



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-1
January 25, 2001**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 10:00 a.m. (Meeting scheduled)
10:11 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Catherine Pieper Stevenson, Deputy Director
Jack A. Gullo, Jr., Secretary
Kenneth A. Howarth, Treasurer
Leslie Jackson Jenkins
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison (arrived at 11:00 a.m.)
Daniel F. McMullen (arrived at 11:16 a.m.)

OTHERS PRESENT: Sean Coleman
Beth Wojton
Lee Zeni
Nancy Voorhees Balenske
Mike Wojton
Henry Cook
Phil Favaro, University of Maryland (attended a portion of the meeting)
Wes Lidie (attended a portion of the meeting)
Brandon Griffith (attended a portion of the meeting)
Darren Klink (attended a portion of the meeting)
Dick Fair (attended a portion of the meeting)
Nanci Koerting (attended a portion of the meeting)
Mack McLellan (attended a portion of the meeting)



MINUTES

The Motion to approve the Minutes of December's Meeting was made by Mr. Shubnell and seconded by Mr. Snee. The Minutes were approved.

INSPIRE AWARDS

Mr. Peck presented Inspire Awards for Extraordinary Service to Mr. Lidie, Mr. Griffith, Mr. Klink, and Mr. Fair. Ms. Koerting was presented Inspire Awards for an Innovative Idea and Extraordinary Service.

AGENCY ACTIVITY REPORT

Mr. Peck reported on the following projects:

Town of Ridgely – Mr. Wojton briefed the Board on providing emergency services to the Town for the operation of the wastewater treatment plant.

Montgomery County – MES is preparing a proposal to provide trash removal and general clean up service of bus stops throughout the County.

Prince George's County – A proposal has been submitted for project management of design and construction of a new SCADA system to serve the Brown Station Landfill.

ECH – Numerous meetings have been held with the company. The partnership and management agreements have been prepared. Copies were provided to Mr. Shubnell at his request. Questions were addressed. Upon execution of the agreements the prefeasibility study will begin. MES's bond counsel and financial advisors have been involved in the process.

STRATEGIC PLAN UPDATE

Mr. Favero from the University of Maryland, Institute for Governmental Service, reviewed with the Board the handout titled, "MES Strategic Planning Effort, Report of the Facilitators". The Strategic Plan will be published in February.

LEGISLATIVE BUDGET HEARING

Mr. Peck gave a mock presentation to the Board, which will be given to the legislature's Transportation and Environmental Subcommittee on January 30th. The BEST program will be emphasized. Mr. Shubnell recommended Mr. Peck stress how MES manages the organization; the BEST pay off to the employees; and continue to emphasize that we receive no direct appropriated funds.

FINANCIAL REPORT

Mr. Howarth briefly reviewed the key operating results for the period ending December 31, 2000. The vehicle auction raised approximately \$50,000. Finance is completing the analysis of the vehicle mileage rate increase. Questions were addressed. Mr. Howarth handed out a description of the major accounts over 120 days.

HUMAN RESOURCES

Mr. Peck the BEST 2001 goals and reviewed the Strategic Business Goals for fiscal year 2001 to address any questions.

Due to a shortage of time, Mr. Peck's Performance Review was deferred until February's meeting.

PROCUREMENT

Mr. Peck presented Item 1 approval. Mr. Snee made the motion to approve the Item, Mr. Addison seconded, and the Item was approved unanimously.

Items for Notification were in the Board notebook.

MISCELLANEOUS

Mr. Peck handed out a letter from SWANA addressing the formation of the "SWANA Applied Research Foundation". Also, recycling commercials are being shown at various times. A tape will be made so the Board may view the commercials.

LEGAL REPORT

Mr. Coleman reported the following:

No new suits have been received since the last meeting.

Mr. Coleman hopes to have a replacement for Mr. Munroe by February's meeting.

OLD BUSINESS


In response to questions, Mr. Peck informed the Board that MES is proceeding with the chicken litter feasibility study. Also, in reference to the C&D canal deepening issue, the Service provided environmental and scientific support to the MPA for this project. Mr. Shubnell suggested that MES encourage Ms. Koerting to pursue a patent for her Innovative Idea.

**BOARD OF DIRECTORS MINUTES
MEETING 01-1**

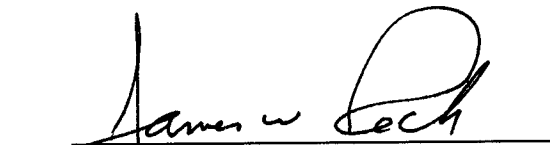
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ADJOURNMENT

The next meeting is February 22, 2001 at MES headquarters. The meeting adjourned at 11:50 a.m. to attend Ms. Stevenson's retirement luncheon.



JACK A. GULLO, JR
SECRETARY



JAMES W. PECK
DIRECTOR

BOD 01-1



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-2
February 22, 2001**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:10 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary (arrived at 9:15 a.m.)
Kenneth A. Howarth, Treasurer
Leslie Jackson Jenkins
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison

DIRECTORS ABSENT: Daniel F. McMullen

OTHERS PRESENT: Sean Coleman
Beth Wojton
Lee Zeni
Mike Wojton
Henry Cook
Susan Merkel
Paul Lutman (attended a portion of the meeting)
Donald Grove (attended a portion of the meeting)
Vernon Simmons (attended a portion of the meeting)
Greg Swartz (attended a portion of the meeting)
Mack McLellan (attended a portion of the meeting)

MINUTES

The Motion to approve the Minutes of January's Meeting was made by Mr. Shubnell and seconded by Mr. Addison. The Minutes were approved.

INSPIRE AWARDS



BOARD OF DIRECTORS MINUTES
MEETING 01-2
FEBRUARY 22, 2001
PAGE 2

Mr. Peck presented Inspire Awards for Extraordinary Service to Mr. Lutman, Mr. Grove and Mr. Simmons. Mr. Swartz was presented an Inspire Award for an Innovative Idea.

AGENCY ACTIVITY REPORT

Mr. Shubnell made an inquiry regarding the recent presentation to the legislative subcommittee. Mr. Peck responded that the presentation went extremely well. The House was particularly impressed with our BEST Program. He received a tremendous response from both the House and the Senate.

Mr. Peck reported on the following projects:

ECH – The agreements have been signed to start Phase I. Mr. Coleman advised that the management agreement was modified to address the Board's concerns and that the contribution agreement was signed after modifying the MES role to provide planning of financing. Questions were addressed.

Maryland Port Administration – Mr. Shubnell inquired about the \$13.4 million MPA item. Mr. Peck responded that the project was for construction of the CSX/Cox Creek DMCF. The project was approved by the Board of Public Works at its 2/21/01 meeting. The project provides for construction of a dredged material containment facility to handle dredged material from the Inner Harbor for the next twelve years.

Annapolis Junction – Mr. Peck briefed the Board Members regarding the Agency's deteriorating relationship with Waste Management since their merger with USA Waste. He advised that Waste Management plans to put the operation of Annapolis Junction out to bid in July and that MES will not participate. Questions were addressed.

Tangier Island – Mr. Peck distributed copies of a newspaper article regarding Tangier Island, in which MES is mentioned as a participant in the proposed clean-up project. Mr. Peck advised the Board that this is a possible future project. To date, there are no signed contracts.

Poplar Island – MES is acting as a subcontractor to EA Engineering because the Corps of Engineers cannot enter into a sole source contract with MES. This issue will be resolved shortly when MPA takes over operations from the Corps.

FINANCIAL REPORT

Operating Results – Mr. Howarth reviewed the key operating results for the period ending January 31, 2001. He noted there is an anomaly in the numbers because of an extra pay period being included for the period. This anomaly will also carry forward to next month. There was discussion of the cap situation and the possibility of removing construction projects. The vehicle

BOARD OF DIRECTORS MINUTES
MEETING 01-2
FEBRUARY 22, 2001
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mileage rate increase has been approved. Questions were addressed. Mr. Howarth distributed a description of the major accounts over 120 days.

Building Proforma – Mr. Howarth distributed a lease vs. build analysis. He advised the Board that the total cash flows support the build option. Mr. Peck suggested that we move forward with design work for a new building at the Millersville site to help determine what the costs will be. Board Members agreed.

PROCUREMENT

Mr. Peck presented Item 1 for approval. Mr. Howarth made the motion to approve the Item, Ms. Jenkins seconded, and the Item was approved unanimously.

Items for Notification were in the Board notebook.

HUMAN RESOURCES

Mr. Peck presented an update of the BEST 2001 goals.

EXECUTIVE SESSION

At 10:24 a.m., upon motion of Mr. Howarth, seconded by Mr. Snee, and unanimously approved, the Board voted to go into executive session. The Board did not take any official action while in executive session. During the executive session the Board discussed a personnel matter. Mr. Howarth was not present during the executive session, and Mr. Addison had left the meeting prior to the executive session. Mr. Coleman was present during the executive session. At 11:00 a.m., upon motion by Mr. Peck, seconded by Mr. Shubnell, the Board voted unanimously to go back into open session, and Mr. Howarth returned for the remainder of the meeting.

LEGAL REPORT

Mr. Coleman advised the Board of selection of a candidate to replace Bob Munroe. Ms. Crystal Chissel will begin working at MES in the near future.

There are no new legal matters since the last meeting.

Mr. Coleman advised the Board of the recent Supreme Court ruling that damages under the Americans with Disabilities Act does not apply to state governments.

NEW BUSINESS

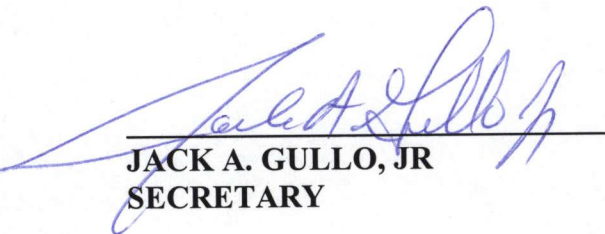
Mr. Peck asked the Board Members if they wanted to discuss a raise in payment for new and reappointed Board Members. Mr. Shubnell asked if anyone was aware of what other Boards

**BOARD OF DIRECTORS MINUTES
MEETING 01-2
FEBRUARY 22, 2001
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pay members. Mr. Coleman responded that there really is no standard. Mr. Shubnell stated that it would be helpful in determining a course of action if the Board had some idea of what other Boards do. Mr. Snee responded that the Transportation Authority Board is paid \$400/meeting. Mr. Peck agreed to investigate the matter further and report back at the next meeting.

ADJOURNMENT

The next meeting is March 29, 2001 at MES headquarters. The meeting adjourned at 11:05 a.m.



**JACK A. GULLO, JR
SECRETARY**



**JAMES W. PECK
DIRECTOR**

BOD 01-2



Parris N. Glendening
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 01-3
March 29, 2001**

James W. Peck
Director

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:07 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison (left at 9:50 a.m.)
Daniel F. McMullen (arrived at 9:44 a.m.)
Leslie Jackson Jenkins (arrived at 9:58 a.m.)

OTHERS PRESENT: Sean Coleman
Beth Wojton
Lee Zeni
Mike Wojton
Henry Cook
Nancy Voorhees Balenske
Crystal Chissel (attended a portion of the meeting)

MINUTES

The Motion to approve the Minutes of February's Meeting was made by Mr. Snee and seconded by Mr. Addison. The Minutes were approved.

OPENING REMARKS

Mr. Robert Miller is not at the Board meeting, because he is speaking for Mr. Peck at the Consulting Engineers Council of Maryland.

AGENCY ACTIVITY REPORT

Mr. Wojton made a correction to the Report. Water and Wastewater submitted a proposal to "supervise" the Town of Port Deposit's water and wastewater treatment plants.

Mr. Peck reported on the following project:



ECH – ECH is making good progress with supply and markets. They briefed the Baltimore County legislative delegation from the district in which the project may be located. ECH has entered into a contract with an engineering company for preparation of the feasibility study. MES and ECH met with a bank as a potential lender. Questions were addressed.

ACCIDENT REPORT

Mr. Peck described how the Cambridge accident appears to have occurred, the injuries suffered by the employees, and the response by and assistance given to the families by MES employees. The Board expressed their wish that a gift from the Board be sent to the families. Questions were addressed.

Mr. Peck also advised the Board of an accident that occurred at the Dickerson Compost Facility in Montgomery County and MES's response. Questions were addressed.

Mr. Peck discussed MES's safety policy with the Board.

FINANCIAL REPORT

Operating Results – Mr. Howarth reviewed the key operating results for the period ending February 28, 2001. Mr. Howarth handed out the status of major accounts over 120 days. The vehicle mileage rate increase takes effect April 1st.

Mr. Howarth introduced and reviewed Resolution 01-03-1R. The Resolution removes the 401(k) Savings Plan contribution limitations set by MES and will allow contributions up to the limits set by the Internal Revenue Service. Questions were addressed. A motion was made by Mr. McMullen to approve the Resolution and seconded by Ms. Jenkins. The motion was approved unanimously.

Mr. Howarth introduced and reviewed Resolution 01-03-2R. This Resolution is an intent to finance pick up trucks and passenger vans for Montgomery County projects. Questions were addressed. Mr. Shubnell made the motion to approve the Resolution and Mr. McMullen seconded. The Board approved the motion unanimously.

PROCUREMENT

Mr. Peck presented Item 1, 2, and 3 for approval. Mr. Wojton provided additional background on Item 2. Questions were addressed. Mr. Shubnell made the motion to approve the Items, Mr. Howarth seconded, and the Items were approved unanimously.

Items for Notification were in the Board notebook.

HUMAN RESOURCES

Ms. Wojton handed out the update of the BEST 2001 goals and Mr. Peck reviewed it.

The Strategic Plan for 2001 was given to the Board. The Plan includes an increased emphasis on Information Technology.

LEGAL REPORT

Mr. Coleman reported the following:

The Injured Workers Insurance Fund is at Cambridge today with Ms. Sue McCauley, MES's Safety Officer. MOSH is also at the site gathering information about the equipment.

The Dickerson accident victim's attorney has contacted MES. The claim process has begun.

The trial has been set for June for the accident involving an MES employee that occurred in October, 1999.

Ethics disclosure forms are due the end of April.

OLD BUSINESS

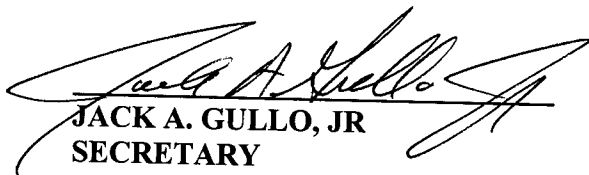
Board members were given information regarding pay for board and commission members for other Maryland agencies. Discussion was held. No official action was taken. Mr. Peck recommended the Board give it further thought.

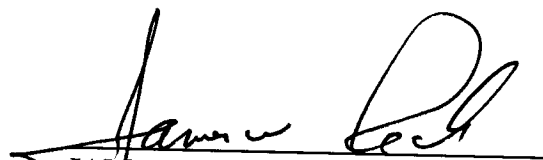
NEW BUSINESS

Mr. Peck advised the Board Members of Baltimore City's desire to stop curbside recycling and their possible reconsideration.

ADJOURNMENT

The meeting adjourned at 10:47 a.m. The next meeting is April 26, 2001 at MES headquarters.


JACK A. GULLO, JR
SECRETARY


JAMES W. PECK
DIRECTOR



Parris N. Glendening
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 01-4
April 26, 2001**

James W. Peck
Director

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:13 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison
Daniel F. McMullen (arrived at 9:43 a.m.)

DIRECTORS ABSENT: Leslie Jackson Jenkins
Jack A. Gullo, Jr.

OTHERS PRESENT: Sean Coleman
Beth Wojton
Lee Zeni
Robert Miller
Mike Wojton
Henry Cook
Nancy Voorhees Balenske
Charles Simms
George Goodhughes, Connor Environmental (attended a
portion of the meeting)

AGENCY ACTIVITY REPORT

Mr. Peck and the Program Directors reported on the following projects:

The Poplar Island project will require 11 new employees.

The Montgomery County transit service trash services project is expected to begin around
May 1st.



BOARD OF DIRECTORS MINUTES
MEETING 01-4
APRIL 26, 2001
PAGE 2

MES is currently providing stormwater sampling for the District of Columbia and the District will be authorizing additional studies.

Due to the efforts of our employees at BWI and Martin State Airport there has been a substantial increase in the work being performed for MAA. Mr. Wojton also reported that 85% of the glycol is recovered from the de-icing operations performed at the airport.

REMARKS

Mr. Peck announced that today is "Bring Your Child to Work Day". Mr. Coleman introduced his sons, William and Christopher, who attended a portion of the Board meeting. Mr. Peck also took most of the agency's administrative professionals to lunch yesterday. Fruit baskets were sent to the families of the employees injured at the Cambridge pumping station.

The company developing the property on Bestgate Road, in front of MES headquarters, has expressed an interest in acquiring the Najoles Road property, or developing it for MES.

FINANCIAL REPORT

Operating Results – Mr. Howarth reviewed the key operating results for the period ending March 31, 2001. Mr. Howarth handed out a comparison of income from operations for the last 10 years. Discussion was held. The Accounts Receivable report was reviewed. Efforts by the Office of Attorney General resulted in First Class Refuse Service paying \$108,000.00. Mr. Shubnell recommended Mr. Peck contact CES again regarding payment. March's cash analysis was also handed out.

Mr. Howarth reviewed the need to update the banking authorized signatures to reflect the departure of Ms. Stevenson. Ms. Wojton will become an authorized signer. Mr. Shubnell made the motion to approve a Resolution prepared by the bank, and Mr. Snee seconded it. A quorum now being present, the motion was approved unanimously.

MINUTES

The Motion to approve the Minutes of March's Meeting was made by Mr. Shubnell and seconded by Mr. Addison. The Minutes were approved.

PROCUREMENT

Mr. Peck presented Items 1 and 2 for approval. Mr. Snee made the motion to approve the Items, Mr. Addison seconded, and the Items were approved unanimously.

Items for Notification were in the Board notebook. Questions were addressed.

LEGAL REPORT

Mr. Coleman reported the office is mainly working on transactional matters.

Mr. Coleman has been in contact with his counterpart at WMI to discuss the transition by MES out of the Annapolis Junction Transfer Station project.

He advised the Board of recent decisions by the Supreme Court regarding federal civil rights law. Mr. Coleman will review how this decision will affect environmental justice issues for the state.

HUMAN RESOURCES

Ms. Wojton handed out the update of the BEST 2001 goals and Mr. Peck reviewed it. MES will be spending some time preparing and implementing Maryland's new MBE goals and MES's approach to achieving an MBE goal.

NEW BUSINESS

The MACO Board meeting is August 16th. Financial disclosure forms are due by April 30.

A short break was taken to allow ECH's representatives to set up for their presentation.

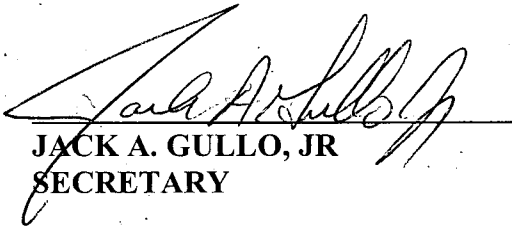
ECH PRESENTATION

Gianni Arcaini, Bill Gibbes, Ted Hill, and Larry Strach, all representing Environmental Capital Holdings, Inc., or its subsidiaries, and George Goodhughes of Connor Environmental, gave a multi-media presentation to the Board on the current status of the Maryland Tire Recycling project. ECH has not yet acquired a project site. It has a number of letters of intent from potential tire suppliers, and from potential purchasers of products, but it has not yet signed any firm contracts. Gianni Arcaini, on behalf of ECH, proposed that MES, at its cost, acquire a site on behalf of the partnership, and pay for the improvements. This would require a cash outlay by MES of between \$2.6 and \$3 million. Mr. Arcaini did not propose that ECH would contribute any cash or other equity to such a transaction. Questions were addressed.

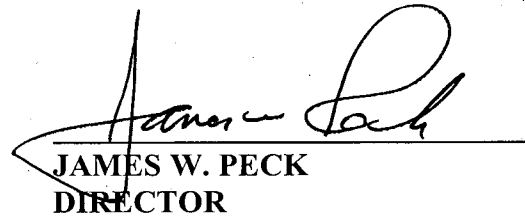
ADJOURNMENT

BOARD OF DIRECTORS MINUTES
MEETING 01-4
APRIL 26, 2001
PAGE 4

The meeting adjourned at 11:38 a.m. A Board of Directors work session will be held on May 1, 2001, to review and discuss the Maryland Tire Recycling project. The next regular meeting of the Board is May 31, 2001 at MES headquarters.



JACK A. GULLO, JR
SECRETARY



JAMES W. PECK
DIRECTOR

BOD 01-4



Parris N. Glendening
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 01-05 (Special)
May 1, 2001**

James W. Peck
Director

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 2:00 p.m. (Meeting scheduled)
2:02 p.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison
Leslie Jackson Jenkins

DIRECTORS ABSENT: Jack A Gullo, Jr.
Daniel F. McMullen

OTHERS PRESENT: Sean Coleman
Beth Wojton
Robert Miller
Charles Simms
Henry Cook
Crystal Chissel
Beatrice McQuarrie
Judy Hughes (attended a portion of the meeting)
Linda Brent (attended a portion of the meeting)
Mack McLellan (attended a portion of the meeting)

INSPIRE AWARD

Mr. Peck presented an Inspire Award for Extraordinary Service to Mrs. Judy Hughes.

OPENING REMARKS

Mr. Peck announced that earlier in the day the Caroline County Commissioners had adopted a resolution requesting MES to prepare a proposal to establish a water and wastewater service district to serve 4 small towns in northern Caroline County. Mr. Peck, Mr. Wojton, and Mr. Coleman attended the meeting, and Mr. Peck spoke to the Commissioners. The Commissioners and county staff were very complimentary of the work of MES.



ECH / MARYLAND TIRE RECYCLING DISCUSSION

Mr. Peck asked Mr. Miller to provide a brief update on the proposed Maryland Tire Recycling project. Mr. Miller discussed the current status of the project. He also distributed a chart provided by ECH showing the current status of acquisition of letters of intent for tire supply and product sales.

Mr. Howarth then updated the Board on his meeting with a vice president of the Drovers Bank. Bill Gibbes of ECH also attended that meeting. ECH has worked with Drovers Bank in the past. The representative was initially enthusiastic, but is now more cautious. The bank representative told Mr. Gibbes that it would not provide 100% financing of project costs. Mr. Howarth further explained that all other lenders and persons knowledgeable of project financing with whom he has had discussions have indicated that the partnership will need to have an equity participation in the project.

The bank representative had suggested at the meeting that MES purchase the site currently being considered for the project location, and give the site to the Partnership. ECH has likewise made this request to MES. Mr. Howarth said he had talked to Mr. Gibbes earlier in the day, and Mr. Gibbes reiterated that ECH has no intention to provide any equity for the project. According to Mr. Howarth, Mr. Gibbes also stated that if ECH provided any equity, then ECH would require a renegotiation of their interest in the partnership.

Mr. Howarth then distributed several financial scenarios illustrating how MES could recover its investment if it purchased the site. The scenarios reflected cash recovery from rental payments plus MES' share of Partnership income.

Mr. Shubnell then suggested that if the project is to be successful, the Partnership needed to first get the site under a purchase contract; then, assuming the feasibility report concurs that the proposed equipment is adequate, order the equipment at a fixed fee, with appropriate bonding and insurance in place; then have in place signed contracts for the supply of tires and the purchase of the product. Letters of intent were not adequate, although contracts contingent on the opening of the facility would suffice.

The Board and staff then discussed the potential markets for tire supply and product sales.

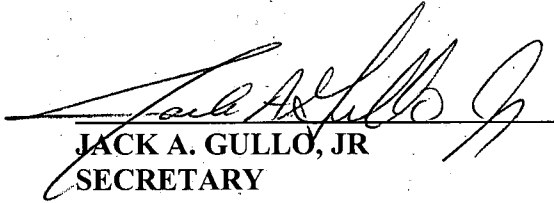
The Board next discussed the agency's business relationship with ECH. Mr. Shubnell expressed his view that MES needs to have the ability to remove the General Partner if the General Partner project does not meet an agreed upon percentage of the amounts specified in the pro-forma.

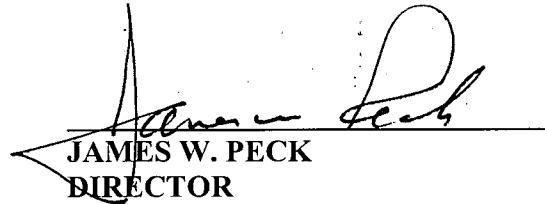
The Board next discussed the relative risks and rewards of the proposed project.

The Board next requested MES staff to develop one or more recommendations on the relationship between MES and ECH within the context of MES funding all or a portion of the acquisition of the proposed project site.

ADJOURNMENT

The meeting adjourned at 3:45 p.m. The next meeting of the Board to discuss the ECH project will be May 15 at 2:00 p.m. at MES Headquarters. The next general meeting of the Board will be May 31st at MES Headquarters.


JACK A. GULLO, JR
SECRETARY


JAMES W. PECK
DIRECTOR

BOD 01-05 (special)



**MARYLAND
ENVIRONMENTAL
SERVICE**

Parris N. Glendening
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 01-05-2S (Special)
May 15, 2001**

James W. Peck
Director

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 2:00 p.m. (Meeting scheduled)
2:11 p.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison
Leslie Jackson Jenkins
Jack A Gullo, Jr.

DIRECTORS ABSENT: Daniel F. McMullen

OTHERS PRESENT: Sean Coleman
Beth Wojton
Robert Miller
Charles Simms
Lee Zeni
Crystal Chissell

OPENING REMARKS

Mr. Peck stated it was unprecedented to have 2 special meetings between regularly scheduled meetings of the Board of Directors. He thanked the members for coming to this meeting.

ECH / MARYLAND TIRE RECYCLING DISCUSSION

Mr. Peck advised that a draft of the consultant's feasibility report was due to ECH today. Previous updates from ECH indicate that there does not appear to be any fatal flaws with the proposed project.

The next step in project development is to arrange for financing. Meetings with potential lenders have indicated that the lenders want the project owners or developers to have an equity interest in the project. One potential scenario is for MES to acquire the proposed project site,



BOARD OF DIRECTORS MINUTES
MEETING 01-05-2S (Special)
MAY 15, 2001
PAGE 2

and the Md. Tire Recycling Limited Partnership (the "Partnership") would borrow the remaining funds required for project implementation, particularly the amounts needed to purchase the equipment.

A Board member asked what compensation MES would receive for bearing the risk of the property purchase. Mr. Peck explained that one proposal is for MES to buy the site and hold it for the life of the project. If the project was not successful, the building and site would be suitable for other MES purposes. MES would lease the site to the Partnership for a term at least as long as the outstanding debt, preferably longer. Lease payments made to MES by the Partnership would reimburse MES for the cost of the purchasing the site, plus the cost of any major improvements. MES could demand an additional amount to compensate it for the additional risk it would be taking.

The Board then engaged in extensive discussion regarding the feasibility and advisability of MES purchasing the proposed Project site and leasing it to the Partnership. Questions were raised by Board members and addressed by staff and counsel. Mr. Peck assured the Board that while this project would fill an environmental need in Maryland, and it appears to be financially viable, MES would not buy its way into the project.

After extended discussion the Board advised Mr. Peck to proceed with negotiations on acquisition of the project site. MES is not to enter into a contract for acquisition unless the contract includes sufficient time for MES to withdraw from the contract without loss of its deposit. The Board also directed Mr. Peck to attempt to renegotiate the Partnership agreement to provide additional compensation for MES' increased risk, and to also modify provisions that will enhance MES' ability to protect its investment.


EXECUTIVE SESSION

At 3:32 p.m., upon motion of Mr. Gullo, seconded by Ms. Jenkins, and unanimously approved, the Board voted to go into executive session. The Board did not take any official action while in executive session. During the executive session the Board discussed matters related to the acquisition of real property for a public purpose. The Board also consulted with counsel to obtain legal advice. Mr. Coleman, Ms. Chissell, and the MES staff members listed above were present during the executive session. At 3:55 p.m., upon motion by Mr. Addison, seconded by Mr. Snee, the Board voted unanimously to go back into open session.

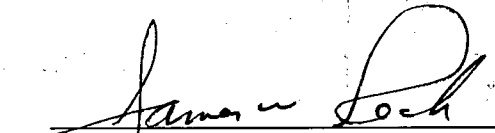
BOARD OF DIRECTORS MINUTES
MEETING 01-05-2S (Special)
MAY 15, 2001
PAGE 3

ADJOURNMENT

The meeting adjourned at 3:57 p.m. Mr. Peck again expressed his appreciation to the Board for devoting their time to the Md. Tire Recycling Project. The next general meeting of the Board will be May 31st at MES Headquarters.



JACK A. GULLO, JR
SECRETARY



JAMES W. PECK
DIRECTOR

BOD 01-05-2S (special)



**MARYLAND
ENVIRONMENTAL
SERVICE**

Parris N. Glendening
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 01-5
May 31, 2001**

James W. Peck
Director

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:12 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison (left at 11:07 a.m.)
Daniel F. McMullen (left at 11:07 a.m.)
Leslie Jackson Jenkins

OTHERS PRESENT: Sean Coleman
Beth Wojton
Lee Zeni
Robert Miller
Mike Wojton
Henry Cook
Nancy Voorhees Balenske
Charles Simms
Crystal Chissell
Mac McLellan (attended a portion of the meeting)
George Malick (attended a portion of the meeting)
Michael Campbell (attended a portion of the meeting)
Tim Germana (attended a portion of the meeting)
David Purnell (attended a portion of the meeting)
Mike Banning (attended a portion of the meeting)
Harold Adams (attended a portion of the meeting)

INSPIRE AWARDS

Mr. Peck presented Inspire Awards to for Innovative Ideas to Mr. George Malick and Mr. Michael Campbell and awards for Extraordinary Service to Mr. Tim Germana, Mr. David Purnell, Mr. Mike Banning, and Mr. Harold Adams.



MINUTES

The Motion to approve the Minutes of April's Meeting and the May 1st Special Meeting was made by Mr. Snee and seconded by Mr. Addison. The Minutes were approved.

AGENCY ACTIVITY REPORT

Mr. Peck provided an update on the health of the employees injured at Cambridge.

Mr. Peck and the Program Directors reported on the following projects:

The Montgomery County transit service trash services project proposal has been accepted. Services are expected to begin June 1st.

The Town of La Plata – MES is delivering a budget June 1st for operation and maintenance of the water and wastewater treatment systems under development. The project will require six (6) new employees.

The Town of Cecilton – MES is going to offer a budget to operate and maintain the water and wastewater treatment plants.

Town of New Windsor – The contract for operation and maintenance has been signed.

Chesapeake City – The town has accepted the proposal for operation and maintenance of the water and wastewater treatment plants.

FINANCIAL REPORT

Mr. Howarth reviewed the key operating results for the period ending April 30, 2001, and noted the effect of the loss of the King George project on page 2 of the results. Mr. Howarth also handed out a 10-year comparison of income from operations. Discussion was held about looking at gross margins as a percentage of revenues. The Accounts Receivable and Retained Earnings reports were reviewed. Questions were addressed.

Mr. Snee asked if MES ever considered holding a yearly reception for clients. Discussion was held and also held about expenses incurred by Mr. Peck and Mr. Zeni when conducting informal meetings with clients.

Discussion was held about the Statement of Operations and whether operating income sustains certain margins, establishing longer term contracts, and adding a cost inflation factor.

HUMAN RESOURCES

Ms. Wojton handed out the update of the BEST 2001 goals and Mr. Peck reviewed it. Mr. Peck also informed the Board he is in the process of making his "Spring Fling" throughout the State updating employees on the state of the agency.

PROCUREMENT

Mr. Peck presented Items 1 and 2 for approval. Mr. Howarth made the motion to approve the Items, Mr. Addison seconded, and the Items were approved unanimously.

Items for Notification were in the Board notebook.

EXECUTIVE SESSION

At 10:17 a.m., upon motion of Mr. Addison, seconded by Ms. Jenkins, and unanimously approved, the Board voted to go into executive session. The Board did not take any official action while in executive session. During the executive session the Board met with counsel to obtain legal advice. The Board also discussed a matter involving the possible acquisition of a parcel of real property for a public purpose. At 11:07 a.m., upon motion by Mr. McMullen, seconded by Mr. Snee, the Board voted unanimously to go back into open session.

LEGAL REPORT

Mr. Coleman reported on a couple of matters:

A spouse of one of the Cambridge employee's has retained an attorney. The attorney contacted Mr. Coleman regarding the equipment failure and possible legal action against the manufacturer of the equipment.

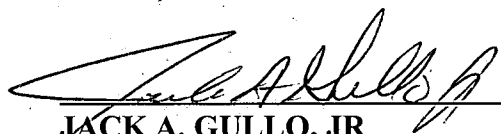
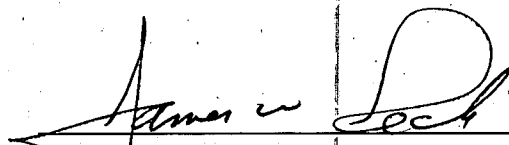
Mr. Coleman reported that his office will soon be filing suit in several collections matters. All the matters involve debts owed for tipping fees at solid waste facilities.

Mr. Coleman will be meeting with Waste Management's attorney to discuss the transition by MES out of the Annapolis Junction Transfer Station project.

ADJOURNMENT

**BOARD OF DIRECTORS MINUTES
MEETING 01-5
MAY 31, 2001
PAGE 4**

The meeting adjourned at 11:10 a.m. The next regular meeting of the Board is June 28, 2001 at MES headquarters.


**JACK A. GULLO, JR
SECRETARY**
**JAMES W. PECK
DIRECTOR**

BOD 01-5



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-6
June 28, 2001**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:09 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
William B. C. Addison
Daniel F. McMullen (arrived at 9:11 a.m.)
Leslie Jackson Jenkins

DIRECTORS ABSENT: Jack A. Gullo, Jr., Secretary

OTHERS PRESENT: Beth Wojton
Lee Zeni
Robert Miller
Mike Wojton
Henry Cook
Nancy Voorhees Balenske
Charles Simms
Crystal Chissell
Hament Patel (attended a portion of the meeting)
Robert Mack (attended a portion of the meeting)
Cynthia James (attended a portion of the meeting)
Ruth Parker (attended a portion of the meeting)
Anita White (attended a portion of the meeting)
David Coale (attended a portion of the meeting)
Douglas Conaway (attended a portion of the meeting)
Laura Gabbard (attended a portion of the meeting)
Justin Meyers (attended a portion of the meeting)
Justin Piper (attended a portion of the meeting)
Edward Rixham (attended a portion of the meeting)



INSPIRE AWARDS & ACHIEVEMENT AWARD

Mr. Peck presented an Inspire Award for an Innovative Idea to Mr. Robert Mack. Ms. Cynthia James, Ruth Parker, Anita White, David Coale, Douglas Conaway, Laura Gabbard, Justin Meyers, Justin Piper, and Edward Rixham were presented awards for Extraordinary Service.

Mr. Peck presented to Ms. Patrice Stanley an award from the Governor's Office of Minority Affairs for achievement in reaching the MBE goal. This award was given to MES during a procurement conference sponsored by the Board of Public Works.

MINUTES

The Motion to approve the Minutes of the May 15th Special Meeting and the May 31st meeting was made by Mr. Shubnell and seconded by Mr. Addison. The Minutes were approved.

AGENCY ACTIVITY REPORT

Mr. Peck and the Program Directors reported on the following projects:

The Town of La Plata – The agreement for operation and maintenance of the water and wastewater treatment systems has been signed.

Poplar Island – The project is moving forward.

Najoles property – The A/E has been selected, but MIE has also approached MES regarding a possible partnership. MES is currently exploring various alternatives.

Mr. Wojton addressed a question about the storm water monitoring of Rock Creek. MES is monitoring the flows.

EXECUTIVE SESSION

At 9:43 a.m., upon motion of Ms. Jenkins, seconded by Mr. Addison, and unanimously approved, the Board voted to go into executive session. The Board did not take any official action while in executive session. The Board considered a matter that concerns a proposal for a business to locate in the State of Maryland. At 11:08 a.m., upon motion by Mr. Addison, seconded by Mr. McMullen, the Board voted unanimously to go back into open session.

PROCUREMENT

Mr. Peck presented Items 1, 2, and 3 for approval. Questions were addressed. Mr. Shubnell made the motion to approve the Items, Mr. Addison seconded, and the Items were approved unanimously.

Items for Notification were in the Board notebook.

FINANCIAL REPORT

Mr. Howarth briefly reviewed the key operating results for the period ending May 31, 2001. Questions were addressed.

HUMAN RESOURCES

Mr. Peck briefly reviewed the BEST 2001 goals.

LEGAL REPORT

Ms. Chissell briefly reported on the status of several legal matters.

Former MES employee Brian McFarland pled guilty in the Circuit Court for Baltimore County to one count of homicide by a motor vehicle while under the influence of alcohol; one count of fleeing the scene of an accident resulting in injury or death; and one count of driving while intoxicated. Mr. McFarland was driving his MES truck at the time of the accident. On June 22, the victim's daughter filed an amended wrongful death complaint in the same court against McFarland and the State of Maryland seeking approximately \$1.85 million in damages.

Sean Coleman has continued to have discussion with Waste Management's attorney regarding close-out of MES' activities at Annapolis Junction. He drafted and sent to WMI a termination agreement setting forth the amount WMI must pay to MES.

The Attorney General's office is providing ongoing advice with respect to implementation of the new Minority Business Enterprise statute.

The Attorney General's office has been assisting the Water/Wastewater and Administration programs with a variety of issues related to MES start-up at these new projects.

The Attorney General's office has filed suit against Dabbco Construction, a Baltimore County demolition firm for approximately \$52,000 owed for tipping fees at the BCRRF. The legal office has also filed a complaint for confessed judgment against Compass Industries for approximately \$3,800 for unpaid tipping fees, plus interest and attorneys fees.

Sean Coleman is attempting to schedule a session with a mediator to meet with the remaining RCF plaintiffs in *Moore v. Maryland Environmental Service*.

EXECUTIVE SESSION

At 11:22 a.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. During the compensation discussion Mr. Howarth was not present. At 11:35 a.m., upon motion of Ms. Jenkins, seconded by Mr. Snee, the Board voted unanimously to go back into open session.


PERSONNEL

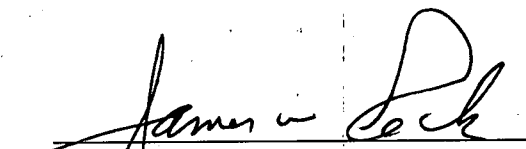
Mr. Howarth came back into the meeting. Ms. Jenkins moved to establish the Director's salary at \$131,250 per year. Mr. Snee seconded the motion and it was unanimously approved, with the exception of Mr. Peck, who abstained from the vote.

Ms. Jenkins moved to establish the two Program Directors' salaries at \$110,000 per year, the Treasurer's salary at \$98,000 per year, the Director of Business Development's salary at \$100,000 per year and the Director of Administration's salary at \$99,000 per year. Mr. Snee seconded the motion and it was unanimously approved, with the exception of Mr. Howarth, who abstained from the vote.

ADJOURNMENT

The meeting adjourned at 11:50 a.m. The next regular meeting of the Board is August 16, 2001, at the Coconut Malorie Hotel, Ocean City.


JACK A. GULLO, JR.
SECRETARY


JAMES W. PECK
DIRECTOR



Parris N. Glendening
Governor

BOARD OF DIRECTORS

MINUTES

MEETING 01-8

August 16, 2001

James W. Peck
Director

LOCATION: Coconut Malorie Hotel
Ocean City, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:00 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
Daniel F. McMullen
Leslie Jackson Jenkins

DIRECTORS ABSENT: William B. Addison

OTHERS PRESENT: Beth Wojton
Lee Zeni
Robert Miller
Mike Wojton
Nancy Voorhees Balenske
Charles Simms
Crystal Chissell, Esq.

MINUTES

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

AGENCY ACTIVITY REPORT

Mr. Peck and the Program Directors reported on the following projects:

Chesapeake City – MES has taken over the facility and operations have begun.

The Town of La Plata – Operation and maintenance of the water and wastewater treatment systems has been begun.



BOARD OF DIRECTORS MINUTES
MEETING 01-5
MAY 31, 2001
PAGE 2

MPA – Many new studies are being performed at the request of the Port.

Poplar Island – There are currently 11 employees on the site. A Board meeting may be held on the Island in the near future.

Montgomery County – The six-month trial period for the bus stop project is going well and the County has requested MES submit a proposal for the entire county and may enter into a long-term contract.

FINANCIAL REPORT

Mr. Howarth reviewed the unaudited key operating results for the period ending June 30, 2001. Questions were addressed.

Mr. Howarth told the Board a proposal will be presented next month to adjust fringe and overhead rates. Rates are necessary due to a rate increase by IWIF and increasing health care costs.

Discussion was held about establishing a revenue stabilization fund similar to the employee benefit stabilization fund.

Mr. Howarth reviewed the recommendation to adjust the balances in Restricted Retained Earnings. Discussion was held and questions were addressed. Mr. Shubnell made the motion to adopt the recommendations provided in the Memorandum dated August 16, 2001. Mr. McMullen seconded and the motion was adopted unanimously.

Mr. Howarth reviewed the request to approve certain Project Reserve Funds. Mr. Shubnell made the motion to adopt the recommendations provided in the Memorandum dated August 15, 2001. Ms. Jenkins seconded and the motion was adopted unanimously.

The audit report may be presented at September's meeting.

PROCUREMENT

Mr. Peck presented Item 1 for approval. Mr. Snee made the motion to approve the Item, Mr. Gullo seconded, and the Item was approved unanimously.

Items for Notification were in the Board notebook.

HUMAN RESOURCES

Mr. Peck presented to the Board the BEST 2002 goals and suggested there be one set of goals combining the BEST goals with the Strategic Business Plan goals. A draft of a brochure to be given to each employee was handed out. Questions were addressed. Mr. Gullo made the motion to approve the BEST 2002 goals; which include the Strategic Business Plan goals. Ms. Jenkins seconded the motion and the motion passed unanimously.

LEGAL REPORT

Ms. Chissell briefly reported on the status of several legal matters.

1. The OAG has reached a settlement agreement in principle with the last 4 plaintiffs in the RCF case. The State and BFI have each agreed to pay Mrs. Wieland and her 3 children a total of \$52,000 (\$26,000 from each defendant). The total amount paid by the State in settlement with all 29 plaintiffs will then total \$66,000. This will conclude the RCF litigation.
2. The OAG has negotiated an agreement with Waste Management for termination costs related to the conclusion of MES activities at Annapolis Junction, but WMI now refuses to sign. WMI, which had previously agreed to reimburse MES 100% of all costs for equipment MES purchased, at WMI's request, for use at King George Landfill now demands that MES accept less than 100% reimbursement. Sean Coleman has written to WMI rejecting this demand, and informing WMI that MES has authorized this matter to proceed to litigation.
3. The OAG is advising the agency staff on matters related to the demolition of the Dorsey Run incinerator.
4. *Wilburn v. McFarland*. This case involves an ex-MES employee who killed a pedestrian. In the civil suit, which was filed by the victim's family shortly after the accident occurred, the OAG filed an answer on behalf of MES on July 24. The next step will be discovery.
5. The OAG has initiated several other suits to collect fees owed to the agency.
6. The OAG is providing ongoing advice with respect to implementation of the new Minority Business Enterprise statute. The OAG is also reviewing the agency's form contracts to make sure they include all mandatory terms and conditions.

OLD BUSINESS

Mr. Snee asked about the status of the Najoles property. Mr. Peck responded that the development of the property and the proposal received from MIE are on hold.


MES met with ECH last week regarding the proposed tire recycling project and the business structure of the project. Mr. Peck advised the Board that there might also be available grant money from MDE for this project. A proposed business structure chart was given to the

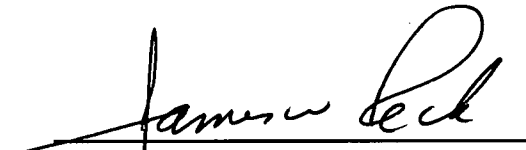
BOARD OF DIRECTORS MINUTES
MEETING 01-5
MAY 31, 2001
PAGE 4

Board members. Discussion was held and questions addressed. Mr. Shubnell recommended that MES analyze and address every aspect thoroughly prior to the Board taking any action to proceed with negotiations.

ADJOURNMENT

The meeting adjourned at 11:15 a.m. The next regular meeting of the Board is September 20, 2001, at the Rocky Gap Lodge and Golf Resort in Flintstone, Maryland.


JACK A. GULLO, JR
SECRETARY


JAMES W. PECK
DIRECTOR

BOD 01-8



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-9
September 20, 2001**

LOCATION: Rocky Gap Lodge & Golf Resort
Flintstone, Maryland

TIME: 8:00 a.m. (Meeting scheduled)
8:11 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
Daniel F. McMullen (left at 9:45 a.m.)
Leslie Jackson Jenkins

OTHERS PRESENT: Lee Zeni
Robert Miller
Nancy Voorhees Balenske
Sean Coleman, Esq.

MINUTES

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

OPENING REMARKS

Mr. Peck briefed the Board regarding the agency's actions and responses on September 11th. Field personnel were placed on "high alert" and prepared for any possible emergency. MES personnel provided some additional support at some facilities. Possible additional security measures are under consideration for headquarters and for water supply facilities.

AGENCY ACTIVITY REPORT

Midshore Regional Landfill – Plans for the development of a new landfill began this summer.



BOARD OF DIRECTORS MINUTES
MEETING 01-9
SEPTEMBER 20, 2001
PAGE 2

Prince George's County Transfer Station – A brief overview of a preliminary feasibility plan for the project was given to the County Executive. The County appears to be open to an MES proposal.

MPA – Many new studies are being performed at the request of the Port. New approaches are being investigated for dredging. The process is being formalized and more citizens are engaged in the process.

Ocean City GIS – MES is working with the Town of Ocean City to conduct a GIS needs assessment for its utilities and emergency preparedness.

FINANCIAL REPORT

Mr. Howarth reviewed the operating results for the period ending August 31, 2001. Questions were addressed.

The outstanding accounts of Dabbco, Lake Linganore, Carroll Cabell, and CES were reviewed. MES has filed suit against Dabbco. Their attorney has contacted MES and a payment plan is being negotiated. Outstanding accounts for Lake Linganore continue to come in. A demand letter has been sent to Ms. Cabell, and a principal of CES is proposing to personally purchase a portion of the firm's debt. A specific proposal is being sent.

Mr. Howarth let the Board know that copies of the draft 2001 audit were available to members if interested.

Mr. Peck introduced Resolution 01-09-1R. Mr. Peck and Mr. Howarth provided a detailed overview for increasing the overhead and fringe recovery rate. Questions were addressed. Mr. Shubnell made the motion to approve the Resolution, Mr. Snee seconded and the Resolution was approved unanimously.

PROCUREMENT

Mr. Peck presented Items 1, 2, and 3 for approval. Mr. Snee made the motion to approve the Item, Mr. Addison seconded, and the Items were approved unanimously.

Items for Notification were in the Board notebook.

HUMAN RESOURCES

The BEST 2001 Final Analysis was handed out to the Board. Mr. Peck reviewed the analysis. Mr. Peck made the recommendation that no BEST payout be made for FY 2001 based on the analysis. The final brochure for the BEST 2002 goals was also given to the members.

LEGAL REPORT

There was no additional Legal Report other than Mr. Coleman's updates on the above-mentioned outstanding accounts.

OLD BUSINESS

Tire Recycling - MES met with our financial advisors. Their recommendation is to pursue financing through a private equipment lease financing option. MES will be meeting with the engineer of SCS that prepared the feasibility report to get more detailed information. Mr. Peck also informed the Board about the work of a graduate student on using crumb rubber in other applications and in asphalt construction. The student provided excellent research information. At this point, no conclusions and no decisions have been made regarding the project. MES hopes to bring as much detailed information to the November 1st meeting for a possible decision.

ADJOURNMENT

The meeting adjourned at 10:09 a.m. The next regular meeting of the Board is November 1, 2001. There will be two meetings in November.



JACK A. GULLO, JR
SECRETARY



JAMES W. PECK
DIRECTOR



**MARYLAND
ENVIRONMENTAL
SERVICE**

Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-11
November 1, 2001**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:04 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Leslie Jackson Jenkins
William B.C. Addison
Joseph F. Snee (arrived at 9:21 a.m.)

DIRECTORS ABSENT: Daniel F. McMullen

OTHERS PRESENT: Lee Zeni
Nancy Voorhees Balenske
Sean Coleman, Esq.
Crystal Chissell, Esq.
Henry Cook
Robert Miller
Charlie Simms
Hament Patel
Beatrice McQuarrie
Vickie McKendry
Patrick Boyce, KPMG (attended a portion of the meeting)
Betsy Eager, KPMG (attended a portion of the meeting)
Mac McLellan (attended a portion of the meeting)
Robert Barnhart (attended a portion of the meeting)
Theresa Miller (attended a portion of the meeting)
Krista Collins (attended a portion of the meeting)
Bob DePaola (attended a portion of the meeting)
Mike Barkdoll (attended a portion of the meeting)
Mark DeYoung (attended a portion of the meeting)
Denise Russell (attended a portion of the meeting)



INSPIRE AWARDS

Inspire Awards for Extraordinary Work was presented to Mr. DePaola, Mr. Barkdoll, Mr. Barnhart, Ms. Miller, and Ms. Collins. An Inspire Award was presented to Mr. DeYoung for an Innovative Idea, and one to Ms. Russell for an Innovative Idea/Extraordinary Service.

MINUTES

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

AGENCY ACTIVITY REPORT

Mr. Peck addressed a question about the work for MPA. The preparation of a 20-year dredged material disposal plan on an accelerated schedule has increased the amount of work MES is doing for the Port.

Poplar Island – MES submitted an Agreement to MPA for long-term operations of the Island.

Hart-Miller Island – Mr. Peck took Delegate Hurson, new chairman of the House Environmental Matters Committee on a tour of the Island.

City of Frostburg – A meeting was held with the City Manager and Mayor regarding an MES proposal to operate the City's water treatment plant.

Prince George's County Transfer Station – MES is continuing its search for an appropriate site.

ComPRO® - MES has worked out an arrangement with Perdue to produce a fertilizer the can bag and sell within the region. We are currently looking for a storage facility. Mr. Zeni showed the design of a possible bag.

MISCELLANEOUS INFORMATION

Mr. Peck described the cost containment measures MES initiated in response to the State's initiatives due to the economic impact of September 11th.

Mr. Peck and Mr. Wojton also reviewed the additional security measures in place at the water and wastewater treatment facilities.

FINANCIAL REPORT

Mr. Howarth introduced Mr. Patrick Boyce and Ms. Betsy Eager from KPMG. Mr. Howarth also introduced members of his staff; Ms. McKendry, Ms. McQuarrie, Mr. Patel, and Mr. Cook who provided support to the auditors. Mr. Boyce gave a brief presentation on the 2001 audit. He handed out the audit letter. No management letter will be issued this year. The auditors are working to issue the indirect cost reports this week. A project statement is also being prepared for Cecil County. Questions were addressed on GASB 34 and the Regional Yard Waste Composting Facility.

Mr. Howarth reviewed the operating results for the period ending September 30, 2001. Questions were addressed.

The Accounts Receivables were reviewed. A letter has been received from a principal of CES proposing to personally purchase a portion of the firm's debt. The proposal will be negotiated.

Mr. Cook advised the members that the accounting department is considering billing haulers twice a month in order to more closely monitor payment practices.

Mr. Howarth handed out a summary of what MES is providing to the Department of Budget and Management and to the legislative analyst.

Mr. Peck introduced Equipment Resolutions 01-11-1R to finance the purchase of a wheel loader, 01-11-2R to increase the amount to finance a third pickup truck and increase the total cost of all equipment under the original resolution 01-03-2R, and 01-11-3R to finance the purchase of a trommel screen. Mr. Addison made the motion to approve the Resolutions, and Mr. Gullo seconded. The Resolutions were approved with Ms. Jenkins abstaining from the motions on 01-11-1R and 01-11-3R.

PROCUREMENT

There were no Procurement Agenda items for approval.

Questions on the Notifications contained in the Board notebook were addressed.

Mr. Coleman introduced and reviewed the proposed change to the MES Procurement Regulations. This change makes it clear that MES has the authority to contract directly with a waste firm for final disposal of solid waste. Upon approval by the Board the proposed change will be submitted to AELR and published in the Maryland Register. Mr. Shubnell made the motion to approve the change, Mr. Addison seconded, and the motion was approved unanimously.

HUMAN RESOURCES

Ms. Wojton reviewed the BEST 2002 goals to date.

Mr. Peck announced that MES exceeded its goal for the Maryland Charity Campaign. He also handed out a letter of Comptroller William Donald Schaefer congratulating MES on its outstanding performance with regard to timely payments on agency bills.

LEGAL REPORT

Mr. Coleman provided updates as follows:

Bond Counsel – The agency received 7 proposals. Interviews are scheduled with some of the offerors and the agency will recommend that 2 contracts be awarded.

Headquarters – The office experienced two power failures that caused a loss of business time to the agency. The office is assembling information for a claim.

EPA – The agency has adopted the higher standard of arsenic in water.

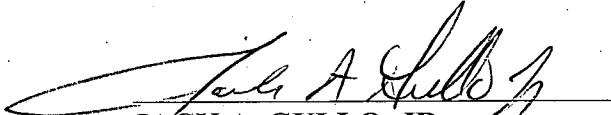
OLD BUSINESS

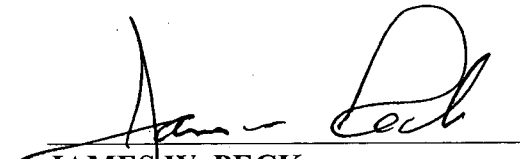
Tire Recycling – Mr. Miller, Mr. Zeni, and Mr. Howarth gave brief progress reports on certain aspects of the project. Mr. Peck would like a decision by the end of the year. Questions were addressed. Discussion was also held about a trip by the Board to tour certain facilities. An email will be sent to the members regarding interest and availability. Mr. Miller also reminded the Board that MDE would like to encumber any grant money for this project by the end of the year.

New building – Discussion was held about moving forward with the building. Mr. Peck showed the members designs of a proposed building that appeals to MES's needs. Mr. Snee recommended an agenda item be dedicated to discussion.

ADJOURNMENT

The meeting adjourned at 11:40 a.m. The next regular meeting of the Board is November 29, 2001.



JACK A. GULLO, JR
SECRETARY

JAMES W. PECK
DIRECTOR

BOD 01-11/1



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-11-2
November 29, 2001**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:08 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Jack A. Gullo, Jr., Secretary (arrived at 9:31 a.m.)
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Daniel McMullen
Joseph F. Snee (arrived at 9:41 a.m.)

DIRECTORS ABSENT: Leslie Jackson Jenkins
William B.C. Addison

OTHERS PRESENT: Lee Zeni
Nancy Voorhees Balenske
Sean Coleman, Esq.
Crystal Chissell, Esq.
Henry Cook
Robert Miller
Charlie Simms (attended a portion of the meeting)
Greg Africa (attended a portion of the meeting)
Mac McLellan (attended a portion of the meeting)
Tim Leverage (attended a portion of the meeting)
Chris Nash (attended a portion of the meeting)
Gary Steffan (attended a portion of the meeting)
Bob DePaola (attended a portion of the meeting)
Mike Barkdell (attended a portion of the meeting)
Jim Campbell (attended a portion of the meeting)
Rick Hummer (attended a portion of the meeting)
Thomas Johnson (attended a portion of the meeting)



AGENCY ACTIVITY REPORT

Mr. Peck noted the amount of work we are doing for MPA. This is in response to the accelerated planning schedule of the 20-year dredged material disposal plan. At a recent meeting, MES was praised by the Port for its efforts and quality of work.

Arlington, Va. – A meeting is scheduled to develop a proposal and budget to provide inspections of their bisolids land application program.

Town of LaPlata – Since MES began operations, there has been a significant cost saving to the Town.

Discussion was held about the small projects MES performs with small budgets.

ComPRO® - Mr. Zeni handed out information, including a draft design of the bag for the new organic fertilizer product. A storage facility has been located and bags need to be ordered. The product may be on the market in January.

FINANCIAL REPORT

Mr. Howarth reviewed the operating results for the period ending October 31, 2001. Questions were addressed.

The Accounts Receivables were reviewed. Discussion was held regarding the protocol for writing off SBCCS as bad debt. Board action will be required. MES is responding to CES's counteroffer regarding a principal of CES's offer to personally purchase a portion of the firm's debt. Negotiations will be held.

Mr. Howarth handed out the final audit report. He also gave each Board member a folder containing information on changes in the pension law. An agenda item will be forthcoming regarding revisions to the agency's 401(k) plan with Vanguard to comply with federal legislation.

HUMAN RESOURCES

Ms. Wojton reviewed the BEST 2002 goals to date. Further explanation was provided on Goal #5, support of the MBE program.

INSPIRE AWARDS

Inspire Awards were presented for Extraordinary Work to Mr. Leverage, Mr. Nash, Mr. Steffan, Mr. DePaola, Mr. Barkdell, Mr. Campbell, Mr. Hummer, and Mr. Johnson.

MINUTES

At 9:41 a.m., with the arrival of Mr. Snee, a quorum was present. The Motion to approve the Minutes of the November 1st meeting was made by Mr. Shubnell and seconded by Mr. Snee. The Minutes were approved.

PROCUREMENT

Mr. Peck reviewed the three (3) Procurement Agenda Items. Mr. McMullen made the motion to approve the Items and Mr. Snee seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

LEGAL REPORT

Mr. Coleman provided updates as follows:

Bond Counsel – Interviews were conducted with potential bond counsel offerors. Best and final offers have been received from three firms. The offers will be sent to the evaluation committee and 2 firms will be selected.

EXECUTIVE SESSION

At 10:03 a.m., upon motion of Mr. Snee, seconded by Mr. Shubnell, and unanimously approved, the Board voted to go into executive session. The Board did not take any official action while in executive session. During the executive session the Board discussed matters related to the acquisition of real property for a public purpose. The Board also consulted with counsel to obtain legal advice. Mr. Coleman, Ms. Chissell, and the MES staff members listed above, with the exception of Mr. Cook, were present during the executive session. At 11:13 a.m. the Board voted unanimously to go back into open session.

RESOLUTION

Mr. Peck introduced Resolution 01-11.2-01R. This Resolution of Intent to Finance will allow the Service to be reimbursed for expenses incurred with respect to a solid waste transfer facility project from debt issued by the Service. Mr. McMullen made the motion to approve the Resolution and Mr. Snee seconded. The motion passed unanimously.

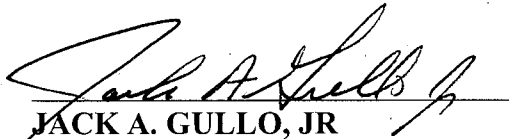
OLD BUSINESS

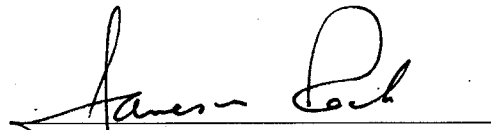
Tire Recycling – Mr. Miller and Mr. Zeni gave a presentation of Mr. Africa's and Mr. Zeni's trip to Germany to visit a tire recycling, crumb rubber, and recycled rubber mat production facility and assess the Eldan Scandinavian Recycling A/S technology. Before the presentation, Mr. Peck advised the Board of his recommendation to not proceed with a full scale crumb rubber production project as has been discussed for the past year, but to investigate a scaled down tire recycling project. Mr. Zeni also showed a video of the facility they toured.

Mr. Peck reviewed the plans for the new headquarters building. Board members requested the developer make a presentation at the December meeting. They also requested copies of the notebook prepared by the developer for the agency prior to the meeting.

ADJOURNMENT

The meeting adjourned at 11:27 a.m. The next regular meeting of the Board is December 20, 2001.


JACK A. GULLO, JR
SECRETARY


JAMES W. PECK
DIRECTOR



Parris N. Glendening
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 01-12
December 20, 2001**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:11 a.m. (Meeting convened)

DIRECTORS PRESENT: James W. Peck, Director
Kenneth A. Howarth, Treasurer
Lawrence D. Shubnell
Joseph F. Snee
Leslie Jackson Jenkins
William B.C. Addison

DIRECTORS ABSENT: Daniel McMullen
Jack A. Gullo, Jr.

OTHERS PRESENT: Lee Zeni
Beth Wojton
Nancy Voorhees Balenske
Sean Coleman, Esq.
Crystal Chissell, Esq.
Michael Wojton
Henry Cook
Robert Miller
Charlie Simms (attended a portion of the meeting)
Greg Africa (attended a portion of the meeting)
Mac McLellan (attended a portion of the meeting)
Diane Thau (attended a portion of the meeting)
Beatrice McQuarrie (attended a portion of the meeting)
Charlie Bangert (attended a portion of the meeting)



INSPIRE AWARDS

An Inspire Award was presented for Extraordinary Work to Ms. Diane Thau.

MINUTES

The Motion to approve the Minutes of the November 29th meeting was made by Mr. Snee and seconded by Mr. Howarth. The Minutes were approved.

AGENCY ACTIVITY REPORT

Prince George's County Transfer Station – MES is still looking at possible sites. A meeting was held with BFI and The Michael Company about a possible partnership arrangement. Discussion is at the exploratory stage only. Ms. Jenkins will fax Mr. Peck proposed legislation restricting the ability to develop/locate solid waste transfer stations in the county.

City of Frostburg – The City requested a proposal from MES to operate their water treatment facility.

Town of Federalsburg and Betterton – These towns have requested proposals for operations services.

Harford County – waste-to-energy project – The Northeast Maryland Waste Disposal Authority is having preliminary discussions with the project owner about the sale of the facility. The Service has expressed an interest in operating the facility. A meeting is scheduled with the County Executive.

BUILDING PRESENTATION

Mr. Peck introduced Mr. Ken Morrell and Mr. Craig Morrell of The Morrell Company. They proceeded to give a presentation to the Board on the new MES headquarters and their proposal for a business and financial partnership with MES. Questions were addressed. It was recommended that an updated Pro-forma be prepared.

The Board, later during the meeting, recommended MES proceed with a Letter of Intent and work on a draft contract with The Morrell Company. The Board also requested that references be received and forwarded to them prior to January's meeting.

TIRE RECYCLING

Mr. Miller and Mr. Africa provided an information update of a tire recycling project. They handed out a Capital Project Evaluation and reviewed a "Proposed Crumb Rubber Facility Process Flow Diagram". Questions were addressed. Now that it is clear the ECH project will not be implemented, MES, in furtherance of its statutory responsibilities, is exploring promising rental opportunities and property site options.

FINANCIAL REPORT

Mr. Howarth informed the Board of a phone call from the Department of Budget and Management regarding proposed legislation for independent agencies to provide financial support to the State. A draft response letter was handed out and discussion was held about strengthening certain points of the letter and the message MES wishes to convey. The Board was uniformly critical of the Department's intention to seek funds from MES.

Mr. Howarth reviewed the Operating Results ending November 30, 2001. Mr. Howarth also handed out a Memorandum recommending revisions to the investment of MES's cash balances. Mr. Shubnell made the motion to approve the recommendations to revise the investment of the cash balances. Mr. Addison seconded and the motion passed unanimously.

PROCUREMENT

Mr. Peck reviewed the two (2) Procurement Agenda Items. Questions were addressed. Mr. Snee made the motion to approve the Items and Ms. Jenkins seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

LEGAL REPORT

Mr. Coleman reported that a recommendation has been made to the Director for the agency to award bond counsel contracts to two (2) firms. MES's thirty year relationship with Piper & Marbury will end.

HUMAN RESOURCES

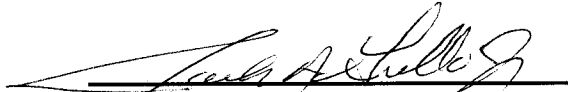
The BEST 2002 goals to date were inserted in the front cover of the Board notebook.

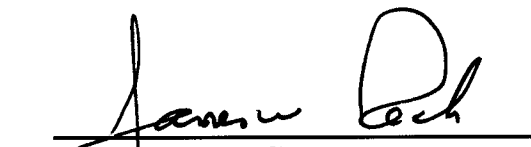
NEW BUSINESS

The proposed meeting schedule for 2002 was handed out. Board members should advise of any conflicts. The MES Holiday party is December 21st.

ADJOURNMENT

The meeting adjourned at 11:49 a.m. The next regular meeting of the Board is January 31, 2002.


**JACK A. GULLO, JR
SECRETARY**


**JAMES W. PECK
DIRECTOR**