards, and notification that a prior recommendation for award had been rescinded.

Mr. Zeni advised the Board that steps have been taken to eliminate this problem from recurring. Future Inspire Award submittals will be routed to the Program Director for review prior to being considered by the Committee. Extraordinary Service Awards are already routed through the Program Director.

Ms. Schomburg advised the Board that Performance Based Compensation is moving forward. Mr. Peck advised the Board that a "dry-run" has been completed. Ms.

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Schomburg added that the "dry-run" has helped identify problem areas and the need to work on education.

LEGAL REPORT

Mr. Munroe advised the Board that the Office of the Attorney General has successfully negotiated a settlement and General Release in Foble vs. MES.

Mr. Munroe informed the Board that the IRS had issued its final regulations on Tax Exempt Private Activity Bonds, and that these new regulations will have a significant impact on some of MES activities. Mr. Coleman and Mr. Munroe will be attending training sessions. The changes are favorable.

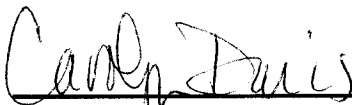
Mr. Munroe also noted that the Attorney General's Office is assisting MES on the revision of the General Conditions to Construction Agreements.

Mr. Peck commended Mr. Munroe for his excellent work on the complex Grumman negotiations.

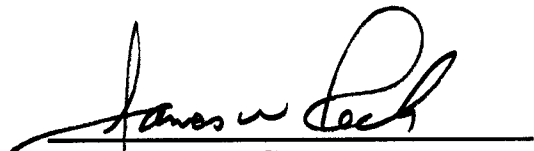
Mr. Peck advised the Board that the Budget Hearings are scheduled for February 18, 1997 in the House and February 25, 1997 in the Senate.

ADJOURNMENT

The meeting adjourned at 11:55 p.m. The next meeting is scheduled for February 27, 1997.



**CAROLYN D. DAVIS
SECRETARY**



**JAMES W. PECK
DIRECTOR**



MARYLAND
ENVIRONMENTAL
SERVICE

Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 97-02
February 27, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland 21401

TIME: 10:00 a.m. (Scheduled)
10:07 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Carolyn Davis, Secretary
Edwin G. Richards
William B.C. Addison, Jr.
Lawrence D. Shubnell
Daniel F. McMullen
Joseph F. Snee, Jr. (arrived at 10:50 a.m.)

OTHERS PRESENT: Beth Schomburg
Nancy Voorhees Balenske
Sean Coleman
Michael Wojton
Robert Miller
Edward Golas

**BOARD OF DIRECTORS MINUTES
MEETING 97-02
FEBRUARY 27, 1997
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MINUTES

A correction was made to the Minutes of the January meeting on page 4, paragraph 8, correcting "Shubnell". The Motion to approve the corrected Minutes was made by Mr. McMullen and seconded by Mr. Addison. The Minutes were approved.

PROJECT REPORT

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

Annapolis Junction - Operations by the Waste Management program have begun.
Baltimore County Commercial Materials Recycling Facility - The baler is being tested.

Town of Myersville - MES has taken over the facility and is correcting problems.
Eastern Correctional Facility CO-Generation Facility - Funding has been changed from contractual to reimbursable which will allow MES to do the capital planning and engineering for the Facility.

Questions were asked about the potential for new business taking over water and wastewater operations when military bases are closed. MES has had meetings with Fort Meade and Aberdeen Proving Ground. Neither meeting has proved fruitful.

Regional Composting Facility - MES has hired a commercial realtor/broker. The backlog of cleanup was completed January 6th. The Facility has been shutdown for the months of February and March as originally scheduled.

First Urban Fiber - Staffing levels have been increased which increased the budget. Discussion was held about the payment of bills from SCBSS.

Bedminster - A meeting was held to discuss co-composting. Bedminster may be entering into a contract with Carroll County and it is looking for a source of sludge.

FINANCIAL REPORT

Mr. Golas reported there is a 35% increase from last year in the Sick Leave Bonus Program. He also reported the 76th person has made a change in their 401K contribution. Mr. Haywood will quantify the changes for next months meeting and will follow up with those individuals who did not make any changes.

Mr. Golas reviewed the FY 97 Operating Results for the seven months ending January 31, 1997. Questions were addressed.

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MEETING 97-02
FEBRUARY 27, 1997
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RESOLUTIONS

Mr. Peck introduced Resolutions 97-02-1R and 97-02-2R to procure equipment, assign the equipment to the Project Reserve Fund, and borrow moneys to finance the equipment. Mr. Richards made the Motion to approve the Resolutions, Mr. Addison seconded, and the Motions were approved.

PROCUREMENT

Mr. Peck reviewed Procurement Item 1. Questions were addressed. Mr. Addison made a Motion to approve, Mr. Richards seconded, and the Item was approved.

The Board notebook contained the items for notification.

PERSONNEL

Ms. Schomburg briefly reviewed the Policies and Procedures for Bereavement Leave and Military Leave presented at January's meeting. Mr. Addison made the Motion to approve the policies, Mr. McMullen seconded, and the policies were approved.

Ms. Schomburg presented the Policies and Procedures for Personal Leave and the Discipline Procedure. Discussion was held. Mr. Snee suggested notification language be added as required by State law and provisions for expunging certain information from the employees file. These policies will be voted on at next months meeting.

Ms. Schomburg advised the Board that drug and alcohol testing has begun. She also advised the Board that the agency is getting closer to finalizing the Performance Based Compensation Policy and will be presenting it to the Board. She also told the Board an RFP has been drafted to hire a consultant to research health benefits for corporate retirees. Mr. Richards informed the Board that Caroline County was able to negotiate with Blue Cross Blue Shield for these benefits and that MES should explore that possibility.

INSPIRE AWARDS

The Board notebook contained the list of recent employees recommended and approved for Inspire Awards.

LEGAL REPORT

Mr. Coleman advised the Board of the status of the Regional Compost Facility hearings. The zoning case was held open by the Board of Appeals to allow the parties to file post-hearing memoranda. The hearing for the Motion to Dismiss is next week. The Tort Claims issue has not been acted upon by the State Treasurer's Office to date.

A real estate agent has been hired to negotiate the transfer and sale of property MES wants to acquire for the Midshore Landfill. This property will be used to excavate cover for the landfill which will significantly reduce costs of procuring the material from a vendor.

Mr. Coleman has completed review of the Montgomery County Agreement to operate the Materials Recycling Facility.

Mr. Coleman is working with Water and Wastewater on Service Districts. A meeting is being held with Lake Linganore in Frederick County.

GENERAL DISCUSSION

Mr. Peck informed the Board of the status of the MidShore Project. The major hauler at the landfill, Waste Management, is considering moving the waste collected by their haulers to their own facility in Pennsylvania. This will significantly affect revenues at the landfill. Mr. Peck has met with the County Administrators and MES is looking at other options, developing alternatives, and timetables.

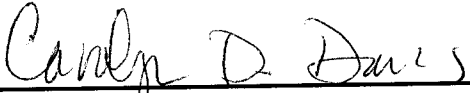
NEW BUSINESS

Questions were addressed regarding bills in the General Assembly to repeal/modify the tire fee. At the recent budget hearing, Mr. Peck addressed that issue and MDE's deletion of funding for the Used Oil Recycling Program. The committee told MDE to come back to the committee with plans and to work with MES to spend the tire fee money. Ms. Stevenson is meeting with MDE to discuss the Used Oil Recycling Program. A memorandum prepared by Ms. Stevenson to MDE summarizing the Program was handed out to the Board. MDE will be asked to restore the funding it unilaterally cut.

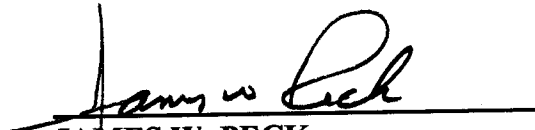
Copies of the latest employee newsletter were distributed.

The meeting adjourned at 12:00 p.m.

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MEETING 97-02
FEBRUARY 27, 1997
PAGE 5**



**CAROLYN D. DAVIS
SECRETARY**



**JAMES W. PECK
DIRECTOR**

97-02.BOD



**MARYLAND
ENVIRONMENTAL
SERVICE**

Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 97-03
March 27, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland 21401

TIME: 10:00 a.m. (Scheduled)
10:05 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Carolyn Davis, Secretary
Edwin G. Richards
William B.C. Addison, Jr. (left at 11:06 a.m.)
Lawrence D. Shubnell
Joseph F. Snee, Jr.
Daniel F. McMullen (arrived at 10:47 a.m.)

OTHERS PRESENT: Beth Schomburg
Nancy Voorhees Balenske
Sean Coleman
Michael Wojton
Robert Miller
Edward Golas
Lee Zeni
Jewel White

**BOARD OF DIRECTORS MINUTES
MEETING 97-03
MARCH 27, 1997
PAGE 2**

MINUTES

The Motion to approve the Minutes was made by Mr. Howarth and seconded by Mr. Addison. The Minutes were approved.

INSPIRE AWARD

Mr. Peck presented an Inspire Award for extraordinary service to Mr. Jim Ruggiero for services related to the Cambridge Wastewater Treatment Plant.

PERFORMANCE-BASED COMPENSATION GUIDELINES

Mr. Peck reviewed the basic elements of the performance-based compensation program with charts and handouts. He will be briefing all the employees over the next few weeks.

Questions were addressed and discussion was held. The establishment of a discretionary fund or the use of undesignated funds was discussed. These funds would give the Director flexibility to allocate additional funds to an appraisal group or individual as warranted or justified. Discussion was also held about the possibility of an increase in grievances or EEO complaints. Another concern was if pay scales are not annually adjusted the salaries will not keep pace with the economy which will upset the pay equity. Ms. Schomburg handed out the base salary structure which will be reviewed annually for pay equity. Mr. Richards voiced concern with regard to rating as an appraisal group and the ability of an employee to advance within a certain period of time.

Ms. Davis commended MES on the good job done putting the Guidelines together.

Mr. Peck informed the Board of a revision to the guidelines. On page 5, paragraph 3., first sentence, delete "...during the period of July 1 through December 31"....

Mr. Richards made the motion to approve the Performance-Based Compensation Guidelines as presented with the addition of a discretionary fund for the Director's use and the correction. Ms. Davis seconded. The motion was approved.

PROJECT REPORT

Baltimore County Commercial Materials Recycling Facility - The dedication ceremony was held with Mr. Peck as Master of Ceremonies. Discussion was held regarding the recycling markets.

Regional Composting Facility - Transfer station operations will begin April 1st.

MidShore Landfill - Waste Management has advised MES that they will stop hauling to the landfill if the tipping fee remains the same, but if the tipping fee is lowered it will haul a percentage of waste to the landfill. A meeting was held March 26th with the

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County Administrators to review the various options . The County Administrators decided a meeting with the counties elected officials needs to be scheduled to review the options and come to a decision. Mr. Richards expressed his appreciation of the value of the partnership with MES in this type of situation. Mr. Peck informed the Board that due to increased revenues and decreased expenditures there is a surplus this fiscal year. Mr. Shubnell recommended restructuring the debt and looking into a variable rate payment.

CSX/Cox Creek - A proposal has been submitted to MPA for MES operation of this dredged material containment facility.

MES has also expressed an interest to MPA to construct and operate the Poplar Island Restoration Project.

FINANCIAL REPORT

Mr. Golas advised the Board the 401K update will be given next month.

Mr. Golas reviewed the FY 97 Operating Results for the eight months ending February 28, 1997. He highlighted the fringe rate, project variance, land & structures, accounts receivable, restricted retained earnings, and the equipment fund. Questions were addressed. A full balance sheet and program development analysis will be given to the Board at April's meeting.

RESOLUTION

Mr. Peck introduced Resolution 97-03-1R to procure equipment, assign the equipment to the Project Reserve Fund, and borrow moneys to finance the equipment. Mr. Snee made the Motion to approve the Resolution, Mr. McMullen seconded, and the Motion was approved.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1 - 6. Mr. Coleman noted a correction to Item 2. The Procurement Method is "Request For Proposals". Mr. Howarth made the Motion to approve, Mr. Richards seconded, and the Items were approved.

The Board notebook contained the items for notification.

PERSONNEL

Mr. Richards made the Motion to approve the Policies and Procedures for Personal Leave and the Discipline Procedure presented at February's meeting. Mr. McMullen seconded the motion, and the policies were approved.

**BOARD OF DIRECTORS MINUTES
MEETING 97-03
MARCH 27, 1997
PAGE 4**

Ms. Schomburg presented the Policy and Procedure for Advance Sick Leave for review and approval at April's meeting.

ADDITIONAL INSPIRE AWARDS

The Board notebook contained the list of recent employees recommended and approved for Inspire Awards.

LEGAL REPORT

Mr. Coleman advised the Board of the status of the Regional Compost Facility hearings. The judge denied MES's motion to dismiss the "takings" claim; however the judge did dismiss the individual defendants and counties. The plaintiffs have thirty days to amend; however MES is discussing this with the plaintiffs attorneys. Howard County's Board of Appeals dismissed the zoning case. The plaintiffs have still not responded to the State Treasurer's Office requests for information.


Mr. Coleman reminded the members that their disclosure forms are due April 30, 1997.

GENERAL DISCUSSION

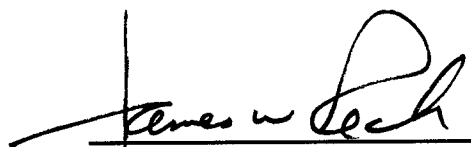
A schedule of meetings for the remainder of the year was handed out. Mr. Peck asked the Board members to let MES know if they need reservations at the Coconut Malorie for Wednesday and or Thursday during MACO. Also, if the members have any suggestions regarding project sites for meetings. The July meeting may be held at the Montgomery County Materials Recycling Facility. Consideration should also be given to hosting the Delaware Solid Waste Authority.

Ms. Stevenson handed out an information sheet which outlines the agency's experience with providing hazardous waste facility site operations.

The meeting adjourned at 12:33 p.m.



CAROLYN D. DAVIS
SECRETARY



JAMES W. PECK
DIRECTOR



**MARYLAND
ENVIRONMENTAL
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Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 97-04
April 24, 1997**

- LOCATION:** 2011 Commerce Park Drive
Annapolis, Maryland 21401
- TIME:** 10:00 a.m. (Scheduled)
10:07 a.m. (Convened)
- DIRECTORS PRESENT:** James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Edwin G. Richards
William B.C. Addison, Jr.
Lawrence D. Shubnell
- DIRECTORS ABSENT:** Carolyn D. Davis
Daniel F. McMullen
Joseph F. Snee
- OTHERS PRESENT:** Beth Wojton
Nancy Voorhees Balenske
Sean Coleman
Michael Wojton
Robert Miller
Edward Golas
Lee Zeni
Charlie Simms
Mac McLellan (attended a portion of the meeting)
Greg Africa (attended a portion of the meeting)

OPENING REMARKS

Mr. Peck wished the very best to Mike and Beth Wojton on their new partnership. The Board members echoed his congratulations. He also announced MES is participating today in "Take Your Child to Work Day". Mr. Charlie Simms, Chief of Materials Recovery & Waste Transfer Division was introduced to the Board.

INSPIRE AWARD PRESENTATION

Mr. Peck presented an Inspire Award for extraordinary service to Mr. Donald Ridgely, Sr. for services related to the repair of a pump station at a Department of Corrections facility.

MINUTES

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

PROJECT REPORT

MidShore Landfill - The Commissioners decided to maintain the current tipping fees, reconfigure the landfill, and scale back operations. Construction will not begin on Cell 3, but MES will move ahead with some design work on Cell 2A. Tonnage is down about 20%. MES will refinance the 1994 debt and incur new debt for Cell 2A. There is also an option to purchase land to use as soil cover which will further reduce the cost of operations.

First Urban Fiber - The company has cut back on their operations and as a result MES has reduced staff by 50%. However, MES employees have been placed at other facilities.

Regional Compost Facility - Transfer Station operations began April 1st. The operation is currently running at a deficit due to reduced tonnage's. MES is notifying the Counties to expect a pass-through of these costs and it is to their benefit to increase the tonnage to the Facility. Mr. Shubnell suggested we look at Project Reserves for unplanned deficiencies.

BWI - Nearby citizens hired a consultant to study stream water quality and runoff. The consultant's report contained many erroneous facts and misrepresentations. MES has drafted a detailed response to factually refute the report. MES is working with MAA on the draft response. EPA will probably evaluate.

FINANCIAL REPORT

Mr. Golas reported 122 participants made 401K changes; 15% of those individuals had not previously participated.

**BOARD OF DIRECTORS MINUTES
MEETING 97-04
APRIL 24, 1997
PAGE 3**

Mr. Golas reviewed the FY 97 Operating Results for the nine months ending March 31, 1997. He reviewed the revenues accounts receivable, income statement, retained earnings, equipment fund, and the balance sheet. Questions were addressed.

Three proposals were received for the audit. The term of the contract will be three years. Oral presentations are scheduled for May 1st.

RESOLUTIONS

Mr. Peck introduced Resolution 97-04-1R to use program development funds for reimbursing the cost of preparing and submitting proposals. Mr. Peck informed the Board of a revision. The line item for USA Waste in the attachment is increased to \$14,000 and the total amount of reimbursement is increased from \$67,000 to \$70,000. Questions were addressed and discussion was held regarding the history of Program Development Funds and the appropriateness of using overhead to prepare proposals. Mr. Golas will draft a new policy for the use of Program Development Funds which is more restrictive and defined. Mr. Shubnell made the motion to approve the Resolution with the caveat that MES review the proper allocation of overhead to fund proposals instead of using Program Development Funds. Mr. Addison seconded. The motion was approved.

Mr. Peck introduced Resolution 97-04-2R to reallocate the unexpended balance of Program Development Funds for other Program Development purposes. Mr. Schubnell made the motion to approve Resolution 97-04-2R. Mr. Addison seconded and the motion was approved.

MES received a letter from Forest and Parks requesting MES's sponsorship of the trash bags for 1997. Mr. Shubnell made the motion to approve \$12,000 for the trash bags with a reminder it was supposed to be a one time funding. Mr. Richards seconded. The motion was approved.

Mr. Peck introduced Resolution 97-04-3R to purchase a fiber line system for the Baltimore County Resource Recovery Facility and reimburse MES from the proceeds of the bonds. Mr. Simms provided an overview of the blue bag program and the market for newsprint. Mr. Addison made the motion to approve the Resolution, Mr. Shubnell seconded, and the motion was approved.

PROCUREMENT

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

The Board notebook contained the items for notification.

PERSONNEL

Mr. Addison made the Motion to approve the Policies and Procedures for Advanced Sick Leave presented at March's meeting. Mr. Richards seconded the motion, and the policy was approved.

Mr. Peck presented an amendment to the Performance Based Compensation Guidelines. Twenty-four meetings were held with employees around the State and the one question which continued to be raised was the treatment of employees promoted during the first half of the year compared to the second half and their eligibility for performance-based compensation. The decision was made to treat these employees equally. Mr. Peck requested paragraph 4. of Section IV. C. be deleted. Mr. Richards made the motion to delete paragraph 4. of Section IV. C. of the Performance Based Compensation Guidelines. Mr. Shubnell seconded. The motion was approved.

Ms. Wojton presented the Policy and Procedure for Change in Job Status and Promotional Increases. These policies will be voted on at May's meeting.

There were no Inspire Awards approved for this month.

LEGAL REPORT

Mr. Coleman reminded the members that their disclosure forms are due April 30, 1997.

There has been no change in the Regional Composting Facility suit.

EXECUTIVE SESSION

Upon a motion by Mr. Addison, seconded by Mr. Richards and approved by all, the Board voted to go into executive sessions. Present during the executive session were the Board members and Mr. Coleman, Mr. Miller, Mr. Wojton, Mr. Zeni, Mr. Golas, and Ms. Wojton.


During the session, the Board consulted with staff and counsel regarding a land acquisition matter, and pending and threatened litigation. Mr. Shubnell left the meeting at 12:10 p.m. The Board took no official action during the session.

At 12:12 p.m. upon motion of Mr. Addison, seconded by Mr. Richards, the Board voted to go out of executive session.

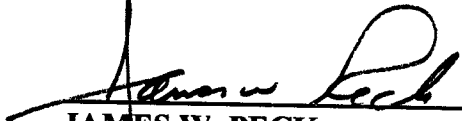
GENERAL DISCUSSION

Mr. Howarth distributed a report analyzing use of sick leave during the three previous fiscal years. Since the agency began its sick leave reimbursement program the overall use of sick leave has decreased.

The meeting adjourned at 12:14 p.m.



CAROLYN D. DAVIS
SECRETARY



JAMES W. PECK
DIRECTOR



MARYLAND
ENVIRONMENTAL
SERVICE

**BOARD OF DIRECTORS
MINUTES
MEETING 97-05
May 29, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland 21401

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

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Edwin G. Richards
William B.C. Addison, Jr.
Lawrence D. Shubnell
Carolyn D. Davis
Daniel F. McMullen (departed 11:00 a.m.)
Joseph F. Snee, Jr. (arrived at 10:32 a.m.)

OTHERS PRESENT: Beth Wojton
Nancy Voorhees Balenske
Sean Coleman
Michael Wojton
Robert Miller

MINUTES

The Motion to approve the Minutes was made by Mr. McMullen and seconded by Mr. Addison. The Minutes were approved. (Note: Mr. Snee advised the Board at the end of the meeting of a correction to the Minutes. His name was missing as being absent for April's meeting due to being ill.) The Minutes were corrected.

BOARD OF DIRECTORS MINUTES
MEETING 97-05
MAY 29, 1997
PAGE 2

PROJECT STATUS

First Urban Fiber - The plant closed. The company hopes to re-open in the Fall and requested from MES a re-activation plan. One MES employee remains at the facility. Other employees were given the opportunity to relocate. A letter will be sent to SBCCS regarding the outstanding bill.

Regional Compost Facility - MES is still looking for alternative sites for a compost facility. We are working with the United States Department of Agriculture at Beltsville on a proposed joint project to develop other compost mixes.

Darlington - Moving forward with the creation of a Service District.

Annapolis Junction - The rail span is under construction and is expected to be complete by mid-August. Loading and hauling by trucks to Virginia began in February. Under consideration is the backhaul of aggregate.

Site 104 - Necessary studies are underway for target use in Fall 1998.

Somerset Co. Landfill - Construction has restarted.

MidShore Regional Landfill - Waste Management has started to remove tonnage. MES met with MDE and a public hearing is not required for the modifications to the design of the next cell.

FINANCIAL REPORT

Mr. Howarth reviewed the FY 97 Operating Results for the ten months ending April 30, 1997. He reviewed the earned revenues, cash balance, receivables, profit and loss statement, capital project spending, summary of retained earnings, and the equipment fund. Questions were addressed.

Business, Research and Development Fund - Mr. Peck outlined the mechanism currently used for funding and using the BR&D Fund. After discussion, it was agreed that BR&D expenses would be included as a component in overhead beginning in FY 1998. The Board could still restrict an appropriate portion of retained earnings for this purpose. A resolution will be presented at June's meeting to formalize this decision. Mr. Snee expressed his desire that the interest issue be resolved with MPA.

Mr. Howarth handed out a summary of leave taken during the past three (3) fiscal years. Mr. Peck suggested the Board grant an additional day of leave due to the employees decreased use of leave. He suggested the day be the Friday after Thanksgiving or Christmas, or the employee's birthday. This day would be granted during fiscal year 1998 subject to supervisory approval. The employees will be informed that the reduction in leave use enhances productivity. The Board expressed the actual day granted can be management's decision and the Board approved the additional day of paid leave.

**BOARD OF DIRECTORS MINUTES
MEETING 97-05
MAY 29, 1997
PAGE 3**

Mr. Howarth reported three (3) responses were received for the audit request for proposals. An evaluation team reviewed the proposals. KPMG Marwick has been awarded the three (3) year contract.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1 and 2. Mr. Richards made the motion to approve, Mr. Addison seconded, and the Items were approved. Ms. Stevenson was not present during the vote.

The Board notebook contained the items for notification.

RESOLUTIONS

Mr. Howarth introduced Resolution 97-05-1R to procure equipment, assign the equipment to the Project Reserve Fund, and borrow moneys to finance the equipment. Mr. Addison made the motion to approve the Resolution, Mr. Snee seconded. The motion was approved. Ms. Stevenson was not present during the vote.

PERSONNEL

Mr. Snee made the Motion to approve the Policies and Procedures for Change in Job Status and Promotional Increases presented at April's meeting. Ms. Davis seconded the motion, and the policies were approved.

Ms. Wojton presented the Policies and Procedure for Relocation Expenses and Probationary Period. Mr. Peck advised the Board that these policies will be revised and if the members have any additional revisions to contact Ms. Wojton. The revised policies will be mailed prior to next months meeting. These policies will be voted on at June's meeting.

The approved Inspire Awards are included in the Board's notebook.

Ms. Wojton informed the Board of the status of the agency's review of providing health care benefits for corporate retirees. A Request for Proposal was sent out for a consultant to assist MES. As a result of discussions with the consultants, the scope of work has been revised.

LEGAL REPORT

Mr. Coleman advised the members of two separate suits filed in Circuit Court regarding Poplar Island. The one suit is a condemnation process filed by MPA for title of the Island. Outside counsel has been retained to represent MES in the condemnation

**BOARD OF DIRECTORS MINUTES
MEETING 97-05
MAY 29, 1997
PAGE 4**

process. Mr. Peck gave a background on Poplar Island and the acquisition by quit-claim deed of the Island. The second action is by Poplar Island Inc. alleging the agreement between MES and Poplar Island Inc. is not valid. The case has been filed, but to date MES has not been served.

The Regional Composting Facility suit is still active. An amended complaint was filed by the Plaintiffs two weeks ago. A nearby property owner has filed an appeal of the dismissal of the zoning case by the Howard County Board of Appeals. An offer has been received for the property with unacceptable contingencies. A counteroffer is being made. Questions were addressed.

Baltimore County has asked MES to draft a new contract which will reflect all the services currently being provided.


MES is cooperating with the Maryland Port Police at Hart-Miller Island. A contractor believes electrical cable has been stolen from the Island.

GENERAL DISCUSSION

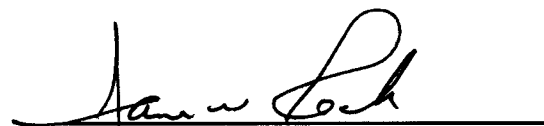
Mr. Peck asked the Board members to finalize their MACO plans so that final reservations can be made. The Board meeting during MACO will be held August 14th. The next Board meeting is June 26th. The September or October meeting may be held at the Montgomery County Materials Recycling Facility.

The deadline for performance-based pay recommendations is May 30, 1997. Payment decisions will be made the following week. The Board will receive a report next month.

The meeting adjourned at 11:39 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 97-06
June 26, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland 21401

TIME: 10:00 a.m. (Scheduled)
10:04 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Carolyn D. Davis, Secretary
Kenneth A. Howarth, Treasurer
Edwin G. Richards
William B.C. Addison, Jr.
Lawrence D. Shubnell
Daniel F. McMullen (arrived at 10:20 a.m.)

DIRECTORS ABSENT: Joseph Snee

OTHERS PRESENT: Beth Wojton
Nancy Voorhees Balenske
Sean Coleman
Michael Wojton
Robert Miller
Lee Zeni
Ed Golas

OPENING REMARKS

Mr. Peck advised the Board would be going into Executive Session after the Performance Based Compensation Report to discuss employee compensation and litigation.

**BOARD OF DIRECTORS MINUTES
MEETING 97-06
JUNE 26, 1997
PAGE 2**

MINUTES

The Motion to approve the Minutes was made by Mr. Shubnell after receiving clarification on the Business, Research, & Development Fund. The motion was seconded by Mr. Addison. The Minutes were approved.

PROJECT STATUS

Mr. Peck informed the Board of the major item under Project Status which is taking over operation of the Materials Recycling Facility at Montgomery County on July 13th.

MES has been approached by the City of Havre de Grace to takeover operations of their facilities.

The contract to install the paper fiber line at Baltimore County Resource Recovery Facility has been awarded.. The County did not renew its contract with the Owl Corporation to handle the County's recycled paper. Owl has filed suit against the County claiming breach of contract.

Charles County is interested in pursuing a regional recycling facility on surplus land.

Mr. Shubnell asked about the status of Rocky Gap. Mr. Wojton reported there are three parts to the improvements; the work on the force mains has been completed and the water treatment facility is being remodeled.

The hauling of yard waste from the Regional Compost Facility to Western Branch is working well.

Mr. Addison advised the Board of the Chesapeake Bay Foundation's interest in sustainable agriculture using compost. Mr. Peck said MES is interested in a compost demonstration project . Mr. Addison will convey that to the Foundation.

The proposal for a compost research project at Beltsville is moving forward.

MES is looking at a new piece of composting equipment called a star screener which screens wet material and produces different grades of compost material.

MES is developing a new product called, "Horsepower", which is composted manure.

**BOARD OF DIRECTORS MINUTES
MEETING 97-06
JUNE 26, 1997
PAGE 3**

FINANCIAL REPORT

Mr. Golas reviewed the FY 97 Operating Results for the eleven months ending May 31, 1997. He reviewed the earned revenues, overhead recovery, cash balance, receivables, retained earnings analysis, and the equipment fund. Questions were addressed.

Mr. Howarth reviewed Resolution 97-06-1R which amends and rescinds previous resolutions, establishes a rate to be charged for operating capital, and modifies the indirect cost recovery. The Customer will only see an overhead charge. Questions were addressed. Mr. McMullen made the motion to approve the Resolution, Ms. Stevenson seconded, and the motion was approved.

Mr. Howarth handed out the signature authorizations for the Federal Reserve Bank to be signed by members of the Board of Directors.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1 through 9. Questions were addressed. Mr. McMullen made the motion to approve, Mr. Addison seconded, and the Items were approved. Mr. Richards was not present during the vote.

The Board notebook contained the items for notification.

PERSONNEL

Mr. Addison made the Motion to approve the Policies and Procedures for Relocation Expenses and Probationary Period presented at May's meeting. Ms. Davis seconded the motion, and the policies were approved. Mr. Richards was not present during the vote.

Ms. Wojton presented the Policies and Procedure for Personnel Files and Reductions in Force. These policies will be voted on at July's meeting.

Mr. Peck gave a brief update on the Performance Based Compensation Results. A summary sheet was given to the Board. The suggestion was made to document the entire process and publish it. Ms. Davis suggested it be submitted to the University of Maryland, Public Affairs office.

EXECUTIVE SESSION

At approximately 11:20 a.m. Mr. Peck distributed a Statement of Reasons for Meeting in Closed Session (see attached Notice, which includes the reasons and authority for meeting in closed session). Mr. Addison moved to go into closed session; Mr. McMullen seconded and

BOARD OF DIRECTORS MINUTES
MEETING 97-06
JUNE 26, 1997
PAGE 4

the motion was unanimously approved. During the closed session the Board discussed pending litigation with counsel. The Board also discussed the compensation of certain employees and officials of the Service. Present during the closed session were the Board members and Mr. Coleman, except that Mr. Howarth was not present during the discussion of compensation. The Board did not take official action during the closed session. Following the discussion Mr. Addison moved to go into open session; Mr. McMullen seconded and the motion was unanimously approved.

OPEN SESSION

After returning to open session Mr. McMullen moved to establish the salary of the Treasurer to be \$78,250 per year, effective the first full pay period in July, 1997. Ms. Davis seconded the motion, and it was unanimously approved. Mr. Howarth was not present and did not vote on the motion.

NEW BUSINESS


Mr. Peck queried the Board as to their interest in participating in a two-day retreat to discuss various issues. Mr. Shubnell advised that he has "heard on the street" that there may be an organized effort to challenge the Service's activities that "compete with the private sector". He suggested that the retreat could be devoted to the Board focusing on this issue and determining whether or not there is a problem. He further stated that the Board may want to invite individuals who are interested in this topic to address the Board. There was general consensus that the Board should focus on this issue at the retreat.

Ms. Stevenson suggested that the retreat could also focus on the status of implementation of the MES Strategic Plan.


Mr. Addison suggested an evening dinner meeting with an all day business meeting the following day. The Board agreed to this approach for the September meeting. Ms. Wojton will investigate possible locations.

Mr. Peck announced that the next meeting will be July 24, 1997.

At 12:45 p.m. Mr. McMullen moved to adjourn; Mr. Addison seconded and the motion was unanimously approved.



CAROLYN D. DAVIS
SECRETARY



JAMES W. PECK
DIRECTOR



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 97-07
July 24, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland 21401

TIME: 10:00 a.m. (Scheduled)
10:05 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Edwin G. Richards
William B.C. Addison, Jr.
Lawrence D. Shubnell
Daniel F. McMullen (arrived at 10:10 a.m.)

DIRECTORS ABSENT: Carolyn D. Davis, Secretary
Joseph Snee

OTHERS PRESENT: Beth Wojton
Sean Coleman
Michael Wojton
Robert Miller
Lee Zeni
Ed Golas
James Haywood
Susan Merkel

OPENING REMARKS

Mr. Peck called the meeting to order at 10:05 a.m. Mr. Peck began the meeting by presenting two Inspire Awards for Extraordinary Service to Tait Saderholm and Linda Mitchell of Marketing. In October, 1996, Marketing was asked to double the Leafgro® market to accommodate an increase in output of the product. Mr. Saderholm devised a strategy to expand the current market and develop new markets for the product. Ms. Mitchell provided the support services for this endeavor by processing double the volume of orders and paperwork. These efforts have resulted in a 91% increase in Leafgro® sales for FY 97. Mr. Peck congratulated both employees for a job well done.

**BOARD OF DIRECTORS MINUTES
MEETING 97-07
JULY 24, 1997
PAGE 2**

MINUTES

The motion to approve the Minutes was made by Mr. Shubnell and was seconded by Mr. Addison. The Minutes were approved.

PROJECT STATUS

Mr. Peck updated the Board on the Creative Environmental Solutions, Inc. dredged material placement project in Kent County. MES provided the firm with an engineering and environmental feasibility study for the project. The project would provide for placement of 2.5 million cubic yards of clean dredged material per year for 5 to 10 years on two farms in Tolchester Beach. No contaminated dredged material would be placed on the sites. There was discussion of the benefits of the project, community opposition and what the extent of MES involvement should be. Mr. Shubnell and Mr. Richards expressed concern about MES being perceived as an advocate for the project. Mr. Peck advised the Board that MES provided engineering services only and is not an advocate for or against the project.

Mr. Peck advised the Board that MES took over operation of the Montgomery County Materials Recycling Facility on July 14th. After a few transitional problems, operations are proceeding fairly smoothly.

Mr. Shubnell inquired whether the Dorchester County project listed under Accepted Proposals had anything to do with the proposed Hyatt Hotel. Mr. Wojton replied negatively.

Mr. Peck informed the Board that the Agency has received an offer to purchase the Regional Composting Facility site. Negotiations with the potential buyer are ongoing. Mr. Coleman advised that if these negotiations are successful the Board will be presented with proposed amendment to the outstanding RCF documents.

Mr. Richards informed the Board that Aberdeen has been selected as an "All American City" and suggested that a letter of congratulations be sent.

FINANCIAL REPORT

Mr. Howarth advised the Board that the audit is scheduled to begin on August 4th and will be discussed further at the next meeting. He reviewed the FY 97 fringe rate, overhead rates, billable overhead vs. overhead labor costs, and investment activity. Questions were addressed.

Mr. Haywood discussed the status of bond proceeds, fund balances and earnings for Midshore Regional Landfill, Eastern Correctional Institution, Cecil County, Garrett

**BOARD OF DIRECTORS MINUTES
MEETING 97-07
JULY 24, 1997
PAGE 3**

County Landfill, and the Regional Composting Facility. Mr. Golas and Mr. Haywood responded to questions.

Mr. Howarth reviewed the last page of the Financial Report, Mr. Peck's June 24th memo to the Board proposing FY 98 billing rates. Mr. Howarth asked the Board for approval of the overhead and recovery rate.

Mr. Shubnell made a motion for Approval of the rates. The motion was seconded by Mr. Richards and unanimously approved.

PROCUREMENT

Mr. Peck reviewed the single item, Procurement Item 1. Questions were addressed. Mr. McMullen made the motion to approve, Mr. Howarth seconded, and the Item was unanimously approved.

The Board notebook contained the items for notification. Questions were addressed.

PERSONNEL

Ms. Wojton presented the Policies and Procedures for Personnel Files and Reductions in Force for approval. These policies were presented for review at the June meeting.

Ms. Wojton presented the Policies and Procedures for Reassignments, Lateral Transfers, Abandonment of Employment and Salary Structure for review. These policies will be voted on at the August meeting.

Mr. Richards requested that the masculine pronoun be removed from Reductions in Force, item III.B.

There was extensive discussion regarding whether "seniority" should be given consideration in Reductions in Force, Item III.B. There was also discussion regarding whether preference should be given to former employees on the Call Back list over other applicants for available positions.

The Reductions in Force item was removed from approval consideration and will be rewritten and resubmitted at a later date.

Mr. Richards made a motion to approve Policies and Procedures for Personnel Files. Ms. Stevenson seconded and the motion was approved. Mr McMullen was not present in the room at the time of the vote.

BOARD OF DIRECTORS MINUTES
MEETING 97-07
JULY 24, 1997
PAGE 4

LEGAL

Mr. Coleman provided the Board with an update of current legal matters, including the following:

- ◆ Poplar Island - MES has still not been served.
- ◆ Regional Composting Facility - litigation still pending.
- ◆ Representing the Agency in lease negotiations with owners of the HMI landbase.
- ◆ Nicholson Road Landfill - contractor is filing suit claiming additional compensation is due.
- ◆ Bob Munroe, Charlie Simms, and Sue McCauley met with representatives from OSHA regarding operations at BCRRF.
- ◆ First Urban Fiber - investigating possible collection action being undertaken.

NEW BUSINESS

Mr. McMullen left the meeting at 12:05 p.m.

Mr. Peck advised the Board that MES received a plaque from the Eastern Shore Contractors Association recognizing the Agency's MBE efforts.

Mr. Peck discussed the issue of MES competition with the private sector. He advised of three recent occurrences which may contribute to this controversy. First, Baltimore County decided not to renew their recycled paper contract with Owl Corporation and requested that MES accept paper at BCRRF. The County was paying Owl \$30/ton to take the paper. Under the new contract, paper will be delivered to BCRRF and then picked up by Waste Management, who will be paying the County \$30/ton. BCRRF essentially will be acting as a transfer station.

Second, Montgomery County did not renew its contract with CRINC and asked MES to take over operation of the Material Recycling Facility.

Third, Baltimore County has offered to permit Harford County to bring recycling to BCRRF at no charge. Harford County currently has a contract with BFI to take its recycling to Elkridge.

Mr. Peck advised the Board that MES did not lobby for any of these contracts. The counties involved were dissatisfied with their current contracts and looking for better deals. In addition, he notified the Board that the private sector held a meeting to discuss MES' "competition" with the private sector. Mr. Peck offered to meet with them to

**BOARD OF DIRECTORS MINUTES
MEETING 97-07
JULY 24, 1997
PAGE 5**

discuss these issues; however received no response. Mr. Peck wrote a letter to the Deputy Chief of Staff in the Governor's Office briefing her on this situation. Copies of the letter were distributed to Board members.

Mr. Shubnell inquired about a Northeast Authority conflict of interest issue. There was lengthy discussion of this issue. Board members agreed to further discussion at the retreat.


Mr. Peck advised the Board of a tentative date for the retreat of September 24th and 25th. Ms. Wojton investigated several locations for the retreat. Board members selected Antrim, in Taneytown.

Mr. Peck showed Board members four proposed designs for the MES flag.

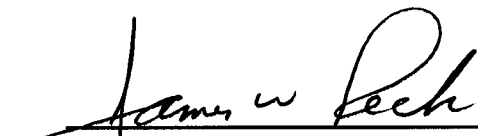
Mr. Coleman advised the Board that as of October 1, 1997, all State agencies must list 800 numbers on their stationery.

Mr. Peck reminded Board members that the next meeting would be the MACO meeting on August 14, 1997 in Ocean City. Mr. Addison and Mr. Howarth advised that they would not be attending that meeting.

The meeting was adjourned at 12:40 p.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 97-08
August 14, 1997**

LOCATION: Coconut Malorie Hotel
Ocean City, Maryland

TIME: 9:00 a.m. (Scheduled)
9:35 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Carolyn D. Davis, Secretary
Edwin G. Richards
Joseph F. Snee
Daniel F. McMullen

DIRECTORS ABSENT: William B.C. Addison, Jr.
Lawrence D. Shubnell
Kenneth A. Howarth, Treasurer

OTHERS PRESENT: Beth Wojton
Sean Coleman
Michael Wojton
Robert Miller
Lee Zeni
Ed Golas
Nancy Voorhees Balenske

MINUTES

Ms. Stevenson noted two corrections to the Minutes on page 5. Ms. Wojton's name was corrected and the word, "stationery" was corrected. The motion was made by Mr. McMullen to approve the Minutes as corrected and seconded by Mr. Richards. The Minutes were approved.

**BOARD OF DIRECTORS MINUTES
MEETING 97-08
AUGUST 14, 1997
PAGE 2**

PROJECT STATUS

Mr. Peck updated the Board on the following projects:

First Urban Fiber: The company has closed its doors. A lien against the property has been signed by MES for the balance owed in the amount of \$260,000.

Aberdeen - Meetings were held regarding a leachate treatment operating system to serve a hazardous waste landfill. This project will require a staff of 10. Mr. Snee asked to be kept apprised of the project.

Creative Environmental Solutions, Inc. - MES is continuing to work with the company to determine the feasibility of building upland disposal options in Kent County.

Harford County - MES is working on the possible development of a rubble landfill at Gravel Hill. In order to pursue the development of this project, MES is waiting for MDE to adopt regulations for rubble landfills.

MidShore Landfill - Mr. Richards complimented MES on the redesign and refinancing presentation given recently to County Administrators.

MES is also working with Caroline County to resolve sewer and water problems in a rural area of the County.

FINANCIAL REPORT

Mr. Golas informed the Board the field work on the audit will be completed in August. The final audited statement will be ready for September's meeting.

Mr. Golas reviewed the FY 97 Preliminary Operating Results contained in the members folders. Also contained with the operating results are the definitions of Restricted Retained Earnings Accounts.

A recommendation was made by Mr. Peck to increase the training funds to restore the balance to \$100,000.00. The funds will be transferred from unrestricted funds. Mr. Richards made the motion, Ms. Davis seconded, and the motion passed unanimously.

Mr. Peck introduced Resolution 97-08-1 to renew the line of credit and remove certain restrictions from its use. Discussion was held and the decision was made to defer the motion until Mr. Shubnell is in attendance. The suggestion was also made to look into billing this into contracts as a reimbursable cost.

**BOARD OF DIRECTORS MINUTES
MEETING 97-08
AUGUST 14, 1997
PAGE 3**

PROCUREMENT

Mr. Peck reviewed Procurement Items 1, 2, 3, 4, and 5. Mr. Richards made the motion to approve Items 1,3,4, and 5. Mr. McMullen seconded, and the Items were unanimously approved. The motion to approve Item 2, submitted as a sole source, was made by Ms. Davis and seconded by Mr. McMullen. The motion was approved unanimously.

The Board notebook contained the items for notification.

PERSONNEL

Ms. Wojton reviewed the Policies and Procedures for Lateral Transfers, Reassignments, Abandonment of Employment, Reductions in Force, and Salary Structure. Revisions were made to the policy for Reductions in Force since last month's meeting and subsequent comments received from the members. Further discussion was held and the following changes made: on page 2, in §III.D. in line three, the number "three" was deleted and the number "five" was inserted; and the word "eligible" was replaced by the word "selected"; on page 1, in § III.B., Item 2 was deleted; Item 3 was renumbered to be Item 2, and in the last sentence the word "vacant" was added after the word "available". In Policy 2.03, "Lateral Transfers", the following sentence was added to §IV A: "The Service may refuse to grant a request for lateral transfer."

Mr. Richards made the motion to approve the Policies as revised. Ms. Davis seconded. The Policies were approved unanimously.

Ms. Wojton presented the Policy and Procedure for Resignation. This policy will be voted on at the September meeting.

LEGAL

Mr. Coleman provided the Board with an update of current legal matters, including the following:

- ◆ Poplar Island - MES has been served with the complaint.
- ◆ Regional Composting Facility - litigation still pending; expect hearing date in Circuit Court for zoning case.
- ◆ Working with MPA on lease negotiations and demolition on the HMI landbase.
- ◆ Nicholson Road Landfill - contractor is filing suit claiming additional compensation in the amount of \$45,000.00 is due and the MES procurement regulations are unconstitutional.

POPLAR ISLAND BRIEFING

Mr. Peck and Mr. Coleman gave an overview of the Poplar Island project. Mr. Snee asked for an executive summary from the initial contract to date. Discussion was held regarding the cost of any settlement which MES might make in the Poplar Island case. Mr. Richards made the recommendation to authorize Mr. Peck to agree to a settlement under terms and conditions he deems acceptable, but only if the settlement will have no net cost to the agency. Mr. Snee requested the members be apprised verbally of terms to any settlement agreement even if there is no net cost. A motion was made by Mr. Richards to approve the recommendation, seconded by Mr. McMullen, and passed unanimously.

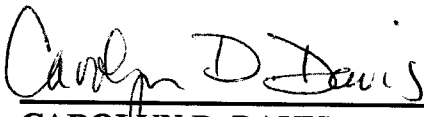
GENERAL DISCUSSION

The employee compensation discussion will be delayed and discussed at September's meeting.

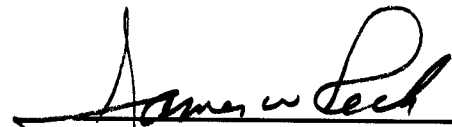
This month's Inspire Awards are contained in the Board folder.

Ms. Wojton advised the Board the location selected for the Board retreat is not available for September 24th - 25th. The general consensus was to keep the dates and look for an alternative location. Discussion was held about the general structure of the retreat. Ms. Stevenson handed out suggestions for topics.

The meeting adjourned at 12:00 p.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 97-09
September 25, 1997**

LOCATION: Imperial Hotel
Chestertown, Maryland

TIME: 10:00 a.m. (Scheduled)
10:25 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Carolyn D. Davis, Secretary
Kenneth A. Howarth, Treasurer
Edwin G. Richards
Daniel F. McMullen
William B.C. Addison, Jr.
Lawrence D. Shubnell

DIRECTORS ABSENT: Joseph F. Snee

OTHERS PRESENT: Beth Wojton
Sean Coleman
Michael Wojton
Robert Miller
Lee Zeni
Nancy Voorhees Balenske

MINUTES

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

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PROJECT STATUS

Mr. Peck updated the Board on the following projects:

Baltimore County Resource Recovery Facility - The paper fiber line is in operation.

Hawkins Point Landfill - MPA has made the decision to proceed with the procurement of technology to treat hazardous waste chromium leachate generated by the Landfill.

Baltimore County - Despite concerns raised by small paper recycling firms, the County wants the best price for the purchase of newsprint and mixed paper.

Darlington - The last public meeting has been held to advise the residents of the new water rate. Easements for the water distribution line are being finalized and they will be brought to the Board for approval.

ECI - Phase II Wastewater Treatment Plant improvements are completed and under budget.

ECI Co-Generation Facility - A five year plan has been completed. It contains a list of operating alternatives. Discussion was held about the potential for burning chicken manure. Ms. Davis requested information from Mr. Wojton.

Annapolis Junction - MES has purchased a locomotive to move the rail cars.

Aberdeen Proving Ground - MES submitted a budget to operate a leachate treatment system for their hazardous waste landfill. They have requested an increase in one of the line items.

Poplar Island - Several meetings have been held on settlement of the condemnation action. An agreement has been reached among State officials and the Governor to propose a settlement within a certain dollar range. However, the Governor wants the Service's Board to approve the structure of the proposal. The Board discussed the settlement options with counsel. A motion was made by Mr. Shubnell and seconded by Mr. Addison as follows: *To authorize the Director to enter into a settlement on Poplar Island issues under the condition that state agencies reimburse the Service on a pro rata basis, for settlement costs, with priority given to recovering costs from reimbursable funds from those agencies that use them and supplemental funds from agencies not normally paying MES on a reimbursable basis.* The motion was unanimously approved by the Board.

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Annual Report - Ms. Wojton handed out a draft of the Annual Report for the Board's information. This report will be used for budget presentations, legislative reports, and as a marketing tool.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1, 2, 3, 4. Mr. Richards made the motion to approve the Items. Mr. McMullen seconded, and the Items were unanimously approved.

The Board notebook contained the items for notification.

FINANCIAL REPORT

Mr. Howarth reviewed the FY 98 Operating Results ending August 31, 1997. Mr. Howarth informed the Board that based on suggestions heard earlier he will provide more succinct summaries for future meetings.

The auditors will be present at the October meeting to address the 1997 audit. The supplemental audits of projects will be available.

Mr. Peck introduced Resolution 97-09-1 to renew the line of credit and remove certain restrictions from its use. The Resolution was introduced at August's meeting but was deferred for Mr. Shubnell consideration. Discussion was held and suggestions were made. Mr. Richards made the motion to approve the Resolution with the following amendments:

In Section 3, delete the words "or activity," and after the word "Service" add "involving a capital asset."

Mr. Shubnell seconded and the motion was approved as amended.

(Mr. McMullen left the meeting at this time, 12:10 p.m.; and the meeting continued during the serving of lunch.)

PERSONNEL

Ms. Wojton advised the Board the Policy for Resignation is being withdrawn for consideration. Mr. Richards suggested changes which will be incorporated and brought back to the Board at October's meeting.

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Ms. Wojton presented the Policy and Procedure for Leave Without Pay and Reinstatement. Discussion was held on the Policy for Leave Without Pay. These policies will be voted on at the October meeting.

An Inspire Award is contained in the Board handout.

LEGAL

Mr. Coleman provided the Board with an update of current legal matters, including the following:

- ◆ Poplar Island - Litigation is on hold pending settlement discussions.
- ◆ Regional Composting Facility - litigation still pending; hearing date in Circuit Court for zoning case is in December.
- ◆ Hart-Miller Island Landbase - Lease negotiations are continuing.
- ◆ Easton Landfill Joint Venture - The trial date is November, 1998 for breach of contract.
- ◆ Employee - Two cases have been filed by a former employee for defamation and emotional distress.
- ◆ Public Information Requests - A request has been received for the CES dredging project.

NEW BUSINESS

The agency's MBE percentage reached for fiscal year 1997 is 14.22% overall and 12.08% MDOT certified. MES received an award from the Eastern Shore Contractors for its MBE outreach efforts.

MES is sponsoring a Stormwater Management Conference in Howard County on October 7th.

We are working with Carroll County and their failing septic systems.

Ms. Stevenson updated the Board on the future of the Used Oil Program funding. MDE and MES are sharing the costs of the program during Fiscal year 1998. Ms. Stevenson has had discussions with the Department of Natural Resources about possible sources of corporate partnerships. Discussion was held about funding possibilities, turning the program over to MDE, and approaching Shell Oil Company or Crown Petroleum. Ms. Stevenson will approach Shell and Crown about a possible partnership.

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approaching Shell Oil Company or Crown Petroleum. Ms. Stevenson will approach Shell and Crown about a possible partnership.

Mr. Peck announced the MES picnic is September 27th at Sandy Point State Park.

Mr. Richards initiated discussion about pfiesteria and ways MES might help the poultry farmers. Discussion was held about nutrient management, chicken "litter", and composting. It was suggested MES initiate discussion with the Department of Agriculture, the Extension Service (local and state), and discuss with Secretary John Griffin. A letter has already been sent to Secretary Griffin offering MES's assistance.

The Beltsville project with the United States Department of Agriculture is proceeding. An environmental assessment is being performed.

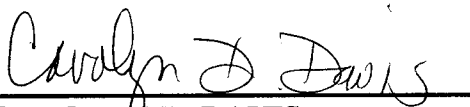
Executive Session

At 1:46 p.m., upon motion of Mr. Howarth, seconded by Mr. Addison, 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. Mr. Peck was not present during the closed session. At 2:00 p.m., upon motion by Mr. Addison, seconded by Ms. Davis, the Board voted to go back into open session.

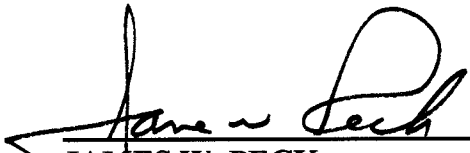
Personnel

Ms. Davis moved to approve Resolution 97-09-2R, amending Resolution 95-3-3R (salary of the Director), and to establish the amount of the Director's salary to be \$100,600 per year, effective October 1, 1997. Mr. Addison 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.

The meeting adjourned at 2:04 p.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 97-10
October 23, 1997**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 10:00 a.m. (Scheduled)
10:20 a.m. (Convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Daniel F. McMullen
William B.C. Addison, Jr.
Edwin G. Richards (arrived at 10:31 a.m.)
Lawrence D. Shubnell (joined meeting at 10:47 a.m.)

DIRECTORS ABSENT: Joseph F. Snee
Carolyn D. Davis

OTHERS PRESENT: Sean Coleman
Robert Miller
Lee Zeni
Nancy Voorhees Balenske
Patrick Boyce, KPMG (left at 10:58 a.m.)
Robert Munroe (left at 10:43 a.m.)
James Haywood (left at 11:09 a.m.)
Ellen Frketic (left at 11:32 a.m.)

MINUTES

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

**BOARD OF DIRECTORS MINUTES
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PROJECT STATUS

Mr. Peck updated the Board on the following projects:

Darlington Water Service District - Mr. Peck, Ms. Frketic, and Mr. Munroe gave an overview of the project to establish a service district for the acquisition and operation of the water system. All statutory requirements have been met. Questions were addressed. Mr. Peck introduced Resolution 97-10-1R which authorizes the creation of the Service District. Mr. McMullen made the motion to approve the Resolution, Mr. Addison seconded, and the motion was approved unanimously.

Site 104 - The National Marine Fisheries Service may issue a Section 7 consultation which requires the evaluation of the fish species, short-nose sturgeon and could postpone the project for a couple of years.

Pfiesteria - Mr. Peck has joined a committee headed by the University of Maryland to review all drafts of alternative solutions for disposal and handling of chicken manure. The burning and composting of chicken manure are being discussed. MES also went to a meeting attended by local, state, and federal officials in Chestertown. EPA has been contacted and an application is being submitted for a \$2 million grant for a boiler demonstration project at the ECI Co-generation Facility. Mr. Richards thanked MES for these efforts.

FINANCIAL REPORT

Mr. Howarth introduced Mr. Patrick Boyce of KPMG Peat Marwick Inc. Mr. Boyce gave a brief overview of the Fiscal Year 1997 audit of MES's financial statements. A packet of information was given to the members for their review. The management letter has been issued. Mr. Howarth advised the Board the agency's response will be given to the Board at the next meeting. Mr. Peck thanked Mr. Boyce for the team's work.

Mr. Golas reviewed the three months operating results ending September 30, 1997. Questions were addressed.

Mr. Howarth introduced Resolution 97-10-2R establishing project reserve funds for the ECI Co-Generation Maintenance Project. Ms. Stevenson made the motion to approve, Mr. Richards seconded, and the motion passed unanimously.

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Mr. Peck introduced Resolution 97-10-3R for the use of Program Development Funds for participation in the production of a television program featuring the agency. Questions were addressed and comments were heard. Mr. Addison made the motion to approve the Resolution, Mr. McMullen seconded, and the motion passed unanimously.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1, 2, 3, 4, and 5. Mr. Richards made the motion to approve the Items. Mr. Addison seconded, and the Items were unanimously approved.

The Board notebook contained the items for notification.

PERSONNEL

Mr. Peck and Mr. Coleman reviewed the Reinstatement, Leave Without Pay, and Resignation policies presented to the Board last month. Mr. Richards made the motion to approve the policies, Mr. Addison seconded, and the policies were approved unanimously.

Mr. Peck brought to the Board's attention the Draft Employees' Handbook contained in the Board notebook for the Board's review and comments.

The Inspire Awards are contained in the notebook.

LEGAL

Mr. Coleman provided the Board with an update of current legal matters, including the following:

- ◆ Poplar Island - A meeting was held with the owners to discuss settlement. The owners requested additional items from the state.
- ◆ Regional Composting Facility - The sale of the property is closer to being finalized.
- ◆ Public Information Requests - The documents are being assembled on the request received for the CES dredging project. The group has requested a waiver of fees which is under review. The other request is from a law firm for audits from the last ten years.

NEW BUSINESS

Discussion was held regarding Board meetings for November and December. The consensus of the Board was to cancel November's meeting and schedule December's meeting for December 12th at 1:00 p.m., prior to the agency's holiday party. This years'

**BOARD OF DIRECTORS MINUTES
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party is being held at the Severna Park Elks Club. If business needs to be conducted during November a conference call will be set up.

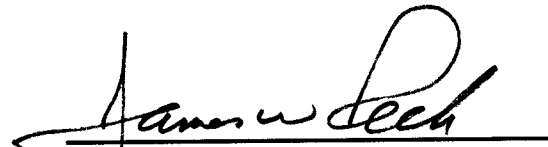
Mr. Shubnell initiated discussion on changes to the MES procurement regulations. Discussion was held about raising the thresholds to \$200,000, \$250,000 or \$500,000 and allowing procurement approvals prior to advertising or award giving the Programs more flexibility. There was also mutual agreement that sole sources will require approval before execution and emergency procurements will require notification as soon as possible. Draft revised procurement regulations will be prepared for the Board's review and approval, then will be submitted through the regulatory process.

The Board Retreat follow-up and Strategic Plan Review were postponed for another meeting.

The meeting adjourned at 12:09 p.m.



**CAROLYN D. DAVIS
SECRETARY**



**JAMES W. PECK
DIRECTOR**

**BOARD OF DIRECTORS MINUTES
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approaching Shell Oil Company or Crown Petroleum. Ms. Stevenson will approach Shell and Crown about a possible partnership.

Mr. Peck announced the MES picnic is September 27th at Sandy Point State Park.

Mr. Richards initiated discussion about pfiesteria and ways MES might help the poultry farmers. Discussion was held about nutrient management, chicken "litter", and composting. It was suggested MES initiate discussion with the Department of Agriculture, the Extension Service (local and state), and discuss with Secretary John Griffin. A letter has already been sent to Secretary Griffin offering MES's assistance.

The Beltsville project with the United States Department of Agriculture is proceeding. An environmental assessment is being performed.

Executive Session

At 1:46 p.m., upon motion of Mr. Howarth, seconded by Mr. Addison, 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. Mr. Peck was not present during the closed session. At 2:00 p.m., upon motion by Mr. Addison, seconded by Ms. Davis, the Board voted to go back into open session.

Personnel

Ms. Davis moved to approve Resolution 97-09-2R, amending Resolution 95-3-3R (salary of the Director), and to establish the amount of the Director's salary to be \$100,600 per year, effective October 1, 1997. Mr. Addison 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.

The meeting adjourned at 2:04 p.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 97-12
December 12, 1997**

- LOCATION:** 2011 Commerce Park Drive
Annapolis, Maryland
- TIME:** 1:00 p.m. (Scheduled)
1:08 p.m. (Convened)
- DIRECTORS PRESENT:** James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
William B.C. Addison, Jr.
Joseph F. Snee
Daniel F. McMullen (arrived at 1:18 p.m., out at 3:00 p.m.)
- DIRECTORS ABSENT:** Edwin G. Richards
Carolyn D. Davis
- OTHERS PRESENT:** Sean Coleman
Beth Wojton
Robert Miller
Lee Zeni
Ed Golas
Nancy Voorhees Balenske
William Chicca (left meeting after Executive Session)

OPENING REMARKS

Mr. Peck advised the Board Mr. Richards is recovering from surgery and he, Ms. Stevenson, Mr. Howarth, Ms. Wojton, and Mr. Wojton attended his retirement dinner. Ms. Davis is also recovering from surgery.

**BOARD OF DIRECTORS MINUTES
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INSPIRE AWARDS

Mr. Peck presented an Inspire Award to Mr. David Greene for an innovative idea and one to Ms. Barbara Hartge for extraordinary service.

MINUTES

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

PROJECT STATUS

Mr. Peck updated the Board on the following projects:

Aberdeen Proving Ground - MES has been selected to operate a hazardous waste leachate treatment facility. Operations will begin December 28th, with full scale operation to begin by the end of January.

Poplar Island - Settlement discussions are moving forward. Mr. Peck proposed using funds from unearned revenue instead of a state surcharge. He is discussing this alternative with Mr. Fred Puddester.

CES, Inc. - The controversy has diminished because there is very little visible activity associated with the site.

MidShore Landfill - The tipping fee is increasing by \$2.00/ton on January 1, 1998. BFI has expressed concern about the increase and is looking at other options.

Annapolis Junction - The facility is currently processing 2,000/tons per day.

Pfiesteria - The grant application has been submitted to EPA for \$2.0 million for the boiler demonstration project. The University of Maryland has been contacted about researching a pilot project for composting chicken litter and marketing the product.

At this time, the Board members were shown the video, "Building America", featuring the Maryland Environmental Service.

Darlington Water Service District - The service district is being taken over in January.

EXECUTIVE SESSION

At 1:50 p.m., Mr. Howarth made the motion to go into Executive Session. Mr. McMullen seconded, and the motion was approved.

At approximately 1:50 p.m. Mr. Peck distributed a Statement of Reasons for Meeting in Closed Session (see attached Notice, which includes the reasons and authority for meeting in closed session). Mr. Howarth moved to go into closed session; Mr. McMullen seconded and the motion was unanimously approved. During the closed session the Board discussed the possible acquisition of real property for a public purpose. Present during the closed session were the Board members, Ms. Wojton, and Messrs. Zeni, Miller, Chicca and Coleman. The Board did not take official action during the closed session. Following the discussion Mr. Addison moved to go into open session; Ms. Pieper Stevenson seconded and the motion was unanimously approved.

PROCUREMENT

Mr. Peck reviewed Procurement Items 1, 2, 3, 4, 5, 6, 7 and 8. Mr. Howarth made the motion to approve the Items. Mr. McMullen seconded, and the Items were unanimously approved.

The Board notebook contained the items for notification.

Mr. Peck and Ms. Wojton reviewed the changes to the Service's Procurement regulations at COMAR 14.27.03.04. Mr. Addison made the motion to approve the changes, Mr. McMullen seconded, and the changes were approved.

PERSONNEL

The Employees' Handbook which was presented to the Board in draft form at October's meeting was reviewed by Ms. Wojton. Mr. Coleman requested the approval of the Handbook include a provision allowing the Director to make nonsubstantive changes to the Handbook, without the approval of the Board. Mr. Addison made the motion to approve the Handbook with the additional request, Mr. McMullen seconded, and the Employees' Handbook was approved.

The additional Inspire Awards are contained in the notebook.

Mr. Peck opened discussion regarding the Governor's memo stating the Governor's wish to grant all State employees and employees of independent agencies the day after Christmas as a holiday. Discussion was held. Mr. Peck recommended the Board approve the additional day based on the Governor's request and the lead of other independent agencies.

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The Board authorized the Service grant the day in recognition of the Governor's granting of the holiday to State employees and independent agencies without waiving the Service's authority of independence, while also recognizing the Board previously granted an additional day of paid leave to MES employees this calendar year, and the fiscal impact of the additional day of paid leave. Mr. Addison made the motion to approve, Mr. McMullen seconded, and the motion passed unanimously.

FINANCIAL REPORT

Mr. Golas reviewed the financial highlights for year to date October 31, 1997. He specifically reviewed Earned Revenues, Direct Labor, Accounts Receivable, and the balance sheet. Questions were addressed. Mr. Golas asked the members if they want to continue to receive the current financial statement package every month, or if an abbreviated format was desired. Mr. Snee requested they receive all the same information they currently receive each month to fulfill their fiduciary obligations.

The audit management letter was handed out and reviewed by Mr. Howarth. Questions were addressed.

Mr. Howarth introduced Resolution 97-12-1R, to finance certain equipment. Ms. Addison made the motion to approve, Ms. Stevenson seconded, and the motion passed unanimously.

LEGAL

Mr. Coleman provided the Board with an update of current legal matters, including the following:

- ◆ Poplar Island - As advised earlier in the meeting, the litigation is on hold.
- ◆ Regional Composting Facility - Litigation is on hold. The plaintiffs have not responded to a request for information. A contract has been signed for sale of the property. Settlement will be in the Spring. MES will retain fee interest in the transfer station. Questions were addressed.
- ◆ Hart-Miller Island Landbase - The property owners requested a new proposal allowing for a new lease arrangement
- ◆ Public Information Requests - CCADS has reviewed the available material and requested a hearing on the denial of a portion of their request.
- ◆ Darlington Water Service District - Settlement will be in January.

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- ◆ Former employee, Donald Young - A motion was filed for dismissal. A response has been filed by Mr. Young.

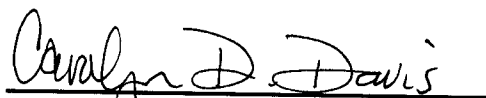
NEW BUSINESS

The proposed schedule of 1998 Board meetings was handed out.

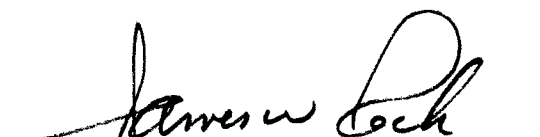
Mr. Peck informed the Board of the death of Garrett County Commissioner Roger Glotfelty.

The Board Retreat follow-up and Strategic Plan Review will be discussed at next months' meeting.

The meeting adjourned at 3:37 p.m.



**CAROLYN D. DAVIS
SECRETARY**



**JAMES W. PECK
DIRECTOR**