



Parris N. Glendening  
*Governor*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-1  
January 31, 2002**

James W. Peck  
*Director*

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

**TIME:** 9:00 a.m. (Meeting scheduled)  
9:01 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 (arrived at 9:20 a.m.)  
Leslie Jackson Jenkins (left at 11:28 a.m.)  
William B.C. Addison (left at 9:48 a.m.)  
Daniel F. McMullen (left at 10:30 a.m.)

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

**INSPIRE AWARDS**

Inspire Awards were presented to Mr. Robert Bennett and Mr. Charles Mott for Innovative Ideas. An Inspire Award for Extraordinary Service was presented to Mr. Charles Mills.

**MINUTES**

The Motion to approve the Minutes of the December 20th meeting was made by Mr. Shubnell and seconded by Mr. Addison. The Minutes were approved.



**AGENCY ACTIVITY REPORT**

MPA – MES is still successfully responding to a heavy workload for development of a master plan with tight deadlines. MPA's personnel have expressed their appreciation.

Washington County – The County has accepted a revised proposal to provide services for the Resh Road Landfill closure. They are preparing an IGA for MES's execution.

City of Frostburg – The City has signed a three year contract with MES to operate its water treatment facility.

Memorial Stadium – DNR has expressed an interest in MES placing processed and recycled stadium rubble for oyster reef development.

Questions were addressed regarding the proposed Alexandria WWTP Biosolids land application inspections and management and the Signature Flight Support proposal to conduct oil/water separator inspections and reporting. MES recently received a thank you from Secretary Porcari for the work at BWI.

Prince George's County Transfer Station – MES is still discussing with BFI and The Michael Company about a possible partnership arrangement and a site location.

Town of Elkton – MES has been approached about submitting a proposal for water and wastewater operations.

Harford County – waste-to-energy project – MES officials and Mr. Snee met with the County Executive regarding the acquisition of the facility. The County will be hiring a transition operator, but there may be a future opportunity for MES to operate the facility.

FertileGROTM – Mr. Zeni handed out a fact sheet with the bag design and each Director was given the product's mascot, a stuffed (animal) chicken. A recommendation was made to issue a press release.

### **FINANCIAL REPORT**

Mr. Howarth handed out the revised letter hand delivered and mailed to the Department of Budget and Management regarding proposed legislation for independent agencies to provide financial support to the State. Attached to the letter is a letter dated January 3, 2002, proposing to offer \$400,000 to DBM from unearned reimbursable State revenues and if necessary, the Service's Unrestricted Retained Earnings. This will be a one-time donation. Mr. Howarth also handed out copies of pages from the state budget. The House budget hearing was yesterday, January 30<sup>th</sup>, and the Senate hearing is today, January 31<sup>st</sup>.

Mr. Howarth reviewed the impact of GASB 33 and GASB 34. Questions were addressed and discussion was held. Mr. Howarth then reviewed the Operating Results ending December 31, 2001. These results begin to show the impact of GASB 34.

The Accounts Receivable was also reviewed. Mr. Peck handed out a letter from Dr. Torrey Brown, of CES proposing to resolve the outstanding debt. Dr. Brown proposed to personally purchase half of the debt for \$2,000.00. The other half of the indebtedness would be satisfied by CES transferring to MES all right, title and interest in the data, reports and other documentary material prepared for the project. Mr. Peck recommended the agency accept his proposal. Mr. Shubnell made a Motion to accept Dr. Brown's proposal. Mr. Snee seconded and the Motion passed unanimously.

Mr. Howarth reviewed a request in a Memorandum dated January 31, 2002, which was contained in the Board's notebook, to adopt pension reform requirements as they apply to MES's 401(k) plan. Questions were addressed. Ms. Jackson made the Motion to approve the recommended action and Mr. Snee seconded. The Motion passed unanimously.

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Items 1, 2, 3, and 4. Questions were addressed. Mr. Snee made the motion to approve the Items and Mr. McMullen seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

### **HUMAN RESOURCES**

Ms. Wojton reviewed the BEST 2002 goals to date. A suggestion was made to delete the word, "only" in Goal 3. Questions were addressed.

**LEGAL REPORT**

Mr. Coleman reported that MES filed suit against Dabbco Construction for failure to pay an outstanding account. The Baltimore County Circuit Court has ordered mediation, and it is scheduled for the first week in March.

**OLD BUSINESS**

Building – MES received a draft Letter of Understanding from The Morrell Company that was passed out to the Board. Mr. Coleman has reviewed and provided input into the letter. A summary of a Lease v. Build Comparison was handed out and reviewed by Mr. Cook. Discussion was held and questions were addressed. Suggestions included adding a disclaimer regarding the contractual intent of the letter, performing an analysis from Morrell's point of view, and examining comparable values in the area. The Board gave its general concurrence to move forward with the project.

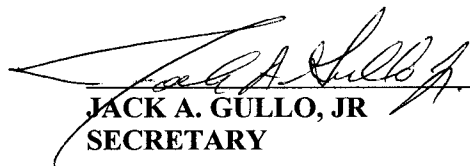
Tire Recycling – Mr. Miller handed out a compilation of documents on the tire recycling project and began a presentation of the information on a proposed facility that will process 1.5 million tires per year. Mr. Zeni briefed the Board on a proposed site and negotiations with Mankein, LLC. Mr. Zeni discussed MES's desire to seek KLNB's assistance in negotiating the lease for the property. This generated discussion about hiring KLNB as consultant versus paying a fee commission, or hiring a commercial real estate attorney to review documents. No final decision was made. Ms. McQuarrie presented and reviewed the Pro Forma. Mr. Africa presented a Monte Carlo analysis, and Mr. Simms and Mr. Zeni reviewed the potential markets for the product. The presentation ended with Mr. Howarth reviewing the equipment financing. The Board gave the project its informal approval. Final approval of documents will be in February.

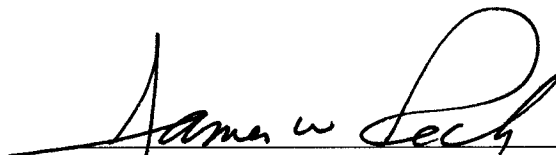
**EXECUTIVE SESSION**

Due to the time, the Executive Session to review Mr. Peck's performance will be held next month.

**ADJOURNMENT**

The meeting adjourned at 12:00 p.m. The next regular meeting of the Board is February 28, 2002.

  
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JACK A. GULLO, JR  
SECRETARY

  
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JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-2  
February 28, 2002**

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

**TIME:** 9:00 a.m. (Meeting scheduled)  
9:01 a.m. (Meeting convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Jack A. Gullo, Jr., Secretary (left at 10:00 a.m.)  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Leslie Jackson Jenkins  
William B.C. Addison (left at 9:53 a.m.)  
Daniel F. McMullen (arrived at 9:52 a.m.)

**DIRECTORS ABSENT** Joseph F. Snee

**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)  
Beatrice McQuarrie (attended a portion of the meeting)  
Greg Africa (attended a portion of the meeting)  
Mac McLellan (attended a portion of the meeting)  
Charles Peng (attended a portion of the meeting)  
William Chicca (attended a portion of the meeting)  
David Ferguson (attended a portion of the meeting)  
Luis Maldonado (attended a portion of the meeting)  
Carl Bruzdinski (attended a portion of the meeting)  
Jeremiah Smith (attended a portion of the meeting)  
William Conoway (attended a portion of the meeting)  
Robert DePaola (attended a portion of the meeting)  
Earle Villarreal (attended a portion of the meeting)



### INSPIRE AWARDS

Inspire Awards were presented to Mr. Charles Peng, Mr. Luis Maldonado, Mr. Carol Bruzdinski, Mr. Jeremiah Smith, and Mr. William Conoway for an Innovative Idea/Extraordinary Service. An Inspire Award for Extraordinary Service was presented to Mr. Robert DePaola and to Mr. Earle Villarreal.

Mr. Peck gave the Board members a copy of a letter of appreciation received from Camp David.

### MINUTES

The Motion to approve the Minutes of the January 28th meeting was made by Ms. Jackson and seconded by Mr. Addison. The Minutes were approved.

### AGENCY ACTIVITY REPORT

Dan-Dee Hotel & Restaurant – A Letter of Intent was issued to MES by the owners to operate the water and wastewater treatment facilities.

Town of Hancock – A presentation was made to operate the Town's water and wastewater treatment system. The Town requested a proposal.

Prince George's County Transfer Station – The County requested a proposal from MES for the development of a new solid waste transfer station.

City of Frostburg – The transition is going well and MES's newest employees are very pleased with their employment.

Montgomery County – The County has asked MES to submit a proposal to operate the County's solid waste transfer station, and the transportation network which serves it. The County has also requested that MES and the Northeast Waste Disposal Authority develop an IGA. Mr. Miller provided the Board with the background of this proposal. Questions were addressed.

FertileGRO™ – Mr. Zeni informed the members that product orders have been received. Questions were addressed.

Midshore Regional Landfill – In response to a question about the evaluation of service district options, Mr. Peck informed the Board of the study underway regarding waste disposal options for the Midshore Region.

Mr. Peck also informed the Board of the aggressive marketing of some of MES's clients by a company called Miller Environmental. Under the Maryland Public Information Act the company requested to see all of MES's invoices to its water and wastewater clients for a period of several years. On February 27<sup>th</sup>, two representatives from Miller reviewed boxes of invoices provided by MES.

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Items 1 and 2. Mr. Addison made the motion to approve the Items and Ms. Jackson seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

### **BUILDING & TIRE RECYCLING**

Mr. Peck advised the Board that the Letter of Understanding with The Morrell Company has been signed by MES. Mr. Coleman briefly reviewed the contents of the letter. Questions were addressed.

Tire Recycling – Mr. Peck informed the Board of a meeting held with Senator Bromwell and Delegate Oakes. They each introduced legislation increasing the tire disposal fee, with a portion of the funds from this fee to be given to MES for tire recycling projects. Questions were addressed. Mr. Miller handed out an update of the project and discussed the project's current status: A formal proposal for supply and installation of the processing equipment has been received from Wendt. A meeting was held with representatives of Wendt and MES to discuss a turnkey operation, which will increase their proposal, by \$300,000. Mr. Greg Africa has been appointed the full time Project Manager. Mr. Simms informed the Board the facility would begin operation in September using current employees. At March's meeting a final decision on the project will be made. The members will be sent comprehensive documents prior to the meeting. A conference call may be made if a decision is required prior to March 28<sup>th</sup>. A marketing consultant is under contract. Equipment will need to be ordered by March. Questions were addressed. Mr. Africa reviewed the performance testing. Mr. Peck also advised the Board a meeting was held with Councilman Sam Moxley of Baltimore County to inform him of the project. A resolution will be introduced in the County Council supporting the project. MES is currently reviewing the proposed lease the White-Rose Realty Company, and has asked for input from KLNb. Mr. Howarth reported the Pro Forma is updated daily and he has received at least one financing proposal. Questions were addressed.

### **ANNOUNCEMENT**

Mr. Peck announced the resignation of Mr. Jack Gullo from the Board. His resignation is effective March 1, 2002. Mr. Peck and all the board members present expressed their appreciation for Mr. Gullo's service on the Board, and regret at his departure.

### FINANCIAL REPORT

Mr. Howarth reviewed the Operating Results ending January 31, 2002. A suggestion was made to perform a comparison of the gross numbers with reference to employee productivity.

The Accounts Receivable was also reviewed. The Harkins outstanding account was turned over to the Office of Attorney General on February 20<sup>th</sup>. Mr. Howarth handed out copies of the restated Annual Report.

### HUMAN RESOURCES

Ms. Wojton reviewed the BEST 2002 goals to date. Mr. Peck informed the Board Ms. Wojton sent an excellent memo to supervisors providing ideas to promote the BEST program to employees. Questions were addressed.

### LEGAL REPORT

Mr. Coleman reported on the following:

Temporary employee – The employee of a temporary agency who illegally used MES's credit cards will be arraigned in a couple of weeks.

MES's name was used to present fraudulent checks in Charles County. The case against the defendants has been scheduled for trial in March.

ECH – MES received a draft Article(s) of Dissolution and an invoice. The office is reviewing.

### NEW BUSINESS

Mr. Peck informed the Board of a major training initiative being undertaken by MES in Mediation/Conflict Resolution for its supervisors. MES received a \$25,000 grant from the Maryland Alternative Dispute Resolution Commission so that its program can serve as a future prototype.

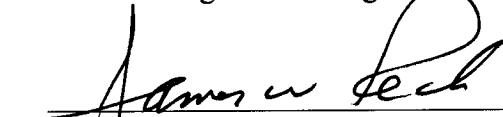
### EXECUTIVE SESSION

The Executive Session to review executive personnel performance was postponed, and will be held prior to next month's meeting. **An Executive Session will begin at 8:30 a.m.**



**ADJOURNMENT**

The meeting adjourned at 10:28 a.m. The next regular meeting of the Board is March 28, 2002.

  
A handwritten signature in black ink, appearing to read "James A. Peck", is written over a horizontal line. The signature is stylized and cursive.

**JAMES A. PECK  
DIRECTOR**

BOD 02-2



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-3  
March 28, 2002**

- LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland
- TIME:** 8:30 (Executive Session)  
9:00 a.m. (Regular Meeting scheduled)  
9:45 a.m. (Meeting convened)
- DIRECTORS PRESENT:** James W. Peck, Director  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Joseph F. Snee  
Leslie Jackson Jenkins (left at 10:55 a.m.)  
William B.C. Addison (left at 9:46 a.m.)  
Daniel F. McMullen
- 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)  
Mac McLellan (attended a portion of the meeting)  
Joe Ambrozewicz (attended a portion of the meeting)  
Rob McIntyre (attended a portion of the meeting)  
Robert Nicholson (attended a portion of the meeting)

**EXECUTIVE SESSION**

At 8:30 a.m., upon motion of Mr. Peck, seconded by Mr. Shubnell, unanimously approved, Messrs. Peck, Shubnell, Addison, McMullen and Ms. Jenkins met privately to discuss the performance evaluation of an official of the agency, as permitted under §10-508(a)(1) of the State Government Article. A quorum of the Board was not present until 9:00 a.m., at which time Mr. Snee arrived and a quorum was present. The Board did not take any official action while in



executive session. No other individuals were present during the executive session. At 9:45 a.m., upon motion by Mr. Peck, seconded by Mr. Shubnell, the Board voted unanimously to go into open session.

### **INSPIRE AWARDS**

Inspire Awards were presented to Mr. Joe Ambrozewicz for an Innovative Idea and to Mr. Rob McIntyre and Mr. Robert Nicholson for an Extraordinary Service.

### **MINUTES**

The Motion to approve the Minutes of the February 28th meeting was made by Mr. Shubnell and seconded by Mr. McMullen. The Minutes were approved.

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Item 1. Questions were addressed. Mr. Shubnell made the motion to approve the Item and Mr. McMullen seconded. The Item was unanimously approved.

The Board notebook contained the Notifications.

### **TIRE RECYCLING PROJECT**

Mr. Miller updated the Board on the project. A comprehensive permit application has been submitted to the Maryland Department of the Environment. MES is following the tire bills submitted in the legislature. Mr. Charlie Simms informed the Board that Letters of Intent with potential crumb rubber purchasers have been prepared and 40 other potential customers have been identified. Mr. Howarth reported he has received five (5) financial proposals. They are currently being reviewed and he expects to have the final results of the review in the next couple of days. Questions were addressed and discussion was held. At the request of the members, a special meeting will be held before next month's meeting and before MES orders the equipment. Mr. Shubnell requested the following information prior to the special meeting: A stress test – cash flow, insurance requirements, and a forecast of the effect of the project on MES's balance sheet. Mr. Snee commended MES's efforts to date.

### **ANNOUNCEMENT**

Mr. Peck announced this year's recipient of the Anne Arundel County YWCA TWIN award, Assistant Attorney General Crystal Chissell

### **AGENCY ACTIVITY REPORT**

Darlington – MES has updated the Five Year Plan. This will be presented to the Board at April's meeting.

Three Mile Island – Water and Wastewater is pursuing an opportunity to operate the wastewater facility at the Island.

Public Information Act request – MES advised its corporate water and wastewater customers of the request for three (3) years of invoices by Miller Environmental. Many customers expressed indignation at the request by Miller.

### **FINANCIAL REPORT**

Mr. Howarth reviewed the Operating Results ending February 28, 2002.

The Accounts Receivable was also reviewed. The Harkins outstanding account has been paid. A settlement agreement has been reached with Dabbco. Questions were addressed.

### **MISCELLANEOUS**

MES's weekly radio show hosted by Mr. Tait Saderholm begins again this week. Discussions are also been held with WMAL. Mr. Peck told the Board if they would like fertileGRO™ or LeafGRO® to let him know.

### **HUMAN RESOURCES**

Ms. Wojton briefly reviewed the BEST 2002 goals to date. The goals had been reviewed during Executive Session.

### **LEGAL REPORT**

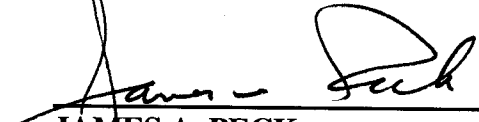
Mr. Coleman reported on the following:

Talbot County – A former employee has been indicted for procurement fraud. Questions were addressed. The County Administrators have been kept advised.

Financial Disclosure statements are due by the end of April.

**ADJOURNMENT**

The meeting adjourned at 11:00 a.m. The next regular meeting of the Board is April 29, 2002.

  
A handwritten signature in black ink, appearing to read "James A. Peck", is written over a horizontal line. The signature is stylized and cursive.

**JAMES A. PECK  
DIRECTOR**

BOD 02-3



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-4  
April 29, 2002**

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

**TIME:** 9:00 a.m. (Regular Meeting scheduled)  
9:03 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

**DIRECTORS ABSENT:** Leslie Jackson Jenkins

**OTHERS PRESENT:** Jack Gullo  
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)  
Cheryl Guth, Esq., McGuire Woods LLP (attended a portion of the meeting)  
Kathy Marx (attended a portion of the meeting)  
Beatrice McQuarrie (attended a portion of the meeting)  
Gary Bryant (attended a portion of the meeting)  
Melissa Slatnick (attended a portion of the meeting)  
Tammy Banta (attended a portion of the meeting)  
Cece Donovan (attended a portion of the meeting)  
David Wells (attended a portion of the meeting)  
Tom Humbles (attended a portion of the meeting)  
Pamela McDonagh (attended a portion of the meeting)



**Suellen Jefferson (attended a portion of the meeting)  
Larry Walsh (attended a portion of the meeting)  
Dan Joyave (attended a portion of the meeting)  
Robert Dunnock (attended a portion of the meeting)  
Mike Beichler (attended a portion of the meeting)  
Frank Moir (attended a portion of the meeting)  
Idriss Kouyateh (attended a portion of the meeting)**

### **INSPIRE AWARDS**

Inspire Awards were presented to several individuals listed above for Extraordinary Service and to Mr. Kouyateh and Mr. Moir for Innovative Ideas.

### **MINUTES**

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

### **MISCELLANEOUS**

Mr. Peck handed out an article, which appeared in the Baltimore Sun about the agency's new secretary, Mayor Jennifer Dougherty. Mayor Dougherty will be at May's meeting.

### **AGENCY ACTIVITY REPORT**

General Assembly – Mr. Peck advised the Board that neither tire bill increasing the disposal fee passed the General Assembly. A bill containing funding to address I/I problems across the state passed. MES will be providing some of the studies.

Mr. Wojton informed the Board of the activities the Water & Wastewater staff provided for the Town of LaPlata from the tornado damage yesterday.

### **FINANCIAL REPORT**

Mr. Howarth reviewed the Operating Results ending March 31, 2002.

The Accounts Receivable was also reviewed. Dabbco is in the process of obtaining additional financing which will reinvigorate their company. They will be making a substantial payment to MES. Questions were addressed.

Mr. Howarth handed out graphic representations of the operating results.

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Items 1, 2, 3, & 4. Item 5 was held for later discussion during the meeting. Mr. Addison made the motion to approve the Items and Mr. McMullen seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

### **HUMAN RESOURCES**

Ms. Wojton brought to the Board's attention a copy of "Tips to Supervisors for Promoting the Best Program" contained in the notebook. This was given to all supervisors as ways to continue to encourage employees. Ms. Wojton briefly reviewed the Best Update as of March. Ms. Wojton also reviewed with the members a revised Sick Leave Incentive Program policy. This will be voted on in May.

### **LEGAL REPORT**

Mr. Coleman reported on the following:

Lanham Ford, a former vendor, which was contract to MES to provide vehicles, has sued MES. A response will be filed in May. MES vigorously denies it owes anything to Lanham Ford.

### **TIRE RECYCLING PROJECT**

Mr. Miller handed out to the Board a photo of the prospective building and answered questions. Mr. Africa reviewed the Wendt Corporation proposal and addressed concerns regarding the performance of the equipment and liquidated damages. A meeting with the owners and realtors regarding the lease for the building will be held next week. In the meantime, the owner has agreed to the Letter of Intent. Mr. Zeni highlighted the terms and main elements of the draft lease. Mr. Howarth, with input from Ms. Guth, reviewed the Sensitivity Analysis and the letter from SunTrust. Questions were addressed. Mr. Bryant discussed the commitments for material he has received to date and answered questions.

### **RESOLUTIONS**

Mr. Coleman went back and reviewed with the Board Procurement Item 5 for the tire recycling equipment, then reviewed Resolution 02-04-1R authorizing the agency to undertake several activities, including the SunTrust equipment financing, authority to approve changes in several documents as necessary, the authority to enter into an additional lease for parking or to



enter into another lease for parking, and to execute various documents to complete the transactions. Mr. McMullen made the motion to approve Procurement Item 5 and Resolution 02-04-1R, Mr. Snee seconded the motion, and the motion passed unanimously.

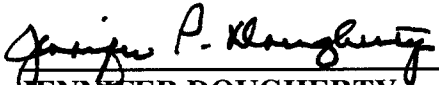
The second resolution for consideration was 02-04-2R, which adopts the Darlington Water Supply Service District second biennial plan update to the five-year plan for the Service District. Mr. McMullen made the motion to approve the Resolution, Mr. Addison seconded, and the motion was approved unanimously.

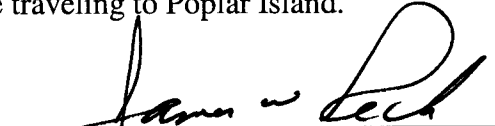
### MISCELLANEOUS

The Board members asked Mr. Miller about the staffing for the tire recycling project. Mr. Miller responded that Mr. Simms and Mr. Africa will be the key personnel and they are discussing hiring other personnel.

### ADJOURNMENT

The meeting adjourned at 10:22 a.m. The next regular meeting of the Board is May 30, 2002, and will be held aboard the State yacht while traveling to Poplar Island.

  
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JENNIFER DOUGHERTY  
SECRETARY

  
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JAMES W. PECK  
DIRECTOR



**MINUTES  
MEETING 02-5  
May 30, 2002**

- LOCATION:** 2011 Commerce Park Drive  
Annapolis, Maryland
- TIME:** 9:00 a.m. (Meeting scheduled)  
9:03 a.m. (Meeting convened)
- DIRECTORS PRESENT:** James W. Peck, Director  
Jennifer P. Dougherty, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Joseph F. Snee  
William B.C. Addison  
Leslie Jackson Jenkins
- DIRECTORS ABSENT:** Daniel F. McMullen
- OTHERS PRESENT:** Jack A. Gullo, Jr.  
Lee Zeni  
Beth Wojton  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Crystal Chissell, Esq.  
Henry Cook  
Robert Miller  
Ellen Frketic (attended a portion of the meeting)  
Chris Bolander (attended a portion of the meeting)  
Bob Shewell (attended a portion of the meeting)  
Denny Bohn (attended a portion of the meeting)  
Chris Baltimore (attended a portion of the meeting)  
Lance Fierro (attended a portion of the meeting)  
David Williams (attended a portion of the meeting)  
Steven Scott (attended a portion of the meeting)  
Ed Barakaukas (attended a portion of the meeting)  
April Ingram (attended a portion of the meeting)  
Patrick Kelly (attended a portion of the meeting)



### **PRESENTATION**

Mr. Peck presented Ms. Dougherty with a certificate from the Governor appointing her Secretary of the agency and a member of the Board of Directors.

### **INSPIRE AWARDS**

Inspire Awards were presented to Mr. Bolander, Mr. Shewell, Mr. Bohn, Mr. Fierro, Mr. Williams, Mr. Scott, Mr. Barakaukas, Ms. Ingram, and Mr. Kelly for Extraordinary Service.

### **MINUTES**

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

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Item 1. Questions were addressed. Mr. Shubnell made the motion to approve the Item and Ms. Jackson seconded. The Item was unanimously approved.

The Board notebook contained the Notifications.

### **HUMAN RESOURCES**

Ms. Wojton briefly reviewed with the members the revised Sick Leave Incentive Program policy introduced at the April meeting. Questions were addressed. Mr. Snee made the motion to approve the revised policy and Mr. Addison seconded. The policy was unanimously approved. Ms. Wojton also briefly reviewed the Best Update.

### **AGENCY ACTIVITY REPORT**

Springfield Hospital Center – An article recently appeared in the Baltimore Sun. MES is performing yield tests and looking at options for sources of water.

Dan-Dee Restaurant & Motel - MDE issued the facility an Administrative Order to make improvements to the wastewater system. Mr. Wojton is assisting the client today at MDE.

Town of LaPlata – Mr. Peck updated the Board on the tornado damage assistance provided to Charles County by MES. A temporary transfer station was established on State Highway Administration property. Waste Management was quickly put under contract to haul the debris. The County has recognized the work being performed by MES.

### FINANCIAL REPORT

Mr. Howarth reviewed the Operating Results ending April 30, 2002. He pointed out the footnote at the bottom of page 3. Questions were addressed. He also advised the Board that page 10 replaces the Retained Earnings section. Additional questions were addressed.

### LEGAL REPORT

Mr. Coleman reported on the following:

Wilburn v. MES – The motion filed by MES for summary judgment was granted. The appeal period ends next week. Mr. Snee requested a copy of the motion.

City of Cambridge – The City is involved in a dispute with EPA regarding the City's pretreatment program. MES is providing significant backup, but the City may be asking MES for assistance with any settlement.

Somerset County Landfill – The County is in a dispute with the contractor. MES will be meeting with the Commissioners next week.

### MISCELLANEOUS

Mr. Peck advised the Board he will appoint Mr. Gullo as Deputy Director effective approximately June 17, 2002. He recommended Mr. Gullo's salary be established at \$0 salary. At such time Mr. Gullo becomes a full time employee the Board will take action to establish a salary. Mr. Shubnell made the motion to immediately establish the Deputy Director's salary at \$0, and Mr. Addison seconded. The motion passed unanimously.

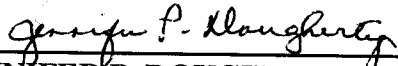
The members watched a video about Poplar Island and were given a book written about the Island.

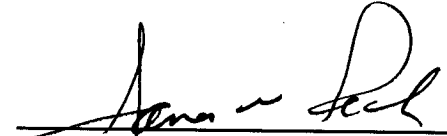
### EXECUTIVE SESSION

At 9:58 a.m., upon motion of Mr. Peck, seconded by Mr. Addison, and unanimously approved, Messrs. Peck, Shubnell, Addison, and Snee, and Ms. Jenkins and Ms. Dougherty met privately to discuss a personnel matter affecting an employee, as permitted under §10-508(a)(1) of the State Government Article. The Board did not take any official action while in executive session. No other individuals were present during the executive session. At 10:08 a.m., upon motion by Mr. Peck, seconded by Mr. Shubnell, the Board voted unanimously to go into open session.

**ADJOURNMENT**

The meeting adjourned at 10:09 a.m. to board the State yacht for the trip to and tour of Poplar Island. Aboard the yacht, Mr. Young gave a presentation on the Poplar Island Environmental Restoration Project. Mr. Peck also updated the members on the Tire Recycling Project. The Board took no official action while on the trip. The next regular meeting of the Board is June 27, 2002, at headquarters.

  
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JENNIFER P. DOUGHERTY  
SECRETARY

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



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-6  
June 27, 2002**

**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., Deputy Director  
Jennifer P. Dougherty, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Daniel F. McMullen (arrived at 9:15 a.m.)  
William B.C. Addison

**DIRECTORS ABSENT:** Joseph F. Snee  
Leslie Jackson Jenkins

**OTHERS PRESENT:**  
Lee Zeni  
Beth Wojton  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Crystal Chissell, Esq.  
Henry Cook  
Michael Wojton  
Robert Miller  
Greg Africa (attended a portion of the meeting)  
Mac McLellan (attended a portion of the meeting)  
Beatrice McQuarrie (attended a portion of the meeting)  
Pamela McDonagh (attended a portion of the meeting)  
Jay Johnson (attended a portion of the meeting)  
Wyman Jackson (attended a portion of the meeting)  
Harry McNally (attended a portion of the meeting)  
John Gordon (attended a portion of the meeting)  
Stacey Coleman (attended a portion of the meeting)  
Shawn Hardison (attended a portion of the meeting)



### PRESENTATION

Mr. Peck presented Mr. Gullo with a certificate from the Governor appointing him Deputy Director of the agency and a member of the Board of Directors. Articles from the Baltimore Sun and the Carroll County Times announcing his appointment were handed out to the Board members. Mr. Gullo also attended the Maryland Municipal League's annual conference.

### INSPIRE AWARDS

An Inspire Award was presented to Ms. McQuarrie for Extraordinary Service. Ms. McDonagh, as the group's representative, was presented an award for Extraordinary Service for the effective implementation of the Charles County debris management plan in response to the tornado. Mr. Johnson and Mr. Jackson, as representatives for the group providing water and wastewater services after the Charles County tornado, were presented an award for Extraordinary Service. Mr. McNally, Mr. Gordon, Ms. Coleman, and Mr. Hardison were also presented awards for Extraordinary Service.

### MINUTES

The Motion to approve the Minutes of the May 30th meeting was made by Mr. Addison and seconded by Mr. McMullen. The Minutes were approved.

### AGENCY ACTIVITY REPORT

Mr. Wojton informed the Board that the Town of Chesapeake Beach requested a proposal from MES for operations of the water and wastewater treatment plants.

Mr. Miller brought to the Board's attention the two (2) solid waste prospects in Prince George's County and answered questions. Both projects are at a very preliminary stage.

Tire Recycling Project – Mr. Miller updated the Board on the status of the project. The following has occurred since May's meeting: the Scrap Tire Recycler License has been issued by MDE; lease and sub-lease are signed; signatures on financing documents are expected today, and the Wendt contract has been signed for the Eldan equipment. MES is focusing on the building and necessary upgrades. Representatives from the Wendt and Eldan companies will be coming to MES on July 9<sup>th</sup>. Questions were addressed. Mr. Peck also advised the Board of a meeting held with Norman Emanuel, Emanuel Tire Company and his attorney to discuss the project and its perceived affect on Mr. Emanuel's business.

### **FINANCIAL REPORT**

Mr. Howarth reviewed the Operating Results ending May 31, 2002. Questions were addressed regarding the time for decision regarding designated versus non-designated assets. That decision is normally made during August's meeting.

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Items 1, 2, and 3. Questions were addressed. Mr. McMullen made the motion to approve the Item and Mr. Addison seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

### **HUMAN RESOURCES**

Ms. Wojton reviewed the Best Update. She also reminded the Board that 2003 goals will be drafted and reviewed in July.

### **LEGAL REPORT**

Mr. Coleman reported on the following:

Wilburn v. MES – The plaintiff filed an appeal to the Court of Special Appeals. MES has asked the court to dismiss the appeal.

The office has been very busy with tire project issues.

City of Cambridge – MES is continuing to provide assistance to the City's defense team with regard to the dispute with EPA regarding the City's pretreatment program.

Hart-Miller Island land base – The office is reviewing the lease for renewal and also looking for an additional land base site for use by the contractor developing the south cell.

### **EXECUTIVE SESSION**

At 10:16 a.m., upon motion of Mr. Addison, seconded by Mr. McMullen, and unanimously approved, Messrs. Peck, Shubnell, Addison, and McMullen, and Ms. Dougherty met privately to discuss the performance evaluation and compensation of officials and employees, as permitted under §10-508(a)(1) of the State Government Article. At 10:47 a.m., upon motion by Mr. Addison, seconded by Mr. McMullen, the Board voted unanimously to go back into open session.



Personnel

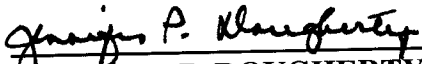
Mr. McMullen moved to establish the Director's salary to be \$145,000 per year, the Treasurer's salary to be \$103,000 per year, the salary of the program directors of the Water / Waste Water Program and the Environmental Services and Waste Management Program to each be \$120,000 per year, the salary of the program director for the Administration Program to be \$107,500 per year, and the salary of the program director for the Marketing and Customer Relations Program to be \$105,000 per year, all to be effective on the first day of the agency's first full pay period in July, 2002. Ms. Dougherty seconded the motion and it was unanimously approved, with the exception that Mr. Peck abstained from the vote, and Mr. Howarth was not present and did not participate in the discussion or adoption of the motion. During the discussion the Board members noted that the approved salaries are for full time employment, and that any individual working a part-time schedule would be paid the approved salary on a pro-rata basis.

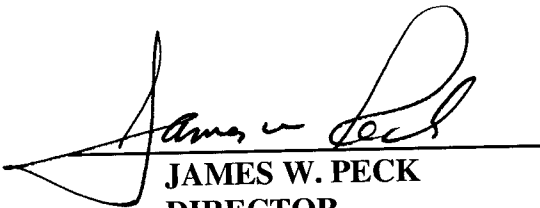
**PROPOSED AUDIT COMMITTEE**

Mr. Peck raised the issue of the Board establishing an Audit Committee. The members agreed to discuss the proposal in greater detail at a future meeting.

**ADJOURNMENT**

The meeting adjourned at 11:05 a.m. The next scheduled meeting is July 25, 2002 at MES headquarters.

  
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JENNIFER P. DOUGHERTY  
SECRETARY

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



**MARYLAND  
ENVIRONMENTAL  
SERVICE**

**Parris N. Glendening**  
*Governor*

**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-7  
July 25, 2002**

**James W. Peck**  
*Director*

**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., Deputy Director  
Jennifer P. Dougherty, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Joseph F. Snee, Jr., Esq.  
Daniel F. McMullen  
Leslie Jackson Jenkins

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

**OTHERS PRESENT:** Lee Zeni  
Beth Wojton  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Crystal Chissell, Esq.  
Michael Wojton  
Robert Miller  
Mac McLellan (attended a portion of the meeting)  
Al West (attended a portion of the meeting)  
Marty Martinet (attended a portion of the meeting)



### **INSPIRE AWARDS**

An Inspire Award was presented to Mr. Al West for Extraordinary Service. Mr. Peck also recognized Mr. Martinet for his contributions in coordinating the emergency establishment of the La Plata tornado debris transfer station.

### **MINUTES**

The Motion to approve the Minutes of the June 27th meeting was made by Ms. Dougherty and seconded by Mr. McMullen. The Minutes were approved.

### **AGENCY ACTIVITY REPORT**

Mr. Wojton informed the Board that the Town of Sudlersville requested a proposal from MES for operation of their wastewater treatment plants.

A meeting was held recently with the new Mayor of Frostburg and the City Manager to discuss MES operation of the water treatment facility. The City officials told Mr. Peck they are very pleased with MES's services.

Tire Recycling Project – Mr. Miller updated the Board on the status of the project. The equipment may be delivered earlier than initially planned due to the plant rearranging its production schedule. Questions were addressed.

FertileGRO – MES wants to establish a bagging line for the product and is considering leasing the other space available adjacent to the Tire Recycling Facility. There is interest from other entities to bag other products.

Somerset County – MES has hired a consultant to conduct a forensic investigation of the Westover Landfill closure cell.

Children's Health and Safety Council – The Council has requested assistance from MES in dealing with hazardous materials and mercury thermometers in the public schools.

### **FINANCIAL REPORT**

A complete set of operating results will be provided at the August meeting. Mr. Howarth informed the Board of preliminary revenue numbers and also handed out Project and Customer list charts for fiscal year 2002. Questions were addressed. Mr. Howarth presented a Sun Trust Corporate Resolution and Certificate of Incumbency for financing the Tire Project. Mr. Shubnell made the motion to approve the Resolution and Mr. McMullen seconded. The motion carried unanimously.

### **PROCUREMENT**

Mr. Peck reviewed Procurement Agenda Items 1, 2, and 3. Mr. Snee made the motion to approve the Items and Ms. Dougherty seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

### **HUMAN RESOURCES**

The final results for Best 2002 will be presented at August's meeting after the financial results are available. Ms. Wojton reviewed with the Board the draft set of goals for Best 2003. Ms. Wojton will email to the members the goals with the final numbers and they will be finalized at the August meeting. Mr. Shubnell recommended the Strategic Plan be updated to reflect the 2003 goals and that the executive staff should discuss in the months ahead where the agency is headed.

### **LEGAL REPORT**

Mr. Coleman reported on the following:

The office has been very busy with tire project and Somerset County issues.

Lanham Ford – The Office of Attorney General has filed a motion to dismiss Lanham Ford's complaint. Lanham Ford's response was received the morning of the meeting.

### **OLD BUSINESS**

Mr. Coleman handed out and briefly reviewed the draft Ground Lease, Operating Agreement, and Office Lease for the property at Najoles Road. Final documents will be presented in August. A briefing sheet will also be prepared. In the meantime, Mr. Peck informed the Board that space plan meetings are being held, meetings have been held with the Program Directors, a site plan has been reviewed and approved, and a Green Building Committee has been formed.

Ms. Wojton reminded the Board that if they turn in their Board notebooks they can be updated.

Arrangements have been made for the Board for the MACO meeting August 14<sup>th</sup> – 15<sup>th</sup>. A breakfast Board meeting will be held Thursday, August 15<sup>th</sup> at 8:30 a.m. in the Grand Hotel.

Mr. Howarth reported that fiscal year 2002 is the last year of the current audit contract with KPMG. He asked the Board to think about the re-bid of the auditing contract and whether

MES should consider excluding KPMG from the process in order to ensure that a different company is selected to provide auditing services. KPMG has been the MES auditor for nine consecutive years without any performance issues. Mr. Howarth also asked the Board whether they want to consider limiting the number of consecutive years a firm can provide the MES audit. The contract will be re-bid after the first of the year.

**EXECUTIVE SESSION**

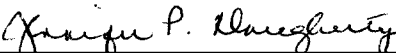
At 10:38 a.m., upon motion of Mr. McMullen, seconded by Mr. Snee, unanimously approved, Messrs. Peck, Shubnell, McMullen and Snee, Ms. Dougherty and Ms. Jenkins met privately to discuss several human resources issues, including employee compensation, as permitted under §10-508(a)(1) of the State Government Article. The Board did not take any official action while in executive session. No other individuals were present during the executive session except Mr. Coleman. Following the discussion the Board voted unanimously to go into open session.

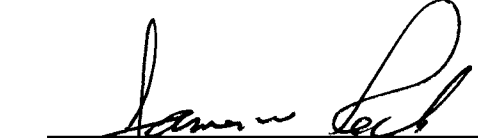
**RESOLUTION 02-07-1R**

Mr. Shubnell moved to approve Resolution No. 02-07-1R. Ms. Jenkins seconded the motion, and it was unanimously approved. Mr. Gullo and Mr. Howarth were not present for the discussion or approval of the resolution.

**ADJOURNMENT**

Mr. Peck adjourned the meeting at 11:15 a.m. The next scheduled meeting is August 15, 2002 at the Grand Hotel, Ocean City, Maryland.

  
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JENNIFER P. DOUGHERTY  
SECRETARY

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



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-8  
August 15, 2002**

**LOCATION:** The Grand Hotel  
Ocean City, Maryland

**TIME:** 8:15 (Breakfast)  
9:00 a.m. (Meeting scheduled)  
9:02 a.m. (Meeting convened)

**DIRECTORS PRESENT:** James W. Peck, Director  
Jack A. Gullo, Jr., Deputy Director  
Jennifer P. Dougherty, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Joseph F. Snee, Jr., Esq.  
Daniel F. McMullen (left the meeting early)  
Leslie Jackson Jenkins  
William B.C. Addison

**OTHERS PRESENT:** Lee Zeni  
Beth Wojton  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Michael Wojton  
Robert Miller

**MINUTES**

The Motion to approve the Minutes of the July 25th meeting was made by Ms. Dougherty and seconded by Mr. McMullen. The Minutes were approved.

**AGENCY ACTIVITY REPORT**

Children's Health and Safety Council – The presentation to the Council regarding assistance from MES in dealing with removal of hazardous materials and mercury thermometers from the public schools is scheduled for September 9, 2002.



Mr. Gullo and Mr. Wojton are delivering a proposal for operation of the WWTP to the Town of Millington tomorrow.

Mr. Wojton informed the Board that the Town of Hancock has advised MES that an RFP is being prepared for advertisement for operation and maintenance of the water and wastewater treatment plants. The Town will retain and review the proposal MES submitted.

Mr. Peck gave a brief update of the various project prospects with Prince George's County. A more formal presentation about these projects will be given at the next meeting.

Tire Recycling Project – Mr. Miller updated the Board on the status of the procurements and the initiation of work. Mr. Gary Bryant will be visiting various facilities in Europe and will be visiting Goodyear with a sample of the crumb rubber. MES has started looking for a General Manager for the project. Currently the project is on schedule. Questions were addressed.

Somerset County – Mr. Peck briefly recapped the forensic investigation and negotiations regarding the Westover Landfill closure cell. The contractor and MES discussed how to effectively proceed to complete the project. At a meeting with the representatives of the County and the Contractor for the parties discussed a proposal to correct deficiencies in the materials. The parties also discussed a general approach to funding the project.

Mr. Zeni gave a presentation on the crumb rubber and recycled organics bagging facility. An endorsement is needed from the Board so the agency may go before the Baltimore County Council to receive its approval for the expanded bagging operation. Questions were addressed. Mr. Shubnell suggested MES begin to think about the structure of cash flows and look at models internally.

### **FINANCIAL REPORT**

Mr. Howarth reviewed the unaudited key operating results for the period ending June 30, 2002.

Mr. Howarth reviewed the recommendation to reallocate some of the undesignated, unrestricted net assets into various designated assets. Mr. Howarth handed out the Net Assets Analysis and Retained Earnings Analysis. Discussion was held and questions were addressed. Mr. Addison made the motion to approve the reallocations as described in the Net Assets Analysis. Mr. McMullen seconded and the motion was adopted unanimously. Discussion was held regarding funding the Best 2002 program. Mr. Snee made the motion to set aside the amount of \$350,000 for Best payout this calendar year. Mr. McMullen seconded and the motion passed unanimously. This motion is retroactive to June 30, 2002.

Mr. Howarth reviewed Resolution 02-08-1R establishing Audit and Compensation Committees of the Board of Directors. The Audit Committee is comprised of Mr. Shubnell, Mr. Addison, and Ms. Jenkins. Members of the Compensation Committee are Mr. Snee, Mr.

McMullen, and Ms. Dougherty. Mr. McMullen made the motion to approve the Resolution and Mr. Snee seconded. The motion was approved unanimously.

### PROCUREMENT

Mr. Peck reviewed Procurement Agenda Items 1 and 2. Mr. Snee made the motion to approve the Items and Mr. Addison seconded. The Items were unanimously approved.

The Board notebook contained the Notifications.

### HUMAN RESOURCES

Ms. Wojton reviewed with the Board the proposed set of goals for Best 2003. A question was addressed. Mr. Snee made the motion to approve the goals for 2003 and Mr. Addison seconded. The motion passed unanimously.

### LEGAL REPORT

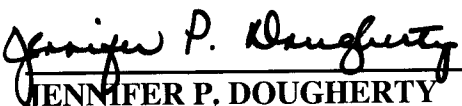
Mr. Coleman report was brief. No new lawsuits have been filed on behalf of or against MES. The majority of the time spent by the office has been on the new office building and Somerset County.

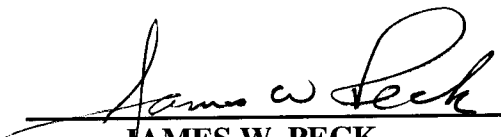
### OLD BUSINESS

Mr. Coleman handed out and reviewed the proposed Ground Lease, Operating Agreement, and Office Lease for the property at Najoles Road. Mr. Coleman highlighted the points referenced in the included Executive Summary. Discussion was held and questions were addressed. Resolution 02-08-2R was introduced. Mr. Addison made the motion to approve the resolution and Ms. Jenkins seconded. The motion was approved unanimously with the understanding that consideration be given by the staff to the discussion held and comments made by the Board

### ADJOURNMENT

Mr. Peck adjourned the meeting at 11:40 a.m. The next scheduled meeting is September 19, 2002 at the Rocky Gap Golf and Lodge Resort in Flintstone, Maryland.

  
JENNIFER P. DOUGHERTY  
SECRETARY

  
JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS MINUTES  
MEETING 02-8  
AUGUST 15, 2002  
PAGE 4**

BOD 02-8



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-9  
September 19, 2002**

- LOCATION:** Rocky Gap Lodge  
Flintstone, Maryland
- TIME:** 8:30 a.m. (Breakfast scheduled)  
8:57 a.m. (Meeting convened)
- DIRECTORS PRESENT:** James W. Peck, Director  
Jack A. Gullo, Jr., Deputy Director  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Joseph F. Snee  
Daniel F. McMullen (by conference call for the voting portion  
of the meeting)
- DIRECTORS ABSENT:** Jennifer P. Dougherty, Secretary  
Leslie Jackson Jenkins  
William B.C. Addison
- OTHERS PRESENT:** Beth Wojton  
Lee Zeni  
Robert Miller  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Henry Cook

**INSPIRE AWARD**

Mr. Peck brought to the Board's attention the Inspire Award that was presented during a staff meeting held this week to Ms. Pam Fuller for Extraordinary Service.

**AGENCY ACTIVITY REPORT**

MES Tire Project – Mr. Miller handed out a status report as of September 18, 2002, and highlighted portions of it. A first year budget has been developed and MES is continuing to review General Manager resumes.



**CONFERENCE CALL**

A conference call was placed to Mr. McMullen so that a portion of the meeting could be held with a quorum present. The following business was conducted:

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

Mr. Peck presented Procurement Items 1, 2, and 3 for approval. Mr. Peck reviewed the emergency project with the City of Frederick with respect to Item 3. Questions were addressed. Mr. Peck also noted an update to Item 3. The contract will be with Zenon Environmental, the manufacturer, and not Sherwood-Logan the area distributor. Mr. Zeni reviewed Item 2 and the status of the lease for the additional space at the MES Tire Facility for the organics bagging system. He also informed the Board of a grant request submitted to the Board of Public Works to use remaining funds from the Solid Waste Facility Loan Act grant to develop and equip the bagging facility. Questions were addressed. The Board will be advised if the Board of Public Works does not approve the request. Mr. Snee made the motion to approve the Items, Mr. McMullen seconded, and the Items were approved unanimously. Items for Notification were in the Board notebook. A question was addressed.

Mr. Peck then introduced and reviewed Resolution 02-09-1R, an intent to finance the bagging system. Mr. Shubnell made the motion to approve the Resolution, Mr. Snee seconded, and the Items were approved unanimously.

Mr. Howarth advised the Board of 2 minor corrections to the Net Assets Analysis handed out at the August meeting. The corrections increase the allocation of office relocation by \$50,000 and Employee Incentive by \$300,000. Questions were addressed. Mr. Peck asked for approval of these adjustments to the Analysis. Mr. Snee made the motion to approve the adjustments, Mr. Shubnell seconded, and the Items were approved unanimously.

Discussion was held about scheduling a Board meeting at the MES Tire Facility.

The conference call with Mr. McMullen ended at 9:56 a.m.

**ADDITIONAL AGENCY ACTIVITY INFORMATION**

Mr. Miller addressed questions about the Tire Project. Mr. Miller will review with the Board at next month's meeting the status of marketing efforts.

A presentation was made to the Children's Environmental Health Council and MES will be proceeding with the project to collect hazardous materials and mercury thermometers from the state's public schools.

### **FINANCIAL**

Mr. Howarth handed out the draft year end audit report. A final approved and certified report will be sent to the Board prior to October's meeting. Mr. Patrick Boyce from KPMG will be attending the meeting. Questions were addressed. Mr. Howarth reviewed the financial report ending August 31, 2002. Questions were addressed. Mr. Howarth also handed out the Fringe Benefit Cost Rate Calculation.

### **HUMAN RESOURCES**

The BEST 2003 goals have been emailed to employees, will be placed in their paycheck envelope, and posted on the website. Ms. Wojton handed out the BEST 2002 Final Analysis. The Board will discuss the Final Analysis at the October meeting when additional members are in attendance. Questions were addressed.

### **LEGAL REPORT**

Mr. Coleman reviewed the 3 issues the Board raised during August's meeting regarding the development of the new office. The agreements were modified in accordance with the Board's request. MES expects to sign the documents shortly.

Mr. Coleman has been working with the City of Frederick's attorney on the emergency water project.

McFarland case – The case has been dismissed. The attorney representing the plaintiff has filed an appeal in the Court of Special Appeals.

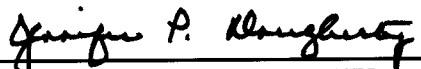
Lanham Ford – MES is moving forward with litigation.

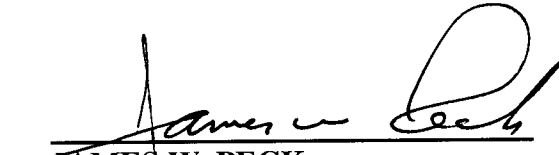
### **NEW BUSINESS**

The Board members were given invitations to a reception being held by MES for government officials.

**ADJOURNMENT**

The meeting adjourned at 10:40 a.m. The next regular meeting of the Board is October 24, 2002.

  
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**JENNIFER P. DOUGHERTY  
SECRETARY**

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

BOD 02-9



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-10  
October 24, 2002**

**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., Deputy Director  
Jennifer P. Dougherty, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
Daniel F. McMullen  
William B.C. Addison  
Joseph F. Snee (arrived at 9:25 a.m.)

**DIRECTORS ABSENT:** Leslie Jackson Jenkins

**OTHERS PRESENT:** Beth Wojton  
Lee Zeni  
Michael Wojton  
Robert Miller  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Henry Cook  
Crystal Chissell, Esq.

**The following individuals attended a portion of the meeting:**

Beatrice McQuarrie  
Hament Patel  
Vickie McKendry  
Patrick Boyce, KPMG  
Carl Payne, KPMG  
Mack McLellan  
Rex Lloyd  
Don Reed  
Chester Mott



**Rick Hummer  
Kris Carter  
Sean Shmelzer  
Rob Thompson  
Jim Javorski  
Steve Smith  
Dan Guyer  
Jackie Schreiber  
Uday Gadhia  
Earle Villarreal**

**INSPIRE AWARD**

Mr. Peck presented Inspire Awards to Mr. Lloyd and Mr. Mott for an Innovative Idea and to Mr. Reed, Mr. Hummer, Mr. Lloyd, Mr. Carter, Mr. Schmelzer, Mr. Thompson, Mr. Javorski, Mr. Smith, Mr. Guyer, Ms. Schreiber, and Mr. Gadhia for Extraordinary Service. Mr. Earle Villarreal also received an Inspire Award.

**AUDIT**

Mr. Howarth introduced Mr. Patrick Boyce and Mr. Karl Payne from KPMG. Mr. Howarth also introduced and recognized members of his staff, Ms. McKendry, Ms. McQuarrie, and Mr. Patel for their support during the audit. Mr. Boyce summarized the results of the audit. He handed out the audit letter. No management letter will be issued this year inasmuch as the agency is in compliance with its internal controls. Mr. Shubnell requested KPMG staff to provide some guidance to the agency's Audit Committee regarding its role and mission.

**MINUTES**

The Motion to approve the Minutes of the September 19th meeting was made by Mr. McMullen and seconded by Mr. Snee. The Minutes were approved.

**AGENCY ACTIVITY REPORT**

Town of Bel Air – Mr. Snee had a question about the project. A proposal has been accepted to perform a feasibility study of wastewater treatment options for the Town.

Solid Waste Facility Loan Act grant – The Board of Public Work's approved the use of grant funds to offset the costs of the bagging system.

Mr. Wojton in response to a question reviewed the proposal submitted for operation and maintenance of the Glade Run Water Treatment Plant and the prospect in Preston County.

**BOARD OF DIRECTORS MINUTES  
MEETING 02-10  
OCTOBER 24, 2002  
PAGE 3**

Mr. Gullo informed the Board that approximately 85 people attended the reception sponsored by MES during the MML meeting held in Annapolis.

MES Tire Facility – Mr. Miller reviewed the marketing and product marketing efforts by MES to date. A “status of sales” will be presented at November’s meeting. Questions were addressed. The facility is scheduled to begin operations mid-December. Mr. Greg Africa has been named the General Manager.

FertileGRO - The Baltimore County Council approved the recycled organics bagging operation in the warehouse building housing the tire recycling facility.

City of Frederick – Mr. Wojton introduced Mr. Skip Immler the Project Manager and provided an update of the current emergency water treatment system operations. Mr. Wojton advised the Board that the project should be providing water by Saturday, October 26. A letter from Watek Engineering was handed out thanking MES for selecting Watek to provide assistance and commending the efforts of Ms. Ellen Frketic and Mr. Immler.

**FINANCIAL**

Mr. Cook reviewed the financial report ending September 30, 2002. A question was addressed.

**PROCUREMENT**

Mr. Peck presented Procurement Items 1 and 2 for approval. Mr. Snee made the motion to approve the Items, Mr. McMullen seconded, and the Items were approved unanimously. The Board notebook contained this month’s Notifications.

**HUMAN RESOURCES**

Ms. Wojton introduced and reviewed a revision to Policy No. 6.01 of the Discipline Procedure policy. Mr. Addison made the motion to approve the revision, Ms. Dougherty seconded and the motion was approved unanimously.

The BEST 2003 update was reviewed. The achievement of the BEST 2002 goals was reviewed. Mr. Peck handed out a proposed payout for BEST, BEST Plus, and Executive bonuses based on the approved funds set aside by the Board during the August meeting. Discussion was held and questions addressed. Ms. Dougherty made the motion to approve the payouts as recommended and Mr. Shubnell seconded. The motion passed with the abstentions of Mr. Peck and Mr. Howarth. Mr. Gullo is not eligible because he did not begin to earn a salary from MES until after July 1.



**LEGAL REPORT**

Mr. Coleman informed the Board that Lanham Ford has agreed to settle the litigation based on MES's last offer.

**OLD BUSINESS**

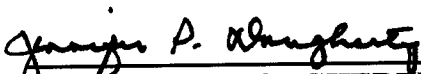
Mr. Peck advised the Board that final decisions have been made on the "green" features for the new headquarters building. Some of the features address the heating and the air conditioning system, and include solar panels, rainwater collection, bike racks, and showers.

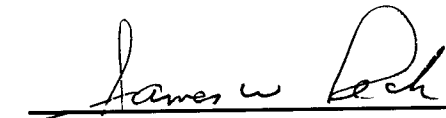
**NEW BUSINESS**

Mr. Peck advised the Board of a request made by an employee of Montgomery County to transfer the ownership of the trademark ComPRO™ to the County. Mr. Peck, Mr. Miller, Mr. Zeni and Mr. Coleman detailed the status of MES' involvement with Montgomery County projects, as well as the history of the ComPRO™ trademark. Several members of the Board expressed the concern that if MES did not transfer the trademark, then Montgomery County staff would recommend to County officials that the County's contracts with MES should be significantly scaled back or terminated. After much discussion the Board requested Mr. Peck to send a letter to the County agreeing to the request. The letter should recite the background and history of the ComPRO™ product, as well as MES' role in making the County's solid waste program a national model. The letter should also request that the transfer be accomplished by a legal agreement, with the County paying MES a nominal consideration. The Board further requested Mr. Peck to show the members a draft prior to sending it. This decision was agreed to by the Board with the exception that Mr. Snee dissented from the Board's action, and Mr. McMullen had left the meeting prior to the Board acting on the request.

**ADJOURNMENT**

The meeting adjourned at 12:04 p.m. The next regular meeting of the Board is November 21, 2002.

  
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JENNIFER P. DOUGHERTY  
SECRETARY

  
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JAMES W. PECK  
DIRECTOR



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-11  
November 21, 2002**

**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., Deputy Director  
Jennifer P. Dougherty, Secretary  
Kenneth A. Howarth, Treasurer  
Lawrence D. Shubnell  
William B.C. Addison  
Joseph F. Snee (arrived at 9:33 a.m.)

**DIRECTORS ABSENT:** Leslie Jackson Jenkins  
Daniel F. McMullen

**OTHERS PRESENT:** Beth Wojton  
Lee Zeni  
Michael Wojton  
Robert Miller  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Henry Cook  
Crystal Chissell, Esq.

**The following individuals attended a portion of the meeting:**

Jay Janney  
Hament Patel  
Mack McLellan  
Chris Niesterowicz  
Ellen Frketic  
Skip Immler  
Irene Hoffman



**Nancy Voorhees Balenske  
Tara Harris  
Rex Lloyd  
Robert Bennett  
Glenn Wagner  
Jim Ruggiero  
Angelo Scurto  
Paul Lutman  
Ed Weatherstein  
Don Grove  
Bob DePaola  
Mark Barkdoll  
Bob Barnhart  
Peter Reichardt  
Uday Gadhia**

**INSPIRE AWARD**

Mr. Peck presented Inspire Awards to Mr. Niesterowicz and Mr. Reichardt for an Innovative Idea and to Ms. Frketic, Mr. Immler, Ms. Hoffman, Ms. Balenske, Ms. Harris, Mr. Lloyd, Mr. Bennett, Mr. Wagner, Mr. Ruggiero, Mr. Scurto, Mr. Lutman, Mr. Weatherstein, Mr. Grove, Mr. DePaola, Mr. Barkdoll, Mr. Barnhart, and Mr. Gadhia for Extraordinary Service.

**MINUTES**

The Motion to approve the Minutes of the October 24th meeting was made by Mr. Addison and seconded by Mr. Shubnell. The Minutes were approved.

**AGENCY ACTIVITY REPORT**

Mr. Addison asked Mr. Peck if there is any involvement by MES in Dower House Road. MES has no involvement.

Montgomery County – The response to Montgomery County regarding the transfer of ownership of the trademark ComPRO™ was favorable. The County is currently renewing MES's contracts to provide services.

MES Tire Facility – MES continues to be contacted regarding potential sales of the tire crumb product. There has also been interest expressed by some companies to purchase all or a substantial percentage of the output of the facility. MES is discussing with a lender the

constraints that will be placed on sales in order for MES to comply with IRS rules maintaining the tax-exempt status of the bonds on this project. Financial discussions are being held with Sun Trust. Finance will bring an adjusted loan authorization to the Board. Construction is proceeding and the equipment is being installed. The organic bagging facility is also moving forward. MES has selected the equipment integrator and the square footage has been acquired.

Aberdeen Proving Ground – Ms. Frketic met with representatives regarding the privatization of the Edgewood area water and sewer and possible MES involvement as a subcontractor to Harford County. This prospect is in the preliminary stage at this time.

Mr. Peck met with the Dredged Material Management Committee to review and finalize the report due to the General Assembly regarding dredged disposal options. Mr. Peck also attended the Governor's press conference regarding goals to meet new nutrient removal standards.

### **FINANCIAL**

Mr. Howarth reviewed the financial report ending October 31, 2002. A question was addressed.

Mr. Peck also suggested that at a future meeting when Ms. Jenkins is able to attend that Mr. Howarth present his "Financing 101" regarding GASB 34 that he gave to Executive Staff.

Mr. Peck introduced Resolution 02-11-1R and Ms. Chissell briefly outlined its intent. The Resolution authorizes MES to accept a Water Quality Loan from the Maryland Department of the Environment, which will be forgiven up to \$942,000. The Maryland Board of Public Works approved this on October 30, 2002. Mr. Wojton also provided additional information and questions were addressed. Mr. Shubnell made the motion to approve the Resolution, Mr. Snee seconded, and the Motion was approved unanimously.

### **PROCUREMENT**

Mr. Peck presented Procurement Items 1 and 2 for approval. Mr. Addison made the motion to approve the Items, Ms. Dougherty seconded, and the Items were approved unanimously. The Board notebook contained this month's Notifications.

### **HUMAN RESOURCES**

Ms. Wojton told the Board that the BEST 2002 checks would be mailed next week. The enclosure with the checks was handed out. A note will also be included with the BEST Plus checks.

The BEST 2003 update #2 was reviewed.

Mr. Peck also suggested the Human Resources subcommittee try to meet as soon as possible. Ms. Dougherty suggested the meeting be held following January's meeting.

### **LEGAL REPORT**

Mr. Coleman updated the Board on the status of the Wilburn case.

### **NEW BUSINESS**

Mr. Shubnell directed the Board's attention to the Audit Committee's Statement of Mission and Purpose submitted for ratification by the Board and gave an overview. The Committee will meet again in April. Mr. Snee made the motion to approve the Mission and Purpose statement and Ms. Dougherty seconded. The motion passed unanimously. The decision was also made to extend the term of the current auditors contract for one year.

Mr. Peck handed out the proposed calendar of meetings for 2003. He asked that the Board members review the calendar and advise at next month's meeting of any conflicts.

MES is preparing a transition book for the new administration. It is due November 22, 2002.

### **EXECUTIVE SESSION**

At 10:33 a.m., upon motion of Mr. Addison, seconded by Mayor Dougherty, unanimously approved, the Board voted to go into executive session to consult with staff and counsel regarding potential litigation, and to discuss a personnel matter, as permitted under §§10-508(a)(1) and (a)(8) of the State Government Article. Also present during the discussion of potential litigation were Mr. Wojton, Mr. Coleman, Ms. Chissell, Mr. Miller, Ms. Wojton, Ms. Balenske, Mr. Cook, and Mr. Zeni.

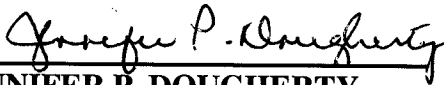
During the discussion of the personnel matter no other individuals were present except Mr. Coleman. The Board did not take any official action on either matter while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 10:57 a.m.

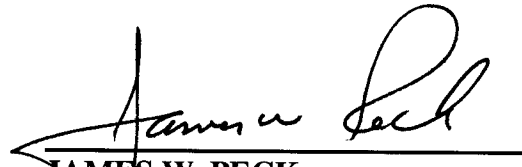
### **RESOLUTION 02-11-2R**

Mr. Shubnell moved to approve Resolution No. 02-11-2R. Mr. Addison seconded the motion, and it was unanimously approved, with the exception that Mr. Peck abstained from voting on the resolution.

**ADJOURNMENT**

Mr. Peck adjourned the meeting at 11:00 a.m. The next regular meeting of the Board is December 19, 2002, at the MES Tire Facility to be followed by a holiday luncheon at a nearby restaurant.

  
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**JENNIFER P. DOUGHERTY  
SECRETARY**

  
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**JAMES W. PECK  
DIRECTOR**



**BOARD OF DIRECTORS  
MINUTES  
MEETING 02-12  
December 19, 2002**

**LOCATION:** MES Crumb Rubber/Organics Facility  
Halethorpe, Maryland

**TIME:** 10:00 a.m. (Meeting scheduled)  
10:06 a.m. (Meeting convened)

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

**DIRECTORS ABSENT:** Jennifer P. Dougherty, Secretary  
Daniel F. McMullen

**OTHERS PRESENT:** Beth Wojton  
Lee Zeni  
Robert Miller  
Nancy Voorhees Balenske  
Sean Coleman, Esq.  
Henry Cook  
Crystal Chissell, Esq.  
Greg Africa  
Charlie Simms  
John Allen  
Denise Russell  
Sarah Presgrave  
Brenda Harney

**The following individuals attended a portion of the meeting:**

Wes Lidie  
Greg Green

**Robert Natarian  
Gary Steffan  
William Deason  
Idriss Kouyateh**

**INSPIRE AWARD**

Mr. Peck presented Inspire Awards at the office to David Greene and Patrick Kelly who were part of the City of Frederick team. Inspire Awards were presented at the Tire Facility to Wes Lidie, Greg Green, Gary Steffan, Robert Natarian, William Deason, and Idriss Kouyateh. Many of these individuals represented a group of individuals receiving awards for Extraordinary Service or an Innovative Idea.

**MINUTES**

The Motion to approve the Minutes of the November 21st meeting was made by Mr. Snee and seconded by Mr. Addison. The Minutes were approved.

**AGENCY ACTIVITY REPORT**

Mr. Shubnell suggested MES approach the Institute for Government Service about teaching a Human Resources course.

Town of Indian Head – MES met with the Town Manager to discuss the potential to operate the water and wastewater treatment facility.

Mr. Snee mentioned there might be opportunities for MES with the Susquehanna River Basin Commission.

ComPRO™ – Our relationship with Montgomery County has strengthened since we agreed to transfer ownership of the trademark. The County recently produced a brochure and MES was described as the County's partner.

Mr. Peck handed out two (2) letters with regard to MES's continued operations of the Baltimore County Resource Recovery Facility and the Western Acceptance Facility ("WAF") and a proposed expansion of the WAF. A meeting was held with Mr. Frederick Homan and a subsequent meeting is scheduled for December 16<sup>th</sup>. A question was raised about potential budget problems from other clients.



### **EXECUTIVE SESSION**

At 10:38 a.m., upon motion of Mr. Snee, seconded by Mr. Addison, unanimously approved, the Board voted to go into executive session to discuss a personnel matter, as permitted under §§10-508(a)(1) and (a)(8) of the State Government Article.

During discussion all Board attendees were present. The Board did not take any official action on either matter while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 11:01 a.m.

### **FINANCIAL**

Mr. Howarth reviewed the financial report ending November 30, 2002. Mr. Howarth asked if the Board still wants to receive a supplemental schedule, and the response was affirmative. Questions were addressed.

### **PROCUREMENT**

Mr. Peck presented Procurement Items 1 through 5 for approval. Questions were addressed. Mr. Addison made the motion to approve the Items, Ms. Jenkins seconded, and the Items were approved unanimously. The Board notebook contained this month's Notifications.

### **RESOLUTIONS**

Mr. Coleman introduced and reviewed Resolution 02-12-1R. The Resolution is an Intent to Finance the next stage of the Midshore project. Mr. Shubnell made the motion to approve the Resolution, Mr. Addison seconded, and the Motion was approved unanimously.

Mr. Coleman introduced and reviewed Resolution 02-12-2R. The Resolution is an Intent to Finance the expansion of the Western Acceptance Facility. Mr. Shubnell made the motion to approve the Resolution, Ms. Jackson seconded, and the Motion was approved unanimously.

Resolution 02-12-3R was introduced and reviewed by Mr. Coleman. The Resolution is to finance the bagging equipment. Mr. Shubnell made the motion to approve the Resolution, Mr. Addison seconded, and the Motion was approved unanimously.

The final resolution introduced and reviewed by Mr. Coleman was Resolution 02-12-4R to refinance the Tire Facility project. Mr. Shubnell made the motion to approve the Resolution, Mr. Addison seconded, and the Motion was approved unanimously.

**HUMAN RESOURCES**

Ms. Wojton brought to the Board's attention some of the notes of appreciation received from employees for the BEST awards and reviewed the BEST 2003 update.

**LEGAL REPORT**

Mr. Coleman sent Montgomery County's attorney a draft document to transfer the ComPRO™ trademark. Minor comments have been received.

**OLD BUSINESS**

Mr. Peck asked if there were any conflicts with the meeting schedule for 2003. Mr. Shubnell may have a conflict for the March meeting. A suggestion was made to go to the Cambridge Hyatt for the May meeting and incorporate a visit to a nearby facility.

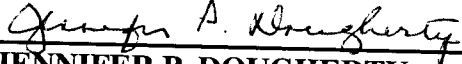
**EXECUTIVE SESSION**

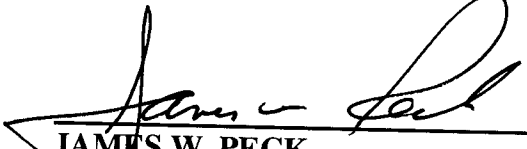
At 11:32 a.m., upon motion of Mr. Snee, seconded by Ms. Jackson, unanimously approved, the Board voted to go into executive session to consult with staff and counsel regarding potential litigation, and to discuss a personnel matter, as permitted under §§10-508(a)(1) and (a)(8) of the State Government Article. Also present during the discussion of potential litigation and the personnel matter were Mr. Coleman, Ms. Chissell, and Ms. Wojton,

The Board did not take any official action on either matter while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 12:02 p.m.

**ADJOURNMENT**

Mr. Peck adjourned the meeting at 12:03 p.m. The Board members toured the Tire Facility followed by a holiday luncheon at the Elkridge Furnace Inn.

  
**JENNIFER P. DOUGHERTY  
SECRETARY**

  
**JAMES W. PECK  
DIRECTOR**