



**BOARD OF DIRECTORS
MINUTES
MEETING 03-1
January 30, 2003**

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., Deputy Director
Jennifer P. Dougherty, Secretary
Kenneth A. Howarth, Treasurer
William B.C. Addison (left at 9:50 a.m.)
Daniel F. McMullen
Joseph F. Snee (arrived at 9:18 a.m.)

DIRECTORS ABSENT: Leslie Jackson Jenkins
Lawrence D. Shubnell

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

MINUTES

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

AGENCY ACTIVITY REPORT

Discussion is still ongoing with Baltimore County with regard to the proposed expansion of the Western Acceptance Facility ("WAF"). MES and a large national waste hauler are continuing to negotiate the possibility of the firm utilizing the WAF as a commercial transfer station.

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MDE has approached MES about a project for remediation of petroleum contaminated sites around the state.

Mercury collection – a request to use grant money has been submitted to the Board of Public Works and a proposal has been submitted to the State Department of Education.

PROCUREMENT

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

Mr. Peck noting a Notification item for Springfield State Hospital informed the Board of the status of the project and the current discussions being held regarding ownership of the water line and the State's water requirements.

FINANCIAL

Mr. Howarth reviewed the financial report ending December 31, 2002. Questions were addressed.

During this portion of the meeting, Mr. Miller and Mr. Zeni updated the members on the status of the Crumb Rubber/Organics Recycling Facility. MES has accepted the tire line with a punch list to be completed. Crumb rubber is being produced and samples are being sent to prospective customers. The bagging line is being tested; installation is going well. Mr. Miller and Mr. Zeni provided additional information later in the meeting.

Mr. Howarth handed out the Statement of Net Assets, which is being revised to accommodate the Crumb Rubber/Organics Recycling Facility. Ken is meeting with Mr. Shubnell and Mr. Patrick Boyce, KPMG on February 3rd to discuss the proper method for accounting for inventory.

HUMAN RESOURCES

Ms. Wojton presented to the Board a proposed amendment to an existing MES Regulation, COMAR 14.27.02.01 and COMAR 14.27.02.16 through .27. This is an amendment to Family Leave and is consistent with the current federal standard. Questions were addressed. Mr. McMullen made the motion to approve the amendment and Mr. Addison seconded. The motion was approved unanimously.

ANNOUNCEMENT

Mr. Peck announced to the Board Mr. Jack Gullo's departure from the agency as Deputy Director and a member of the Board of Directors, to be effective at the close of business, Tuesday, February 4, 2003. Mr. Gullo expressed his compliments to the officers, board members and staff of the agency for their dedication to serving agency clients, and to protecting the environment. Mr. Peck, on behalf of the board and the agency, stated his appreciation for Mr. Gullo's contributions to the success of the agency.

EXECUTIVE SESSION

At 9:55 a.m., upon motion of Mr. Howarth, seconded by Ms. Dougherty, unanimously approved, Messrs. Peck, Howarth, McMullen and Snee, and Ms. Dougherty 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 also discussed an issue with counsel, as permitted under §10-508(a)(7). The Board did not take any official action while in executive session. No other individuals were present during the executive session except Ms. Wojton and Mr. Coleman. Following the discussion the Board voted unanimously to go into open session at approximately 10:34 a.m.

RECOGNITION

In recognition of Mr. Gullo's service to the agency, Mr. Snee moved to authorize the payment of four weeks severance pay to Mr. Gullo upon the termination of his employment. Mr. McMullen seconded the motion and it was unanimously approved, with the exception that Mr. Gullo was present but did not participate in the discussion of the motion and abstained from the vote.

RESOLUTION

Ms. Dougherty moved to approve Resolution No. 03-01-1R. Mr. McMullen seconded the motion, and it was unanimously approved, with the exception that Mr. Gullo did not participate in the discussion of the motion and abstained from the vote.

NEW BUSINESS

Mr. Peck informed the Board of the legislative committees briefings. A request was made by the committees to report back on the tire project prior to the end of the session.

OLD BUSINESS

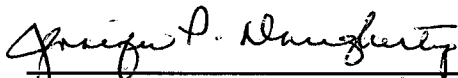
Mr. Miller and Mr. Zeni continued their update on the Crumb Rubber/Organics Recycling Facility project. Eldan will return in a month to check on the performance of the system. MES will begin production with one shift. MES has been contacted by a European broker familiar with this system about a possible source for the European market. The bagging operation will start commercial runs next week. Visitors to the facility have included bank representatives and a community association. Mr. Zeni told the members that the testing phase for fertileGRO produced 12 bags per minute. A truckload of corn gluten is being delivered to the facility today.

The State has again requested a financial contribution from MES to aid the State during the budget crisis.

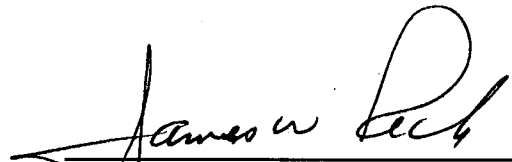
In response to a question regarding the new office building, a meeting was held to review the plans and specifications. The plans and specifications are being finalized. A pre-bid meeting is scheduled for February 5th.

ADJOURNMENT

Mr. Peck adjourned the meeting at 10:58 a.m. The next scheduled meeting is February 27th at MES headquarters.



JENNIFER P. DOUGHERTY
SECRETARY



JAMES W. PECK
DIRECTOR



**BOARD OF DIRECTORS
MINUTES
MEETING 03-2
February 27, 2003**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:08 a.m. (Meeting convened without quorum)
9:31 - 9:50 a.m. (Quorum present)

DIRECTORS PRESENT: James W. Peck, Director
Lawrence D. Shubnell
William B.C. Addison (left at 9:50 a.m.)
Daniel F. McMullen
Joseph F. Snee
Leslie Jackson Jenkins (arrived at 9:31 a.m.)

DIRECTORS ABSENT: Jennifer P. Dougherty, Secretary
Kenneth A. Howarth, Treasurer

OTHERS PRESENT: Beth Wojton
Robert Miller
Nancy Voorhees Balenske
Sean Coleman, Esq.
Henry Cook
Crystal Chissell, Esq.
Mac McLellan (attended a portion of the meeting)
Robert Curtis (attended a portion of the meeting)
Scott Mister (attended a portion of the meeting)
Scott Fox (attended a portion of the meeting)
David Wells (attended a portion of the meeting)
Ken Morrell, KC Najoles Development Co. (joined meeting at
9:34 a.m., left at 9:51 a.m.)
Craig Morrell, KC Najoles Development Co. (joined meeting at
9:34 a.m., left at 9:51 a.m.)

INSPIRE AWARD

Mr. Peck presented Inspire Awards to Robert Curtis, Scott Mister, and Scott Fox for Extraordinary Service.

AGENCY ACTIVITY REPORT

Mr. Peck reported on the following:

Town of Indian Head – The proposal has been accepted to operate and maintain the water and wastewater treatment plants.

A question was asked about St. Michael's and their recent publicized problems with an overflow in the collection system. The wastewater treatment facility is operated by MES, but not the collection system where the overflow occurred. The overflow was due to the recent significant rainfall.

Former governor's wastewater initiative – Was featured in a recent article in the National Civil Engineering Journal. The article also focused on the costs related to improved wastewater treatment.

Another question was asked about the James Island accepted proposal. The Island is part of the 20-year plan submitted to the legislature. The Army Corps of Engineers has selected the Island to expedite the feasibility study and monitoring plan.

A suggestion was made to list the MES Crumb Rubber/Organics Facility as a separate agenda item.

In response to a question regarding the City of Frederick's water situation, the well is fully permitted and the City is currently looking at other water sources.

BWI deicing project – Mike reported the huge amount of hours logged by employees, and the substantial amount of deicing fluid collected as a result of this winter's severe weather.

PROCUREMENT

Mr. Peck noted the items of Notification contained in the Board's notebooks. No Procurement Items were submitted for approval.

MINUTES

Mr. Peck noted that the business conducted with regard to a new Deputy Director during the Executive Session held during January's meeting has been rescinded.

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

RESOLUTION

Mr. Coleman introduced and reviewed Resolution 03-02-1R, the construction financing resolution for the new MES headquarters office building. Pursuant to the partnership agreement between MES and KC - Najoles Development Co., MES is required to approve the construction financing for the project. Messrs. Morrell outlined the process and reviewed the comparison between the offers received from BB&T and Sun Trust. The recommendation was made to select BB&T's offer. Questions were addressed. Mr. Shubnell moved to accept BB&T's commitment letter and approve Resolution No. 03-01-1R. Mr. Snee seconded the motion, and it was unanimously approved. Mr. Peck and Ms. Wojton informed the Board of the timetable for construction. Bids are due next week and construction is expected to begin in May.

FINANCIAL

Mr. Cook reviewed the financial report ending January 31, 2003. Questions were addressed.

A question was asked about the status of the Somerset County Landfill project. Senator Stoltzfus is acting as a mediator between the County, MES and the contractor. Mr. Peck has met with him. Remediation costs are being established/estimated by the contractor for MES to review and comment. Another meeting will be held with the Senator.

Mr. Cook brought to the Board's attention page 8 of the Financial Report that breaks out the Tire Recycling and Bagging Operation projects.

Mr. Peck brought to the Board's attention the legislative auditors request that MES return a portion of the agency's overhead charge back to the State. MES disputes that these funds should be returned, because of the significant additional costs that the agency incurs complying with State mandates. MES will respond to the legislative auditor, and seek the support of DBM.

HUMAN RESOURCES

Ms. Wojton handed out the Best 2003 Update 5, the MES Portrait of a selected employee, and the MES crossword puzzle contest initiated and prepared by Ms. Nancy Holliday.

Ms. Wojton also advised the Board that MES has been notified that disability benefits rates will increase as of March. Options are being reviewed and recommendations will be brought to the Board. Human Resources is also looking at the sick leave incentive program.

LEGAL

Mr. Coleman advised the Board of the following:

The McFarland case has been scheduled for a pre-hearing conference in March in the Court of Special Appeals.

"O" Field – There has been no further follow-up from the EPA investigators since the last meeting of the Board.

Oil remediation sites – MES is working with MDE on the draft of an IGA whereby MES will undertake remediation of sites that are contaminated by oil products.

TIRE PROJECT

The organic bagging operation of the project has been more problematic than the crumb rubber operation, which has been operating well. MES is beginning to place more focus on the business-side of the project. Currently MES has sold all material produced to date. Additional business detail will be provided at the next meeting. Questions were addressed.

NEW BUSINESS

The May Board meeting will be held at the Hyatt Regency in Cambridge. The two day meeting will begin April 30th with a stop at the Midshore Regional Landfill Facility.

Mr. Coleman informed the Board of proposed legislation that adds chicken litter to the definition of preferred recyclable products in the State Procurement law. The first legislative hearing is scheduled for March 6th. MES supports this legislation.

The Crisis Management team recently ran field exercises. The exercises ran smoothly.

BOARD OF DIRECTORS MINUTES

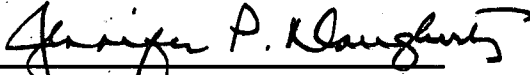
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Feb: **JANUARY 30, 2003**

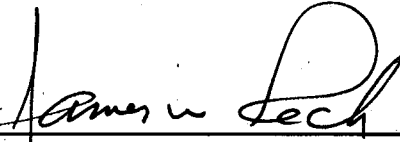
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ADJOURNMENT

Mr. Peck adjourned the meeting at 10:39 a.m. The next scheduled meeting is April 3rd at MES headquarters.



**JENNIFER P. DOUGHERTY
SECRETARY**



**JAMES W. PECK
DIRECTOR**

BOD 03-2



Robert L. Ehrlich, Jr.
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-3
April 3, 2003**

- LOCATION:** 2011 Commerce Park Drive
Annapolis, Maryland
- TIME:** 9:00 a.m. (Meeting scheduled)
9:02 a.m. (Meeting convened)
- DIRECTORS PRESENT:** James W. Peck, Director
Jennifer P. Dougherty, Secretary
Lawrence D. Shubnell
Daniel F. McMullen (left at 10:26 a.m.)
Joseph F. Snee
Leslie Jackson Jenkins
- DIRECTORS ABSENT:** Kenneth A. Howarth, Treasurer
William B.C. Addison
- OTHERS PRESENT:** Beth Wojton
Robert Miller
Mike Wojton
Lee Zeni
Nancy Voorhees Balenske
Sean Coleman, Esq.
Henry Cook
Crystal Chissell, Esq.
Greg Africa
Max Madelung
Mac McLellan (attended a portion of the meeting)
Jeff Pitts (attended a portion of the meeting)
John Hudson (attended a portion of the meeting)
Gary Steffan (attended a portion of the meeting)
Sarah Presgrave (attended a portion of the meeting)
Nancy Holliday (attended a portion of the meeting)
Pam Fuller (attended a portion of the meeting)
Tim Germana (attended a portion of the meeting)
Craig Russell (attended a portion of the meeting)
John Norman (attended a portion of the meeting)

Rex Powell (attended a portion of the meeting)
Dave Gentry (attended a portion of the meeting)

INSPIRE AWARD

Mr. Peck presented Inspire Awards to Jeff Pitts, John Hudson, Gary Steffan, Sarah Presgrave, Tim Germana, Craig Russell, John Norman, Rex Powell and Dave Gentry for Extraordinary Service/Innovative Idea. Inspire Awards for Extraordinary Service were presented to Nancy Holliday and Pam Fuller.

MINUTES

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

AGENCY ACTIVITY REPORT

Mr. Peck reported on the following:

Mercury collection program – Proposals were sent to public and private schools to collect and manage mercury and mercury components. The Board of Public Works approved a grant for this program and the e-Cycle program.

Springfield water line – The BPW's approved the procurement of the construction to replace the water lines with 16-inch pipe.

In response to a question, Mr. Peck and Mr. Miller described an open top trailer transfer station.

Mr. Shubnell requested that past proposals that may or may not have been approved be linked to the status report.

SPECIAL REPORTS

MES Tire Recycling & Organics Bagging Facility – Mr. Peck and Mr. Miller gave a general overview of current operations and tire delivery issues. Mr. Miller introduced Mr. Madelung, a consultant from Germany hired to assist MES in providing crumb rubber production consulting services. Questions were addressed. Mr. Africa addressed tire delivery, operations & maintenance, crumb rubber product, and business strategy. Mr. Madelung gave his assessment of

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MEETING 03-3
APRIL 3, 2003
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the Facility and the excellent progress MES has made. Mr. Madelung addressed questions from the Board members.

Office building – Ms. Wojton informed the Board that the perc test was performed and there were no problems. Bids for construction have been received and best and final offers are due April 4. The right of way from the County has been received and the appraisal is coming in. Groundbreaking is expected to occur in May.

PROCUREMENT

Mr. Peck introduced Procurement Items 1 and 2. Mr. Snee made the motion to approve the Items; Mr. McMullen seconded, and the Items were approved unanimously.

Mr. Peck noted the items of Notification contained in the Board's notebooks. A question was addressed.

FINANCIAL

Mr. Cook reviewed the financial report ending March 31, 2003. Questions were addressed.

A question was asked about the status of the Somerset County Landfill project. Remediation has been designed and approved by MDE. It has been given to the contractor for a cost estimate and time.

Mr. Cook handed out to the Board a guide to "Fund Balance and Net Assets", published by the Government Finance Officers Association. A presentation will be given to the Board at a later date.

Mr. Shubnell suggested the agency work to ascertain key vulnerabilities in light of the state fiscal concerns.

Mr. Cook informed the Board that Finance is working with Mr. Africa and Mr. Madelung to design an internal reporting package for the Tire Recycling & Organics Bagging Facility.

HUMAN RESOURCES

Ms. Wojton handed out the Best 2003 Update 6. A question was addressed.

Mr. Peck announced the start of the “Spring Fling” meetings held with all the employees to inform them of the state of the agency and answer any questions.

LEGAL

Mr. Coleman advised the Board of the following:

The pre-hearing conference was held for the McFarland case in the Court of Special Appeals. Settlement was not reached and MES is waiting for the plaintiff to file an appellate brief.

Poplar Island landbase – The office is working with the Program to find another landbase site. Other sites are being researched because the current landowners of the landbase have substantially increased their rental fee. There are several other landowners who have expressed an interest in leasing property to MES.

Springfield Water Agreement – Working with the program on a new agreement.

Office building – Currently reviewing construction finance documents. Expect to settle by the end of April.

“O” Field – There were cost overruns due to additional work requested by Aberdeen to prepare the project for the new operators. MES has received a purchase order for the additional money. No word from EPA.

Financial disclosure forms will be sent to Board members.

OLD BUSINESS

Mr. Zeni reported that start-up problems with the Organic Bagging Facility are solved and inventory is being built up. Four truckloads of product have been shipped, and another two will be shipped this week. A question was addressed.

NEW BUSINESS

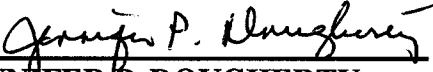
Mr. Peck advised the Board that the agency's first official contact with the Governor's Office was to inform them of the background of the Carroll County – Springfield project. It was a very positive meeting.

LeafGRO and fertileGRO are available for Board members purchase if anyone is interested.

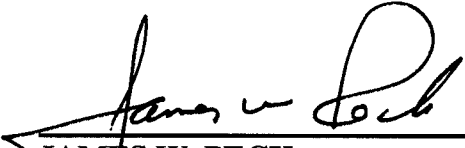
Mr. Peck handed out the schedule for the Board meeting at the Hyatt in Cambridge on April 30th – May 1st. If members are interested in visiting the Midshore Regional Landfill prior to arriving April 30th, please let him know.

ADJOURNMENT

Mr. Peck adjourned the meeting at 11:14 a.m. The next scheduled meeting is May 1st at the Hyatt Regency, Cambridge, Maryland.



**JENNIFER P. DOUGHERTY
SECRETARY**



**JAMES W. PECK
DIRECTOR**



Robert L. Ehrlich, Jr.
Governor

James W. Peck
Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-4
May 1, 2003**

LOCATION: Hyatt Regency Chesapeake Bay
Cambridge, Maryland

TIME: 8:00 a.m. (Breakfast)
8:34 a.m. (Meeting convened)

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

DIRECTORS ABSENT: Jennifer P. Dougherty, Secretary

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

MINUTES

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

AGENCY ACTIVITY REPORT

Mr. Peck reported on the following:

Howard County – Attended a meeting with the Director of the Department of Public Works to discuss MES taking over the water and wastewater shared systems the County operates.

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MEETING 03-4
MAY 1, 2003
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Perdue – MES is meeting with officials to discuss the possible operation of a wastewater treatment facility in Virginia.

DNR – Discussions are underway with the Department to have MES undertake the development of an environmental impact statement related to the introduction of the Asian oyster into the Chesapeake Bay.

A couple of questions were addressed with regard to the Crownsville tire cleanup and the Montgomery County pilot blue bag collection project.

Mr. Peck recently attended a the Maryland County Engineers conference and was a guest on the Governor's bus that visited the Town of La Plata on the one year anniversary of the tornado.

Harford County – Discussions are being held with the County in regard to a joint proposal to operate the water and wastewater systems of the Edgewood area of Aberdeen Proving Ground.

SPECIAL PROJECTS

MES Tire Recycling & Organics Bagging Facility – Mr. Miller gave an update of current operations and tire inflow. A more detailed update will be given at next month's meeting at the Facility. An internal reporting package will also be presented. Mr. Miller reported that tire inflow has improved dramatically since last month. Design refinements have been made to the equipment and 2 full shifts are operating. Ravens stadium is replacing the sod field with artificial turf. MES has contacted the company responsible for the work and sent a sample of the product for use on the field. MES is currently negotiating with Edge Rubber the quantity and price of purchasing crumb rubber. MDE inspectors visited the Facility because of anonymous complaints. No violations were found.

Bagging Facility – Mr. Zeni reported we are supplying Pure Barnyard with bagged Cockadoodledoo and corn gluten. Other companies who are interested in having MES bag their product have approached MES. MES products were recently featured at a Garden Show. Questions were addressed. A suggestion was made to contact the hostess of the H&G television show about our products.

Office building – Ms. Wojton reported that construction contract negotiations were underway with Atlantic Builders. The bid summary was passed around for the members' information. Closing for the construction loan was held and was very successful. Currently we are waiting for two approvals, one from the County and the second from MDE. Groundbreaking is still planned for May. A question was addressed.

FINANCIAL

Mr. Howarth reviewed the financial report ending April 30, 2003. Questions were addressed.

A question was asked about the status of the Somerset County Landfill project. A meeting is scheduled with the County Commissioners.

Mr. Coleman presented and reviewed Resolution 03-05-1R, modifying the per diem compensation paid to certain Board members. Mr. Shubnell made the motion to approve the Resolution; Mr. Addison seconded, and the Resolution was approved unanimously.

A draft Policy on Information Technologies was handed out to the Board for review and comment. Mr. Coleman reviewed the policy and questions were addressed.

PROCUREMENT

Mr. Peck introduced Procurement Items 1, 2, 3 and 4. Questions were addressed. Mr. Shubnell made the motion to approve the Items; Mr. Snee seconded, and the Items were approved unanimously.

Mr. Peck noted the items of Notification contained in the Board's notebooks. A question was addressed.

HUMAN RESOURCES

Ms. Wojton handed out the Best 2003 Update 7. Ms. Jenkins expressed interest in attending the Dr. Brinkman training session.

LEGAL

Mr. Coleman advised the Board of the following:

EPA – Talked to the EPA attorney and the request for waiver of penalties for the “O” Field project was sent to the Voluntary Disclosure Board for consideration.

Members of his staff, Ms. Crystal Chissell and Ms. Pam Fuller attended the NABL Fundamentals of Municipal Finance in Philadelphia.

Somerset County – A meeting is scheduled with the County Attorney, County Administrators, and other officials to discuss MES' recommendation on the contractor's request for additional money.

OLD BUSINESS

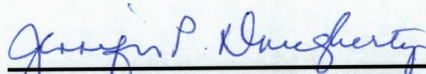
The Board's audit committee met last week. A discussion of Net Assets will be deferred today and presented at another meeting. Mr. Peck recommended the Human Resources/Compensation committee schedule a meeting. The decision was made to meet prior to the May 29th meeting at 8:00 a.m. Mr. Snee requested a copy of the Singer Study prior to the meeting.

EXECUTIVE SESSION

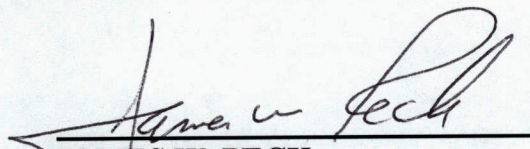
At 10:15 a.m., upon motion of Mr. Addison, seconded by Mr. McMullen, unanimously approved, the Board met in executive session to discuss a human resources issue, as permitted under §10-508(a)(1) of the State Government Article. The Board did not take any official action while in executive session. Also present during the executive session were Ms. Wojton, Ms. Balenske, and Messrs. Zeni, Wojton, Coleman and Miller. Following the discussion the Board voted unanimously to go into open session at approximately 10:54 a.m.

ADJOURNMENT

Mr. Peck adjourned the meeting at 10:55 a.m. The next scheduled meeting is May 29th at the MES Tire Recycling/Organics Bagging Facility at 9:00 a.m.



**JENNIEER P. DOUGHERTY
SECRETARY**



**JAMES W. PECK
DIRECTOR**



**BOARD OF DIRECTORS
MINUTES
MEETING 03-6
June 26, 2003**

- LOCATION:** 2011 Commerce Park Drive
Annapolis, Maryland
- TIME:** 9:00 a.m. (Meeting scheduled)
9:05 a.m. (Meeting convened)
- DIRECTORS PRESENT:** James W. Peck, Director
Kenneth A. Howarth, Treasurer
William B.C. Addison
Lawrence D. Shubnell
Daniel F. McMullen
Leslie Jackson Jenkins
- DIRECTORS ABSENT:** Jennifer P. Dougherty
Joseph F. Snee
- OTHERS PRESENT:** John Sparkman, Director Designate
Beth Wojton
Robert Miller
Michael Wojton
Lee Zeni
Nancy Voorhees Balenske
Sean Coleman, Esq.
Henry Cook
Crystal Chissell, Esq.
Mack McLellan (attended a portion of the meeting)
Jay Janney (attended a portion of the meeting)
Rob Thompson (attended a portion of the meeting)
Rex Lloyd (attended a portion of the meeting)
Bob Barnhart (attended a portion of the meeting)
Jim Campbell (attended a portion of the meeting)
Mike Barkdoll (attended a portion of the meeting)
Ric Hummer (attended a portion of the meeting)
Paul Black (attended a portion of the meeting)
Don Grove (attended a portion of the meeting)
Paul Lutmen (attended a portion of the meeting)

INSPIRE AWARD

Mr. Peck presented Inspire Awards to Jay Janney, Rob Thompson and Rex Lloyd, who was accepting for Dan Guyer, for Extraordinary Service. Bob Barnhart, Jim Campell, Mike Barkdoll, Ric Hummer, Paul Black, Don Grove and Paul Lutmen were also presented Inspire Awards for Extraordinary Service. The group also accepted the award on behalf of Jerry Nussbaum, who was not present.

SPECIAL PRESENTATION

Mr. Shubnell, on behalf of the members of the Board of Directors, asked to be recognized to make a special presentation to Mr. Peck on the occasion of his last Board meeting as Director. Upon motion of Mr. Shubnell, seconded by Mr. McMullen, the Board approved Resolution (03-06-3R) honoring Mr. Peck's retirement from the Maryland Environmental Service and commending his service. The Board also presented Mr. Peck with a gift. Mr. Peck thanked the Board and extended his appreciation for their support throughout the years.

MINUTES

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

AGENCY ACTIVITY REPORT

Mr. Peck reported on the following:

Asian oyster – The Governor has approved moving forward with the development of an environmental analysis related to the introduction of the Asian oyster into the Chesapeake Bay. MES has a meeting with DNR on June 27th to discuss our role. A question was addressed.

The agreement with MDE for I/I studies of publicly owned wastewater treatment systems in Maryland has been signed.

Various staff members attended the annual Maryland Municipal League conference.

SPECIAL PROJECTS

TIRE RECYCLING & ORGANICS BAGGING FACILITY BRIEFING

Mr. Miller gave a brief update. An agreement with Sportex has been negotiated to provide crumb rubber for the Ravens Stadium field. The facility operation has gone to three shifts. Questions were addressed. Mr. Zeni reported that the contract with Pure Barnyard to package a minimum number of poultry litter and corn gluten has been signed. Mr. Zeni also reported that MES has received inquiries with regard to bagging other products. A question was addressed.

Office building – Ms. Wojton reminded the Board that a brief groundbreaking ceremony is being held at the Najoles Road property immediately after the meeting.

FINANCIAL

Mr. Howarth reviewed the financial report ending May 31, 2003. Questions were addressed.

Mr. Shubnell asked for the list of analysis of revenues by Customer that has been given to the Board in the past.

At the suggestion of Mr. Shubnell, the net assets presentation will be deferred to a future meeting when Board members who are not on the Audit Committee are in attendance.

Mr. Howarth handed out and reviewed a letter dated June 26, 2003, to approve certain Project Reserve Funds. A question was addressed. Mr. McMullen made the motion to approve the recommendation by Mr. Howarth; Mr. Addison seconded, and the motion was approved unanimously.

PROCUREMENT

There were no Procurement Items for approval.

Mr. Peck noted the items of Notification contained in the Board's notebooks. A question was addressed.

HUMAN RESOURCES

Ms. Wojton handed out the Best 2003 Update 9. Discussion has begun with regard to Goals for 2004. These will be brought to the Board at the July or August meeting.

Ms. Wojton directed the Board's attention to Personnel Policies and Procedures, Policy No. 3.11, regarding Family Leave for approval by the Board. This revision is consistent with the approved regulation change. Mr. McMullen made the Motion to approve Policy No. 3.11; Mr. Addison seconded, and the Policy was approved unanimously.

SOMERSET COUNTY

Mr. Peck advised the Board that MES initiated a series of meetings with the Contractor and County Engineer to attempt to resolve the issues related to the completion of the landfill cap on the Westover Landfill. A letter was prepared and sent to the County (copy distributed to the Board) outlining the estimated cost of completion of the work. Questions were addressed.

LEGAL

Mr. Coleman advised the Board of the following:

EPA – No additional information or communication received.

EXECUTIVE SESSION

At 10:24 a.m., upon motion of Mr. Addison, seconded by Mr. McMullen, unanimously approved, the Board voted to go into executive session to discuss the performance evaluation and compensation of officials and employees, as permitted under §§10-508(a)(1) of the State Government Article. Also present during a portion of the discussion were Mr. Sparkman, Mr. Coleman, Ms. Chissell, and Ms. Wojton. Prior to the end of the executive session Ms. Chissell, Ms. Wojton and Mr. Howarth left the conference room. The Board did not take any official action while in executive session. Following the discussion the Board returned to open session at approximately 10:52 a.m. No vote was taken to return to open session, as a quorum was not present in the conference room. Upon returning to open session Mr. Howarth returned and a quorum of the Board was present.

Resolution 03-06-1R

Mr. McMullen moved to approve Resolution No. 03-06-1R. Mr. Addison seconded the motion, and it was unanimously approved.

Resolution 03-06-2R

Mr. McMullen moved to approve Resolution No. 03-06-2R. Mr. Addison seconded the motion, and it was unanimously approved, with the exception that Mr. Howarth abstained from the vote.

Executive Salaries

A memorandum from Joseph Snee, Jr., chairman of the Board's Compensation Subcommittee was distributed. Mr. McMullen moved to increase the minimum and maximum amounts of the salary range for executive employees by 10%, the change being recommended by the Compensation Subcommittee. As part of the same motion, Mr. McMullen also moved to approve annual executive salaries for FY 04 in the following amounts: Treasurer - \$107,635, Directors of Water/Wastewater and Environmental Service/Waste Management Programs - \$125,400 each; Director of Business Development - \$109,725; Director of Administration - \$112,337.50. Mr. Addison seconded the motion, and it was unanimously approved, with the exception that Mr. Howarth abstained from the vote. These salaries shall be effective as of the first day of the first full pay period in July 2003. During the discussion the Board members noted that the approved salaries are for full time employment, and that an individual working a part-time schedule shall be paid the approved salary on a pro-rata basis.

Personnel Policies

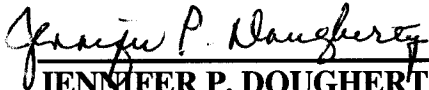
Mr. McMullen moved to approve new Personnel Policy 3.01, and revisions to Personnel Policies 3.02 and 10.04. Mr. Addison seconded the motion, and it was unanimously approved. The new policy, and the revisions to the existing policies, will not take effect until the regulation approved in Resolution 03-06-1R becomes effective in accordance with the Maryland Administrative Procedure Act.

Non-Executive Salary Ranges

A memorandum from Joseph Snee, Jr., chairman of the Board's Compensation Subcommittee was distributed. Ms. Jenkins moved to increase the bottom range of the salary scale for non-executive employees by 3%, and the top range by 5%, both changes being recommended by the Compensation Subcommittee. Mr. McMullen seconded the motion and all approved it.

ADJOURNMENT

Mr. Peck adjourned the meeting at 10:55 a.m. Mr. Peck, Mr. Howarth, Mr. Shubnell, Mr. McMullen and several agency staff then attended the groundbreaking for the new MES headquarters building on Najoles Road.



JENNIFER P. DOUGHERTY
SECRETARY



JOHN S. SPARKMAN
ACTING DIRECTOR

BOD 03-6



Robert L. Ehrlich, Jr.
Governor

John S. Sparkman
Acting Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-7
July 24, 2003**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

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

DIRECTORS PRESENT: John S. Sparkman, Chairman
Jennifer P. Dougherty, Secretary
Kenneth A. Howarth, Treasurer
Joseph F. Snee
Lawrence D. Shubnell
Leslie Jackson Jenkins
Daniel F. McMullen (arrived at 9:30 a.m.)

DIRECTOR ABSENT: William B.C. Addison

OTHERS PRESENT: Beth Wojton
Robert Miller
Michael Wojton
Lee Zeni
Nancy Voorhees Balenske
Sean Coleman, Esq.
Henry Cook
Crystal Chissell, Esq.
Mack McLellan (attended a portion of the meeting)
Darren Fisher (attended a portion of the meeting)
Mark Loving (attended a portion of the meeting)

INSPIRE AWARD

Mr. Sparkman presented an Inspire Award for Extraordinary Service to Mark Loving.

MINUTES

The Motion to approve the Minutes of the June 26th meeting was made by Ms. Jenkins and seconded by Mr. Snee. The Minutes were approved.

AGENCY ACTIVITY REPORT

Mr. Sparkman gave a report on the following activities:

Asian oyster – MES will most likely be performing the environmental analysis related to the introduction of the Asian oyster into the Chesapeake Bay. Questions were addressed.

Town of Poolesville – The Town is terminating the contract for operation and maintenance services with the Agency for convenience, to be effective on August 1st. Questions were addressed.

MES met with the Department of Budget and Management to discuss creating a state agency program for managing hazardous materials. A meeting is scheduled for August 18th to discuss the possibility of putting together a program.

Baltimore County – MES met with representatives of two large waste hauling firms with regard to the possible expansion of the Western Acceptance Facility. An expansion of the WAF could allow commercial waste transfer activities, as well as an expansion of the residential drop off program. Questions were addressed.

Prince George's County – MES has met with offerors of sites for a possible transfer station. Discussions are at a very preliminary phase. A proposal has been prepared and is ready to be sent to the County. A question was addressed.

Somerset County – Efforts are ongoing to try to come to an agreement with the contractor on a dollar amount to complete the project, and the costs to be shared between MES, the Contractor, and possibly the County.

Mr. Sparkman also reported on the following internal activities:

Safety – There will be an increased focus on this issue.

Ethics training – Training sessions are underway. The Executive Director of the State Ethics Commission and one of the Commission's attorneys conducted the sessions.

Fiscal – Mr. Sparkman emphasized an increased sensitivity to the State's financial situation and thanked the Board for their support in this endeavor.

Chesapeake Bay and watershed – The agency is looking at what role it can play in the Governor's initiative to reduce nutrients.

At the end of the report, Mr. Shubnell asked for follow up with regard to past proposals that have been accepted or not accepted. The staff will work on updating the Agency Activity Report to include these items.

FINANCIAL

Mr. Howarth reviewed the financial report ending June 30, 2003. He reminded the members that this report is an interim report. Questions were addressed.

SPECIAL PROJECTS

Tire Recycling/Organics Bagging Project - Mr. Miller gave an update that included a historical overview, the operational plan of action, a comparison of the 2 shift v. 3 shift and marketing strategy. Questions were addressed. Mr. Miller passed around samples of the material provided to Sportex for Ravens stadium and their marketing kit containing the samples of field grasses they install.

Office building – Ms. Wojton gave a brief report with pictures on the status of the construction of the new headquarters. A letter notice has been sent to the landlord terminating the 2011 Commerce Park Drive lease on July 1, 2004. A question was addressed.

HUMAN RESOURCES

Ms. Wojton presented the Best 2004 goals. Questions were addressed and discussion was held. Mr. Shubnell expressed concern about the omission of business growth as an on going goal. Mr. Sparkman suggested the Board discuss this and risk assessment in a meeting with the Board at a later date. Mr. Shubnell made the Motion to approve the Best 2004 goals; Mr. McMullen seconded, and the Goals were approved unanimously.

PROCUREMENT

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

NEW BUSINESS

Mr. Sparkman presented a Request to Use Business Research & Development Funds (see memo from John S. Sparkman dated July 24, 2003). Mr. Zeni reviewed the request to use funds up to \$120,000 to fund a position committed to helping to improve the Bay watershed environment by establishing a close relationship with Perdue/AgriRecycle. Questions were

addressed. Ms. Dougherty made the motion to approve the agency utilizing up to \$120,000 from Business Research & Development Funds in accordance with the request above. Ms. Jenkins seconded the motion and the motion was approved unanimously.

LEGAL

Mr. Coleman advised the Board of the following:

EPA and U.S. Attorney's Office – No additional information or communication received regarding the Aberdeen Proving Ground matter.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:33 a.m.

JENNIFER P. DOUGHERTY
SECRETARY

JOHN S. SPARKMAN
ACTING DIRECTOR



Robert L. Ehrlich, Jr.
Governor

John S. Sparkman
Acting Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-8
August 14, 2003**

LOCATION: Grand Hotel
2100 Baltimore Avenue
Ocean City, Maryland

TIME: 8:30 a.m. (Breakfast)
9:00 a.m. (Meeting scheduled)
9:07 a.m. (Meeting convened with quorum present)

DIRECTORS PRESENT: John S. Sparkman, Chairman
Jennifer P. Dougherty, Secretary
Kenneth A. Howarth, Treasurer
Joseph F. Snee
Lawrence D. Shubnell
Leslie Jackson Jenkins
Daniel F. McMullen
William B.C. Addison

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

MINUTES

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval. The Motion to approve the Minutes of the July 24th meeting was made by Ms. Dougherty and seconded by Ms. Jenkins. The Minutes were approved.

DIRECTOR'S REPORT/AGENCY ACTIVITY REPORT

Mr. Sparkman gave a report on the following activities:

Agency Activity Report – Brought to the Board's attention the revised format.

**BOARD OF DIRECTORS MINUTES
MEETING 03-8
AUGUST 14, 2003
PAGE 2**

Deputy Director – Announced the appointment of B. Conway Gregory as Deputy Director of the agency. Mr. Gregory's appointment will be effective September 2nd. Mr. Sparkman noted Mr. Gregory's resume in the Board notebook.

Fiscal year 2004 budget – The agency has prepared a FY 2004 budget that is equal to its 2003 actual expenses.

BEST goals – The Program Directors have begun to brief employees on the Best goals for fiscal year 2004.

Baltimore County – MES has received a letter from the County asking about ways to reduce overhead costs to the County. A response has been discussed and talks have begun with regard to the expansion of the Western Acceptance Facility to include a transfer station for commercial solid waste. Letters of Intent have been received from two large national waste hauling firms. MES is also going to approach the County about a long term contract for operation of both WAF and BCRRF. Questions were addressed.

Montgomery County – The County has indicated it is considering transferring certain MES operations to another entity to reduce the County's overall costs. Discussions are continuing. A question was addressed.

Tire Facility – There will not be a status report this month. Discussions are ongoing within the agency about the next phase for this project. Ms. Dougherty requested that if changes are to be made with regard to the project that she would like to see the twelve month forecast and the project's goals included with any proposed changes in direction.

Asian oyster – A meeting is scheduled today with the Department of Natural Resources to discuss the environmental impact statement. A start-up budget has been submitted.

FertileGRO™ - Mr. Zeni is leading the search for the staff position to work closely with Perdue/AgriRecycle.

FINANCIAL

Mr. Howarth began his report with the Net Assets presentation. A question was addressed. Mr. Howarth also gave a brief financial report for the period ending June 30, 2003. Discussions are underway for Best 2003 and accruals.

Mr. Sparkman also announced there will be an event in September in Darlington to celebrate completion of the new water supply and distribution project.

**BOARD OF DIRECTORS MINUTES
MEETING 03-8
AUGUST 14, 2003
PAGE 3**

Mr. Sparkman asked the Board about the frequency of the presentation of the Financial Report. The Report will always be in the Board's notebook. The Board expressed the desire to receive monthly written information and have the highlights covered.

Mr. Howarth advised the members that the draft statements from the agency auditors will be received after September 1st. Mr. Howarth would like to have an Audit Committee meeting prior to the September 18th meeting.

The Board was also informed that the IT group has been working to prevent the blaster virus from spreading. Headquarters was not affected, but some of the off-site projects were hit. The group is working on a proposal to bring programming into headquarters to access.

SPECIAL PROJECTS

Office building – Ms. Wojton gave a brief report with pictures on the status of the construction of the new headquarters. The agency is also working on cabling, the phone system, security systems and office furniture. The construction is currently on time and under budget.

HUMAN RESOURCES

Ms. Wojton advised the Board that the PowerPoint presentation of the Best 2004 goals made last month is contained in their notebooks. Ms. Wojton discussed the Best 2003 program, including the MBE goal. Results will be presented at September's meeting.

At this time, the Compensation Committee, which met prior to the Board meeting, comprised of Ms. Dougherty, Mr. McMullen and Mr. Snee, and attended by Mr. Sparkman and Ms. Wojton reported the details of their meeting. Mr. Snee as Chairman presented the report. The Committee reviewed the Bolton Partners, Inc. Paid Time Off Benefits Study that addressed disability benefits, sick leave incentive programs, and annual and holiday leave. The following recommendations were made by the Bolton group and endorsed by the Committee: MES's long-term employees of fifteen (15) years and above will be eligible to earn two (2) additional days of annual leave. The Columbus Day holiday will be eliminated and an extra day of personal leave will be provided to eligible employees. The sick leave incentive program will be modified to provide one day's pay for zero hours of sick leave utilized in a calendar year. These changes if approved will become effective January 1, 2004.

PROCUREMENT

Mr. Sparkman reviewed Procurement Items 1 and 2. Mr. Addison made the motion to approve the Items; Ms. Dougherty seconded, and the Items were approved. Ms. Jenkins recused herself from voting on the Items.

Mr. Sparkman noted the Notifications contained in the Notebook.

LEGAL

Mr. Coleman advised the Board of the following:

EPA and U.S. Attorney's Office – No additional information or communication received regarding the Aberdeen Proving Ground matter.

Somerset County – Mr. Coleman will be attending the meeting with the County Commissioners tomorrow, August 15th.

Town of Poolesville – A draft termination agreement has been sent. MES operations have terminated.

RESOLUTION

Mr. Coleman introduced Resolution 03-08-1R, which modifies the form by which MES's Board of Directors gives public notice of its meetings. Upon the adoption of this Resolution, MES will give notice of its future Board of Director's meetings by posting a written notice at headquarters and on the our website. Questions were addressed. Mr. Sparkman made the recommendation to adopt the Resolution. Mr. McMullen made the motion to approve Resolution 03-08-1R, Mr. Addison seconded, and the motion was unanimously approved.

OLD BUSINESS

Somerset County – A meeting is being held August 15th with the County Commissioners to suggest ways to resolve the issues. Mr. Sparkman reminded the Board of the ongoing issues and informed the Board that there will be more information to report in September. Discussions have also been held with the contractor about the amount of money necessary to complete the project.

NEW BUSINESS

Mr. Snee made the motion to approve the recommendations presented earlier by the Compensation Committee and for staff to take any action needed to implement the changes. During discussion it was suggested that the employees be reminded, once again, of the total cost of fringe benefits employees receive. The motion was approved unanimously.

Mr. Sparkman presented a Request to Use Business Research & Development Funds (see memo from John S. Sparkman dated August 14, 2003). Mr. Miller reviewed the request to use funds up to \$35,000 for implementation of artificial reef improvements and matches for grant applications. Questions were addressed. Ms. Dougherty made the motion to authorize the agency utilizing up to \$35,000 from Business Research & Development Funds in accordance with the memorandum above. Mr. Snee seconded the motion. Discussion was held. A request was made by Mr. Shubnell to receive these requests in advance and the general consensus is that the agency will notify the Board of such requests in advance by email. The motion was approved unanimously.

EXECUTIVE SESSION

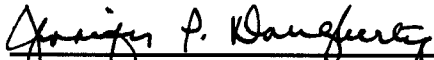
At 10:53 a.m., upon motion of Mr. Addison, seconded by Mr. McMullen, unanimously approved, the Board met privately to discuss a human resources issue, including employee compensation, as permitted under §10-508(a)(1) of the State Government Article. The Board did not take any official action while in 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 at approximately 11:05 a.m.

RESOLUTION 03-08-2R

Ms. Jenkins moved to approve Resolution No. 03-08-2R. Mr. McMullen seconded the motion, and it was unanimously approved.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:06 a.m. The next scheduled meeting is September 18th at MES headquarters.



**JENNIFER P. DOUGHERTY
SECRETARY**



**JOHN S. SPARKMAN
ACTING DIRECTOR**



Robert L. Ehrlich, Jr.
Governor

John S. Sparkman
Acting Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-9
September 18, 2003**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
8:58 a.m. (Meeting convened early due to Hurricane Isabel
with quorum present)

DIRECTORS PRESENT: John S. Sparkman, Chairman
B. Conway Gregory, Deputy Director
Kenneth A. Howarth, Treasurer
Joseph F. Snee
Daniel F. McMullen
William B.C. Addison
Leslie Jackson Jenkins (arrived at 9:10 a.m.)

DIRECTORS ABSENT: Jennifer P. Dougherty, Secretary
Lawrence D. Shubnell

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

INTRODUCTION

Mr. Sparkman introduced Mr. B. Conway Gregory, the agency's new Deputy Director.

MINUTES

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval. The Motion to approve the Minutes of the August 16th meeting was made by Mr. Snee and seconded by Mr. McMullen. The Minutes were approved.

DIRECTOR'S REPORT/AGENCY ACTIVITY REPORT

In the interest of time, Mr. Sparkman stated the Director's Report would not be given this month. The Agency Activity Report is contained in the Board's notebook for the members review and information.

FINANCIAL

Mr. Howarth's report this month was on the Designated Unrestricted Net Assets for Fiscal Year 2003. Mr. Howarth requested adjustments to transfer \$400,000 from the Employees' Benefits Stabilization account to Unrestricted Net Assets, and to increase funding for the Training account by \$88,000. Mr. Addison made the motion to approve the adjustments and Mr. McMullen seconded. The motion passed unanimously.

Mr. Howarth noted the August 31, 2003 Financial Report in the Board's notebooks.

Mr. Howarth introduced Resolution 03-09-2R establishing a Reimbursable Projects Contingency Fund. Mr. Addison made the motion to approve the Resolution and Mr. McMullen seconded. The motion passed unanimously.

PROCUREMENT

Mr. Sparkman reviewed Procurement Items 1, 2 and 3. Mr. Addison made the motion to approve the Items; Mr. McMullen seconded, and the Items were approved.

SPECIAL PROJECTS

Mr. Cook reviewed the financials for the Tire Recycling Project.

EXECUTIVE SESSION

At 9:19 a.m., upon motion of Mr. Addison, seconded by Mr. McMullen, unanimously approved, the Board voted to go into executive session to discuss the compensation of employees, as permitted under §10-508(a)(1) of the State Government Article. The Board also met in executive

**BOARD OF DIRECTORS MINUTES
MEETING 03-9
SEPTEMBER 18, 2003
PAGE 3**

session to consult with counsel regarding potential litigation, as permitted under §10-508(a)(8) of the State Government Article. Also present during the executive session was Mr. Coleman. The Board did not take any official action while in executive session. Following the discussion the Board voted unanimously to go into open session at approximately 10:35 a.m.

Resolution 03-09-1R

Mr. McMullen moved to approve Resolution No. 03-0-1R. Mr. Addison seconded the motion, and it was unanimously approved.

Resolution 03-09-3R

Mr. McMullen moved to approve Resolution No. 03-09-3R. Mr. Addison seconded the motion, and it was approved by a vote of 6 directors in favor and 1 director voting against the resolution. Mr. Snee requested that the records reflect that he had voted "no."

Somerset County Landfill

Mr. Snee moved to authorize the Director to utilize up to \$345,000 of Project Emergency Funds to assist Somerset County in covering costs associated with the closure of the Somerset County Landfill. Of this amount, the Director would be authorized to transmit \$315,000 directly to the County at such time as he determines is appropriate. The Director would be further authorized to utilize the remaining \$30,000 towards potential costs the County may incur replacing a portion of the damaged PVC liner. As an alternative, if the contractor that the County hired continues to refuse to return to work, the Director would be authorized to utilize an amount of Project Emergency Funds sufficient to undertake all the work necessary to complete the landfill closure project, estimated at \$482,000. Mr. Snee emphasized that any financial assistance to be provided by MES to Somerset County should not be construed as an admission that MES has any legal liability or obligation to the County. Mr. Addison seconded the motion, and it was unanimously approved.

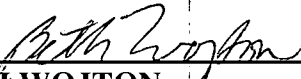
New Office Update and BEST Update

Ms. Wojton updated the Board on the progress of the new building and the status of the BEST '04 goals. She handed-out the Final Analysis of the BEST '03 goals to assist the Board in making payout decisions at the October meeting.

Adjournment

Mr. Sparkman adjourned the meeting at 10:49 a.m. The next scheduled meeting is October 23rd at MES headquarters.

**BOARD OF DIRECTORS MINUTES
MEETING 03-9
SEPTEMBER 18, 2003
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**BETH WOJTON
SECRETARY**



**JOHN S. SPARKMAN
ACTING DIRECTOR**

BOD 03-9



MARYLAND
ENVIRONMENTAL
SERVICE

Robert L. Ehrlich, Jr.
Governor

John S. Sparkman
Acting Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-10
October 23, 2003**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:03 a.m. (Meeting convened with all members present)

DIRECTORS PRESENT: John S. Sparkman, Chairman
B. Conway Gregory, Deputy Director
Beth Wojton, Secretary
Kenneth A. Howarth, Treasurer
Joseph F. Snee
Daniel F. McMullen
William B.C. Addison
Leslie Jackson Jenkins
Lawrence D. Shubnell

OTHERS PRESENT: Robert Miller
Michael Wojton
Henry Cook
Mike Snovitch
Nancy Voorhees Balenske
Sean Coleman, Esq.
Crystal Chissell, Esq.
Pat Boyce and
Karl Payne, KPMG (attended a portion of the meeting)
The following MES staff attended a portion of the meeting:
Hament Patel
Beatrice McQuarrie
Laureen Toney
Donald Thomas
Greg Brown
John Peterson
Randy Gaver
Erin Swam
Judson Eichorn

INTRODUCTION

Mr. Sparkman welcomed Ms. Wojton in her new role as Secretary of the Board of Directors and introduced Mr. Snovitch, the Director of the Tire Recycling and Organics Bagging Project.

MINUTES

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval as corrected since the initial draft was circulated. The dollar amount under the heading, "Somerset County Landfill", line 9 had been corrected to \$482,000. The Motion to approve the Minutes of the September 19th meeting as corrected was made by Mr. Snee and seconded by Mr. McMullen. The Minutes were approved.

FINANCIAL

Mr. Howarth introduced and recognized members of his staff, Mr. Cook, Ms. Toney, Ms. McQuarrie and Mr. Patel for their support during the audit. Mr. Howarth directed the Board's attention to the Audit Committee Meeting minutes contained in the Board's notebook. Mr. Howarth then introduced Mr. Patrick Boyce and Mr. Karl Payne from KPMG. The letter communicating the results had been sent to the members. Mr. Boyce addressed questions. No management letter will be issued this year inasmuch as the agency is in compliance with its internal controls. Mr. Shubnell reminded the members that a Request for Proposals for audit services will be prepared and the ensuing recommendation will be presented to the Board. Mr. Shubnell thanked KPMG and particularly Mr. Boyce for their service.

Mr. Howarth's report this month were the Financial Statements ending September 30, 2003. Questions were addressed.

DIRECTOR'S REPORT/AGENCY ACTIVITY REPORT

Mr. Sparkman gave a report on the following activities:

Agency Activity Report –Mr. Sparkman noted the grant application submitted to the Chesapeake Bay Trust to support the demonstration of the deployment of reef balls at artificial reef sites. Also noted are the 3 requests for proposals by the Town of Emmitsburg. A question about the Asian oyster study was addressed. MES is providing support through the Department of Natural Resources. The Army Corps of Engineers may perform the environmental impact study.

**BOARD OF DIRECTORS MINUTES
MEETING 03-10
OCTOBER 23, 2003
PAGE 3**

Somerset County – An agreement is being prepared which will provide for MES to complete the project for the County if the County terminates the contractor's construction contract.

Baltimore County – Preliminary design and engineering work for the expansion of the Western Acceptance Facility as a commercial transfer station is underway. MES is close to reaching an agreement with two national waste hauling firms to present to the County. MES will approach the County about a long-term contract for operation of both WAF and BCRRF.

Tire Facility – A number of actions have been identified to reduce costs at the Facility and a marketing plan is being developed. The plans will be presented to the Board at November's meeting as part of a detailed comprehensive briefing. A meeting was held with automobile salvage dealers to discuss disposal of their tires and their current condition. Discussions are underway with regard to methods that will allow these types of tires to be disposed of at the Facility. Questions were addressed.

FertileGRO™ - Mr. David Ennis has filled the marketing position under a Joint Consulting Agreement with Perdue.

Grants Administration – An advertisement has been placed to hire an individual to pursue and administer grant funding. This position will be funded by MES for a year, and thereafter we will look to funding the position through grants received. A \$5,000 grant has been received from ExxonMobil for artificial reef creation. Questions were addressed.

Minority Business Enterprise goals – The agency established a 15% goal. Plans are being finalized both agency-wide and as individual personal goals to achieve a higher success rate than last year. A report has also been devised to allow the Programs easy access to the status of achievement of the goals. Questions were addressed.

Board activities – Based on certain members' requests, a briefing, possibly in December, will be prepared addressing the responsibilities and duties of Board members. Mr. Shubnell recommended the author of a book and Mr. McMullen advised of a newsletter the Maryland Transportation Authority receives from an organization for non-profit entities. Mr. Sparkman suggested discussion also needs to be initiated with regard to the agency's long-term direction. A prospectus will be formulated and ideas presented at a meeting that may be held off-site. Mr. Shubnell also suggested that the Strategic Plan prepared a few years ago be re-read by the members.

Employee Advisory Committee – Mr. Sparkman met with the group last week. He also informed the Board that lunch sessions have been scheduled as an opportunity for any employee to meet with Mr. Sparkman in a small group setting to discuss various issues and concerns.

Mr. Sparkman distributed to the Board copies of a letter given to Executive Staff in which he articulated his expectations of the Staff. He also handed out copies of Ms. Dougherty's letter of resignation.

PROCUREMENT

Mr. Sparkman reviewed Procurement Items 1, 2 and 3. A question was addressed. Ms. Jenkins made the motion to approve the Items; Mr. McMullen seconded. A second question was addressed during discussion. The Items were approved unanimously. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman updated the Board on the Somerset County project. Questions were addressed.

SPECIAL PROJECTS

Ms. Wojton updated the Board on the progress of the new office building with photographs and samples of the interior carpeting, tile, countertops, etc. Questions were addressed.

Ms. Wojton noted the Best 2003 results in the notebook and then drew to the Board's attention the issue to be addressed, "At what level should the BEST 2003 Program be funded?" Questions were addressed. The issue of safety was discussed with suggestions on how to re-organize this as a goal. Mr. Snee and Mr. Addison recommended adoption of Option 3 as presented in the Memorandum dated October 23, 2003.

EXECUTIVE SESSION

At 10:47 a.m., upon motion of Mr. Snee, seconded by Mr. McMullen, unanimously approved, the Board voted to go into executive session to consult with 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. Ms. Wojton, Mr. Howarth and Mr. Gregory also left the room; Mr. Coleman remained present during the Executive Session. Following the discussion the Board voted unanimously to go into open session at approximately 11:07 a.m.

BEST 2003

Mr. Addison moved to accept the recommendation for 2003 BEST and BESTPlus payout, Mr. Snee seconded the motion, and the Board unanimously approved the motion, with the exception that Mr. Howarth was not present and did not vote.

Mr. Addison moved to accept the recommendation for the 2003 Executive Bonus, Mr. McMullen seconded the motion, the Board approved the motion, with the exception that Ms. Wojton abstained on the motion, and Mr. Howarth was not present and did not vote.

NEW BUSINESS

Mr. Sparkman presented the request to use Business Research and Development Funds to provide plastic bags for DNR's Forest and Parks 'Trash Free' Program. The recommendation is to provide DNR with \$10,000 and incorporate a fertileGRO™ message on the bag. The suggestion was also made that language referencing costs paid for by MES be included. Mr. Shubnell made the motion to approve the request; Mr. Snee seconded, and the motion passed unanimously. Mr. Howarth was present for discussion and vote on this item.


BEST 2004

Ms. Wojton reviewed the Best 2004 update.

Adjournment

Mr. Addison told the Board he attended a meeting of a small agricultural club that he belongs to and Ms. Ann Bleinberger was the speaker. He remarked on the excellent job she did.

Mr. Sparkman adjourned the meeting at 11:15 a.m. The next scheduled meeting is November 20th at MES headquarters.



**BETH WOJTON
SECRETARY**



**JOHN S. SPARKMAN
ACTING DIRECTOR**



MARYLAND
ENVIRONMENTAL
SERVICE

Robert L. Ehrlich, Jr.
Governor

John S. Sparkman
Acting Director

**BOARD OF DIRECTORS
MINUTES
MEETING 03-11
November 20, 2003**

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

TIME: 9:00 a.m. (Meeting scheduled)
9:07 a.m. (Meeting convened with all members
present)

DIRECTORS PRESENT: John S. Sparkman, Chairman
B. Conway Gregory, Deputy Director
Beth Wojton, Secretary
Kenneth A. Howarth, Treasurer
Joseph F. Snee (left at 11:13 a.m.)
Daniel F. McMullen (left at 10:42 a.m.)
William B.C. Addison
Leslie Jackson Jenkins (left at 11:19 a.m.)
Lawrence D. Shubnell

OTHERS PRESENT:
Robert Miller
Henry Cook
Mike Snovitch
Nancy Voorhees Balenske
Sean Coleman, Esq.
Crystal Chissell, Esq.

MINUTES

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval. The Motion to approve the Minutes of the October 23rd meeting was made by Mr. McMullen and seconded by Mr. Shubnell. The Minutes were approved.

DIRECTOR'S REPORT/AGENCY ACTIVITY REPORT

Mr. Sparkman gave a report on the following activities:

Leafgro – Mr. Sparkman handed out an article from “The Christian Science Monitor” about Leafgro. He also informed the Board that advertisement for fertileGRO™ has been placed in the “Washington Post” and “The Capital” to raise the level of promotion.

MES will be launching a safety campaign December 1st. Each employee will attend a “kick off” meeting. Emails will be sent each day with different messages and there will be employee giveaways.

Ms. Wojton and Mr. Coleman are working on an agenda for a portion of December's meeting addressing Board of Directors responsibilities and duties. A question was addressed about the structure of the meeting.

During the first quarter of 2004, an offsite meeting will be scheduled to provide a comprehensive look at the mission and strategy of the agency. Mr. Shubnell made a suggestion regarding the duration of the meeting.

Somerset County Landfill Closure– Mr. Miller presented to the Board an update of MES activities to restart the project. Questions were addressed.

Agency Activity Report –Mr. Sparkman noted and spoke to the projects highlighted in the Report:

The grant for demonstration deployments of reef balls at artificial reef sites has been received from the Chesapeake Bay Trust.

City of Bowie - The proposal to provide preliminary engineering services to upgrade the wastewater treatment plant has been accepted.

Town of Emmitsburg - MES will be providing apprentice operators to work under their superintendent at the water and wastewater treatment plants.

Baltimore County – At a meeting held last week, MES presented a proposal to plan, finance, construct and operate a commercial solid waste transfer station adjacent to the Western Acceptance Facility.

Questions were addressed about the proposed Maryland Aviation Administration recycling facility project and the Maryland Port Administration security plans. Interest was expressed regarding the State's initiatives to limit nitrogen in the Bay and how MES's plants are complying. A request was made for the compliance reports. Mr. Sparkman stated he would ask Mr. Wojton to discuss this issue at December's meeting.

FINANCIAL

Mr. Howarth highlighted the Financial Statements ending October 31, 2003. Questions were addressed. Mr. Howarth stated if there were no objections, Finance will write off the Aberdeen Proving Ground account.

Mr. Howarth referred the Board to the Memorandum dated October 20th addressing overhead recovery on contract labor in FY 2005, and explained and summarized the issue. Questions were addressed. A motion was made by Mr. Shubnell and seconded by Mr. Addison to eliminate overhead recovery on contract labor beginning FY 2005. The motion passed unanimously.

Mr. Howarth reviewed a second issue for consideration to change the MES 401(k) Savings Plan to a Safe Harbor Plan. Questions were addressed. Resolution 03-11-1R was introduced and the motion to approve the Resolution was made by Mr. Snee and seconded by Mr. McMillan. The motion was approved unanimously.

HUMAN RESOURCES

Mr. Sparkman introduced Human Resources Policy No. 10.12, "Locality Differential Pay". Mr. Gregory reviewed the policy with the Board. A motion to accept the policy was made by Ms. Jenkins and seconded by Mr. Snee. Questions were addressed and discussion was held. An amendment was made to the motion to modify the term, "Locality" to "Facility" in the policy and to add a paragraph "G. Employees must acknowledge receipt of a copy of the Policy." A further amendment requested the Assistant Attorney General make any changes to the wording

of the Policy for consistency. The motion as amended was approved unanimously.

PROCUREMENT

Mr. Sparkman reviewed Procurement Items 1, 2 and 3. Ms. Wojton made the motion to approve the Items; Ms. Jenkins seconded. A question was addressed. The Items were approved unanimously. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman advised the Board there might be further newspaper articles regarding legal action initiated by a former employee, as depositions are scheduled for mid-December.

SPECIAL PROJECTS – TIRE FACILITY

Mr. Snovitch and Mr. Cook presented a 1st quarter Tire Facility update, which included a Statement of Operations. Questions were addressed. A request was made to review the list of buyers previously submitted to the Board and their current status of intent. Mr. Sparkman noted that since several Board members had departed the meeting, the presentation would be emailed to them. A bagging operation report will be presented in December.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:40 a.m. The next scheduled meeting is December 18th at MES headquarters.



BETH WOJTON
SECRETARY



JOHN S. SPARKMAN
ACTING DIRECTOR

BOD 03-11



MARYLAND
ENVIRONMENTAL
SERVICE

Robert L. Ehrlich, Jr.
Governor

**BOARD OF DIRECTORS
MINUTES
MEETING 03-12
December 18, 2003**

John S. Sparkman
Acting Director

LOCATION: 2011 Commerce Park Drive
Annapolis, Maryland

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

DIRECTORS PRESENT: John S. Sparkman, Chairman
B. Conway Gregory, Deputy Director
Beth Wojton, Secretary
Joseph F. Snee
Daniel F. McMullen
William B.C. Addison
Leslie Jackson Jenkins
Lawrence D. Shubnell

DIRECTOR ABSENT: Kenneth A. Howarth, Treasurer

OTHERS PRESENT: Michael Wojton
Robert Miller
Henry Cook
Mike Snovitch
Nancy Voorhees Balenske
Sean Coleman, Esq.
Crystal Chissell, Esq.

MINUTES

Mr. Sparkman as Chairman stated he had reviewed the Minutes and requested their approval. The Motion to approve the Minutes of the November 20th meeting was made by Mr. McMullen and seconded by Mr. Addison. The Minutes were approved.

DUTIES & RESPONSIBILITIES OF BOARD MEMBERS

Mr. Coleman introduced Assistant Attorneys General, Robert N. McDonald and Laura McWeeney who he invited to provide a presentation on the general duties and responsibilities of Board members. Mr. McDonald spoke to general duties, reviewed the Maryland Public Information Act and Maryland Open Meetings Act. Questions were addressed. Ms. McWeeney reviewed the Maryland Tort Claims Act, with particular

emphasis on the immunities enjoyed by members of State boards. Additional questions were addressed.

ANNOUNCEMENTS

Mr. Sparkman presented the Service's Annual Report and copies were given to the Board members. A copy has been mailed to each employee and the Report will be used as an outreach tool. A packet of information was also provided to each member regarding SafetyWeek held the week of December 1st.

Mr. Sparkman announced a designation change within the agency. Programs will be known as "Groups" and Program Directors become "Executive Directors" of their respective Groups. A question was addressed.

DIRECTOR'S REPORT & AGENCY ACTIVITY REPORT

Questions were addressed from the Board members regarding the Agency Activity Report and other projects.

Asian oyster – The environmental impact study is underway. The federal government is still determining its role, but the State is moving forward. A question was addressed.

Darlington – The new water distribution project has been completed and the residents are hooked up/on line. New rates will be established in 2004.

Mr. Wojton provided a briefing on wastewater treatment plant violations and the enhanced nutrient removal State initiative. The briefing provided information on the number of violations by MES facilities from 1987 to FY 2004 and a comparison of the number to the volume of water treated. Mr. Wojton then reviewed the enhanced nutrient removal program including the Chesapeake Bay Foundations ratings. The analysis prepared by the Bay Foundation is incorrect with respect to several wastewater plants operated by MES. Questions were addressed.

Mr. Snovitch briefed the Board on the Tire Facility with regard to installation of the 3/8" product line, the timeline for producing and selling the product, and customer commitments for this product. Questions were addressed. The project will be focusing on this product and the type of crumb rubber sold to Sportex for the Ravens field. During January's meeting follow up will be provided with regard to the buyers who initially expressed interest in purchasing the Tire Facility's product, and the status of their purchases since start up of the project. With regard to the tire cleaning issue, funding of 50% has been offered by the Maryland Department of the Environment. MES will pursue additional funding.

FINANCIAL

Mr. Cook highlighted the Financial Statements ending November 30, 2003. Questions were addressed and discussion was held.

PROCUREMENT

Mr. Sparkman reviewed Procurement Items 1 through 8. Prior to the meeting individual Board members expressed their intent, via email and phone messages, to approve item 6. A question was addressed. Mr. McMullen made the motion to approve the Items 1-3 and 5-8; Mr. Addison seconded. The referenced Items were approved unanimously. A separate motion by Mr. McMullen and seconded by Mr. Addison was made to approve Item 4. The motion was approved with Ms. Jenkins abstention from the discussion of the item and the vote. Mr. Sparkman noted the Notifications contained in the Board's notebooks.

LEGAL REPORT

Mr. Coleman advised the Board the depositions scheduled for mid-December regarding legal action initiated by a former employee have been postponed indefinitely. A question was addressed. Mr. Snee asked if there has been any recent communication received from EPA regarding Aberdeen Proving Ground and Mr. Coleman responded there has not been.

SPECIAL PROJECTS – ORGANICS BAGGING FACILITY

Mr. Sparkman introduced Mr. David Ennis, the marketing manager for the Facility. Mr. Ennis briefed the Board on the background of the project. Mr. Cook gave a financial report. Mr. Ennis continued with a briefing on the project's strengths and weaknesses, advertising, publicity and marketing strategy, and contract bagging. Questions were addressed.

MISCELLANEOUS

Mr. Sparkman advised the Board of an Executive Staff retreat on January 14th. The staff will be discussing where we want to take the agency and how to achieve it. From that discussion a prospectus and outline will be prepared for Board discussion.

The proposed schedule of Board meetings for 2004 was emailed to the members. Based upon members' input, a new schedule will be discussed.

ADJOURNMENT

Mr. Sparkman adjourned the meeting at 11:25 a.m. The next scheduled meeting is January 29th at MES headquarters.


BETH WOJTON
SECRETARY


JOHN S. SPARKMAN
ACTING DIRECTOR

BOD 03-12