

**MARYLAND ENVIRONMENTAL SERVICE**

**BOARD OF DIRECTORS**

**RESOLUTION NO. 14-04-1R**

**A RESOLUTION AUTHORIZING**

the issuance, sale and delivery by the Maryland Environmental Service (the "Service") of its Maryland Environmental Service Revenue Bonds (Mid-Shore II Regional Landfill Project) Series 2014 (the "Series 2014 Bonds") in an aggregate principal amount not to exceed \$4,500,000 for the purpose of (i) paying all or a part of the cost of a project of the Service consisting generally of the planning, design, permit acquisition, financing, construction, and operation of Cell No. 2 of the Mid-Shore II Regional Landfill and located near Ridgely, Caroline County, Maryland (the "Project"); approving the execution and delivery of a Supplemental Indenture of Trust (the "Supplemental Indenture of Trust") between the Service and The Bank of New York Mellon, as trustee, relating to and securing the Series 2014 Bonds; providing for the Series 2014 Bonds to be obligations of the Service payable from amounts received pursuant to Service Agreements between the Service and the Mid-Shore Counties, from such other revenues as may be received by the Service in connection with the operation of the Mid-Shore II Regional Landfill, and from the proceeds of future bonds, notes or other obligations of the Service; authorizing the sale of the Series 2014 Bonds; authorizing the Director and other officers of the Service to award the sale of the Series 2014 Bonds; authorizing the Director and other officers of the Service to execute the Supplemental Indenture of Trust, to execute any documents necessary to insure compliance by the Service with the provisions of the Internal Revenue Code of 1986, as amended and the regulations promulgated thereunder (the "Code") applicable to the Series 2014 Bonds and to execute such other documents or certificates as may be necessary in connection with the issuance, sale and delivery of the Series 2014 Bonds; and providing generally for other matters necessary for the issuance, sale and delivery of the Series 2014 Bonds.

**RECITALS**

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 through 3-130 of the Natural Resources Article of the Annotated Code of Maryland (2012 Replacement Volume, 2013 Supplement), as amended to date (the "Act"), including, (among others) the powers (i) to borrow money for the purpose of paying all or any part of the cost of any one or more projects or for any other purpose of the Service, (ii) to enter into contracts with the Federal or any State government, or any unit, instrumentality or subdivision thereof, or with any municipality or person within or without the State of Maryland, providing for or relating to the furnishing of services to the facilities of any project of the Service, and (iii) to make any contract or

agreement the Service determines to be necessary or incidental to the performance of its duties and to the execution of the purposes of and the powers granted by the Act, including contracts with any person, on terms and conditions the Service approves.

Pursuant to a Memorandum of Understanding dated February 4, 2005 (the "MOU"), between the Service and the County Commissioners of Caroline County, County Commissioners of Queen Anne's County, County Commissioners of Kent County, and Talbot County, Maryland (collectively, the "Mid-Shore Counties"), the Service agreed to proceed with the planning, design, permit acquisition, financing, construction, and operation of the Mid-Shore II Regional Landfill Project located near Ridgely, Caroline County, Maryland. In furtherance of the Mid-Shore II Regional Landfill Project, the Service and the Mid-Shore Counties have entered into waste disposal service agreements (the "Service Agreements") under which the Mid-Shore Counties have made binding, long-term commitments to the Service for the disposal of solid waste generated within the boundaries of the Mid-Shore Counties. The Service Agreements provide that the Mid-Shore Counties will pay a tipping fee for each ton of acceptable waste that is delivered to the Mid-Shore II Regional Landfill Project, and will pay a supplemental fee in the event that the total costs of the Mid-Shore II Regional Landfill Project exceed the revenues.

On February 1, 2011, the Service issued its \$18,275,000.00 Maryland Environmental Service Revenue Bonds (Mid-Shore Regional Landfill Project), Series 2011, (the "Series 2011 Bonds") for the purpose of financing a portion of the costs of the acquisition, design, construction, equipping and operation of the Mid-Shore II Regional Landfill Project. The Series 2011 Bonds were issued and are outstanding under and pursuant to an Indenture of Trust, dated as of February 1, 2011, by and between the Service and the Bank of New York Mellon (the "Indenture of Trust").

The Service has constructed and currently operates the Mid-Shore II Regional Landfill Project. In order to implement the next phase of the Mid-Shore II Regional Landfill Project the Service intends to construct the Project. By Resolution 12-11-1R, adopted November 26, 2012, the Service expressed its intent to issue its bonds in an amount not to exceed \$6,000,000 for the purpose of financing the costs of planning, engineering, design, construction and financing of the Project.

The Service has determined to issue its Series 2014 Bonds, as contemplated by Resolution 12-11-1R and in accordance with the terms of this Resolution for the purposes stated therein and herein. The Series 2014 Series Bonds will be issued and secured under and pursuant to the Indenture of Trust, and the Supplemental Indenture of Trust, each by and between the Service and The Bank of New York Mellon, as trustee (the "Trustee") and will be payable from the revenues received under the Service Agreements and from the operation of the Mid-Shore II Regional Landfill Project, and from the proceeds of future bonds, notes or other obligations of the Service.

The Service considers the planning, design, permit acquisition, financing, construction, and operation of the Project to be in furtherance of the public purposes of the Act and the Service.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE, that:**

1. Capitalized terms used and not defined herein shall have the meanings set forth in the title and the Recitals to this Resolution.

2. The issuance, sale and delivery of the Series 2014 Bonds in a principal amount not to exceed \$4,500,000.00, to be designated "Maryland Environmental Service Revenue Bonds (Mid-Shore II Regional Landfill Project), Series 2014" shall be, and hereby is, authorized and directed pursuant to the provisions of the Act to provide funds for the payment of all or any part of the costs of the Project, as provided in the Act, the Indenture of Trust, and the Supplemental Indenture of Trust.

3. The Series 2014 Bonds shall be sold to Branch Banking and Trust Company ("BB&T") on the terms and conditions set forth in the Request For Proposals (the "Request For Proposals") presented to this meeting, and the BB&T Proposal dated April 22, 2014 (the "BB&T Proposal"). Such form of the Request For Proposals and the BB&T Proposal shall be, and hereby are directed to be, filed among the permanent records of the Service.

4. The total principal amount of the Series 2014 Bonds shall not exceed \$4,500,000.00. The true interest cost for the Series 2014 Bonds shall not exceed the cost set forth in the BB&T Proposal. The final maturity date of the Series 2014 Bonds shall not be more than fifteen years from the date of the issuance of the Series 2014 Bonds. The Director shall, subject to the limitations set forth in this paragraph, fix the principal amount of the Series 2014 Bonds, the interest rate or rates for the Series 2014 Bonds, and the principal payment schedule for the Series 2014 Bonds, and the Director shall include such terms in the Series 2014 Bonds.

5. The Series 2014 Bonds shall be issued under, secured in accordance with, and have the terms set forth in the Indenture of Trust and the Supplemental Indenture of Trust. Such final form of the Supplemental Indenture of Trust shall be, and hereby is directed to be, filed among the permanent records of the Service. The Series 2014 Bonds shall be, and hereby are directed to be, executed and delivered to the Trustee substantially in the form of the Series 2014 Bonds appended to the Supplemental Indenture of Trust with such changes, omissions, insertions and revisions as shall be deemed desirable by the Director; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this Resolution. Upon delivery of the Series 2014 Bonds, the Trustee shall authenticate such Series 2014 Bonds and deliver the same to BB&T.

6. The Supplemental Indenture of Trust (including, without limitation, the form of the Series 2014 Bonds appended thereto) shall be, and hereby is, adopted and approved, and the Director of the Service shall be, and hereby is, authorized to execute and deliver such Supplemental Indenture of Trust with such changes, omissions, insertions, and revisions as shall be deemed advisable by the Director; provided, however, that such changes, omissions, insertions and revisions shall not alter the substance of the transaction authorized and approved by this Resolution.

7. It is hereby authorized that the total purchase price for the Series 2014 Bonds shall be paid to the Director, as agent of the Service for the purpose of receiving the purchase price and delivering the Series 2014 Bonds to BB&T. Immediately upon receipt thereof, the purchase price shall be deposited with the Trustee in the proper accounts as provided in the Indenture of Trust and the Supplemental Indenture of Trust.

8. The Director, the Treasurer and the other officers of the Service shall be, and hereby are, authorized to take such other steps and to execute and deliver such other documents and certificates as the Director shall deem desirable to effect the completion of the issuance, sale, and delivery of the Series 2014 Bonds and the other matters contemplated by this Resolution, the Indenture of Trust and the Supplemental Indenture of Trust, including but not limited to executing and delivering any and all documents necessary to insure compliance by the Service with the provisions of the Code relating to the Series 2014 Bonds and the excludability of interest on the Series 2014 Bonds from gross income of the owners thereof for purposes of Federal income taxation.

9. The Bank of New York Mellon is hereby confirmed as Trustee for the Series 2014 Bonds under the Indenture of Trust and the Supplemental Indenture of Trust.

10. The execution by the Director or other officers of the Service of any document authorized herein to be executed by the Director or other officers shall constitute conclusive evidence of approval of such document, and any and all changes thereto from the form presented to the Service herewith, by the Service.

11. This Resolution shall take effect immediately upon its adoption.

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ADOPTED THIS 28th DAY OF APRIL, 2014

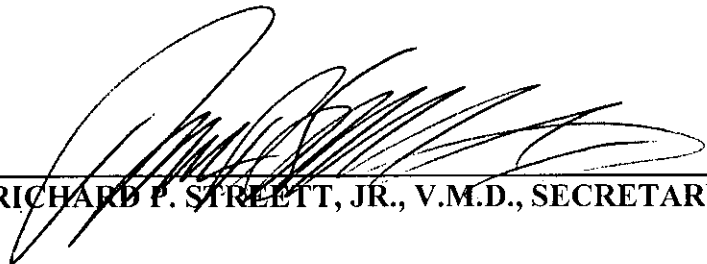
SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JAMES M. HARKINS, DIRECTOR

BY:   
JOHN O'NEILL, DEPUTY DIRECTOR

BY:   
JANET R. IRVIN, TREASURER

BY:   
RICHARD P. STRETT, JR., V.M.D., SECRETARY

Attest:   
John O'Neill, Deputy Director

# PUBLIC

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## ADVISORY

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CONSULTANTS

### MEMORANDUM

To: Interested Financial Institutions

From: Lester Guthorn, Susan Ostazeski

Date: April 8, 2014

Re: Revenue Bond (Mid-Shore II Regional Landfill Project), Series 2014

The Maryland Environmental Service (the "Service") plans to issue a \$4,500,000\* revenue installment bond (the "Bond") to be sold and issued in mid-May 2014 and bear interest at a single fixed rate. Bond proceeds will be used to finance the design and construction of a new cell at the Mid-Shore II Regional Landfill.

The Bond will be issued as one series of tax-exempt bonds and will be issued as a single bond, payable in annual principal installments and semi-annual interest installments. The Bond will be a "qualified tax-exempt obligation" within the meaning of Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

The Bond will be a special obligation of the Service to be paid from and secured solely by the Trust Estate, including the Revenues (each as defined in the Indenture), pledged by the Service under the Indenture (a copy of the Indenture is included in the bid packet). The Bond will be issued pursuant to the Indenture on a parity basis with the existing Series 2011 Bonds which were issued under the Indenture. The holder of the Bond will have the same general rights as holders of other bonds issued on a parity basis under the Indenture. The Revenues consist primarily of Landfill Revenues described in the Waste Disposal Service Agreements between MES and each of the four Mid-Shore Counties (Caroline, Queen Anne's, Talbot and Kent). The Revenues will secure on a parity basis the Bond, the Series 2011 Bonds and a loan made by the Maryland Water Quality Financing Administration to the Service on April 15, 2011, which is currently outstanding in the principal amount of \$1,659,999.15. Please see the enclosed Indenture, the Official Statement for the Series 2011 Bonds and other enclosed financial information for further descriptions of the proposed security for the Bond.

*Neither the State of Maryland, nor any political subdivision thereof nor the Service is obligated to pay the Bond or the interest thereon from except from the Trust Estate, and neither the general credit nor the taxing power of the State of Maryland or any political subdivision thereof or of the Service, is pledged to the payment of the principal or redemption price of or interest on the Bond. The Service has no taxing power.*

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\* Preliminary, subject to change.

The Service anticipates a term of 15 years. The Service seeks the flexibility to optionally prepay the Bond at par in whole or in part on any date on or after the eighth (8<sup>th</sup>) anniversary of the issuance date. The Service is willing to consider a shorter or longer no-call period. The Service will not permit any make-whole provisions. Prepayments may be made upon not fewer than 10 days notice by the Service to the Bond holder (or such fewer number of days as is acceptable to the Bond holder). Partial prepayments shall be applied against future principal installments as directed by the Service. The Bond will have similar extraordinary call provisions as the Series 2011 Bonds.

If any payment date is a day on which the Service or banks in the State of Maryland and/or the state in which the holder of the Bond is located are closed, the Service will not be required to make payment until the next succeeding business day, and no interest will accrue on such payment in the intervening period.

With respect to the Bond, the Service will deliver at closing to the purchaser thereof the following:

1. the Bond;
2. an approving opinion of Kutak Rock LLP, Washington, D.C., bond counsel, regarding the validity of the Bond and the tax-exempt status of interest on the Bond, and a reliance letter addressed to the purchaser;
3. a no litigation certificate of the Service;
4. a certificate or certificates as to signature authority and incumbency of Service officials;
5. a tax certificate and Form 8038-G;
6. a receipt from the Service acknowledging receipt of the purchase price of the Bond; and
7. a representative letter as the financial condition of the Service and future delivery of audited financial statements.

Some of the foregoing certificates may be consolidated into one or more certificates.

The Service will not agree to pay any form of breakage compensation in the event the Bond is not issued to the selected purchaser. The Service will not agree to any adjustment in the interest rate payable on the Bond in the event of an adjustment in the federal income tax rate applicable to the Bond holder. The Service will not agree to any increase in the interest rate payable on the Bond in the event interest on the Bond becomes includable in the gross income of the Bond holder for federal income tax purposes.

No increase in the interest rate, late fees or penalties will be chargeable in the event the Service fails to make a payment when due.

The Service does not intend to acquire ratings on the Bond or to pay the fees/expenses of any counsel to the purchaser of the Bond. (The Service will be responsible for paying bond counsel.) The Service's Revenue Bonds (Mid-Shore II Regional Landfill Project), Series 2011 have a rating of 'AA' from Standard & Poor's. That rating was given on December 22, 2010.

On behalf of the Service, we invite you to submit a proposal to purchase the Bond. Please respond to the following Service's requirements and/or provisions in your proposal:

1. Proposals must be for a fixed rate of interest and must be held firm through the earlier of closing (expected to be May 15, 2014) or May 23, 2014. The interest rate may be based on a stated formula, but that stated formula must be based upon the 10-year Treasury and must be applied to determine a final fixed rate of interest no later than three business days before the closing date to allow for the finalizing of bond documents. Please provide a debt service schedule, based on your quoted interest rate, assuming a closing date of May 15, 2014, a first interest payment date of November 15, 2014, a first principal payment date of May 15, 2015 and a final principal installment on May 15, 2029. The debt service schedule should include equal annual debt service payments. (If your interest rate is based upon a stated formula, please include a debt service schedule that reflects a stated interest rate determined by application of the formula as of the date of your response, as an example of what the rate and amortization would be had the rate been determined on the indicated date.) Please indicate the method by which interest will be calculated (e.g., on a 30/360 basis, a 365/360 basis or some other basis).

The Service prefers, to the extent possible, a fixed rate quote for the life of the Bond. If you are unable to commit to a fixed rate over the entire amortization period, please provide a fixed rate quote for the longest time period possible (e.g., 10 years) and specify all pertinent details relating to a rate reset option. For example, to the extent that you are willing to commit to a 15-year amortization but cannot provide a fixed rate for the entire period, please specify the initial rate and its duration as well as the rate reset information (e.g., 15-year amortization with an initial fixed rate for 10 years with a rate reset for the remaining time period, the date on which the reset will take effect, and how many days notice you will provide of the reset rate if not determined pursuant to specified formula, which should be not less than 120 days notice). To the extent your proposal includes an option of the holder to put the Bond back to the Service, please specify how much notice you will give the Service of your exercise of such option (which should not be less than 120 days notice). Any reset of the rate on the Bond after the initial fixed rate period would be subject to an opinion of bond counsel at the time of the reset as to the excludability of interest on the Bond for federal income tax purposes.

2. Specify any other requirements you will impose in connection with your purchase of the Bond, to the extent they are in addition to or different from the parameters described in this request for proposals.
3. Proposals must be signed by an authorized signatory of the respondent.

The following general terms apply to the Bond.



Dated Date: Date of delivery

Date of Response: April 22, 2014 by 2 PM via email.

Date of Preliminary Notification: April 29, 2014 or shortly thereafter. The Service expects to pass a resolution fixing the final details of the Bond at its meeting on April 28, 2014.

Date of Closing: May 15, 2014 (or such other date in May 2014 upon which the Service and the purchaser agree), but no later than May 23, 2014.

Principal Due: Annually on the anniversary of the date of issuance in the years 2015 through 2029, inclusive.

Interest Paid: Every six (6) months following the date of issuance commencing in November 2014.

Term: 15-Year Fixed.

Included with the solicitation is a copy of the following information:

1. Trust Indenture
2. Official Statement for the Service's Revenue Bonds (Mid-Shore II Regional Landfill Project), Series 2011
3. Presentation including updated operating and financial information on the Mid-Shore II Regional Landfill
4. The Service's audited financial statements for fiscal years 2009-2013

Any additional information should be requested from Susan Ostazeski at Public Advisory Consultants via email at [sostazeski@paconsults.com](mailto:sostazeski@paconsults.com).

It is anticipated that settlement will occur on Thursday, May 15, 2014, or on a date mutually convenient to the Service, bond counsel and the purchaser; however, respondents are required to hold their quoted rates firm through May 23, 2014 in the event closing must be moved to a date later than May 15, for whatever reason.

As conditions to closing on the Bond, (1) the purchaser must deliver to the Service an executed investment letter or certificates in form acceptable to bond counsel, to the effect that the purchaser is sophisticated in financial and business matters and that the purchaser is acquiring the bond for its own account and with no present intention to resell the Bond, and other related matters as may be required by bond counsel and (2) the Service shall have received an executed opinion of bond counsel in form satisfactory to it.

The Service will determine the most beneficial proposal with respect to the Bond based on its determination, in its sole and absolute discretion, of the most advantageous terms offered to the Service. Notwithstanding the preceding sentence, the Service reserves the right (1) not to accept

any or all proposals submitted, (2) to negotiate with any entity for the purchase of the Bond, including any entity that did or did not receive this solicitation or that does or does not submit a proposal pursuant to this request for proposals, upon any terms or conditions (including terms and conditions different from those set forth in this request), either before or after the date and time specified in this request for receipt of proposals, (3) to cancel or postpone the date on which proposals are due, and (4) to request any additional information if it so desires.

*Please note that the Service cannot legally accept any offer until the Service adopts the resolution fixing the details of the transaction at its meeting on April 28, 2014 (or later). Therefore, if you require your response to be countersigned by a certain date, that date will be no earlier than the later of April 29, 2014 and the day after the Service adopts the authorizing resolution.*

If you have any questions about the proposed transaction, please submit such questions or requests to Susan Ostazeski via e-mail ([sostazeski@paconsults.com](mailto:sostazeski@paconsults.com)) no later than Tuesday, April 15, 2014 at 2 PM. Please submit your response via email by 2 PM, Tuesday, April 22, 2014, to the following individual:

Susan Ostazeski  
Public Advisory Consultants, Inc.  
Email: [sostazeski@paconsults.com](mailto:sostazeski@paconsults.com)  
Phone: (410) 581-4820  
Fax: (410) 581-9808

We look forward to your response.

5130 Parkway Plaza Boulevard  
Charlotte, North Carolina 28217  
(704) 954-1700  
Fax (704) 954-1799

April 22, 2014

Ms. Susan Ostazeski  
Public Advisory Consultants, Inc.  
25 Crossroads Drive, Suite 402  
Owings MD 21117

Re: Maryland Environmental Service Revenue Bond, Series 2014

Dear Ms. Ostazeski:

Branch Banking and Trust Company ("BB&T") is pleased to offer this proposal for a Revenue Bond, as requested by the Maryland Environmental Service (the "Service").

- (1) **Project:** Revenue Bond, Series 2014
- (2) **Amount to be financed:** Approximately \$4,500,000.00
- (3) **Interest Rates, Financing Terms and Corresponding Payments:**

<b>Term</b>	<b>Rate</b>
15 years	3.14%

Payments shall be semi-annually in arrears, or as requested. See the attached amortization schedule(s) for information on payments.

The interest rate stated above is valid for a closing not later than 45 days after today. A convenient date and time shall be mutually agreed upon for closing. Closing is contingent upon completing documentation acceptable to BB&T. The Revenue Bond shall be secured by the Trust Estate, including the revenues pledged by the Service in the Indenture. BB&T shall provide a list of required documentation for closing should we be the successful proposer.

Remuneration for our legal review expenses and underwriting for this financing transaction shall be \$5,900.00. All applicable taxes, permits, costs of counsel for the Service and any other costs shall be the Service's responsibility and separately payable by the Service. The financing documents shall allow for prepayment of the principal balance in whole on a scheduled anniversary date at par after the eighth (8<sup>th</sup>) anniversary of the issuance date. Prior to the eighth anniversary date the financing shall be non-callable.

The stated interest rate assumes that the Service expects to borrow less than \$10,000,000 in calendar year 2014 and that the Service shall comply with IRS Code Sections 141, 148, 149(e) and Section 265(b)(3). BB&T reserves the right to terminate its interest in this bid or to negotiate a mutually acceptable rate if the financing is not a qualified tax-exempt financing.

**(4) Financing Documents:**

It shall be the responsibility of the Service to retain and compensate bond counsel to appropriately structure the Revenue Bond according to Federal and Maryland State statutes. BB&T shall also require the Service to provide an unqualified bond counsel opinion. BB&T reserves the right to review the documents and all documentation shall be acceptable to BB&T and its counsel.

\* \* \* \* \*

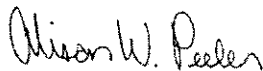
BB&T appreciates the opportunity to provide this financing proposal and requests to be notified within ten days of this proposal should BB&T be the successful proposer.

BB&T shall have the right to cancel this offer by notifying the Service of its election to do so (whether or not this offer has previously been accepted by the Service) if at any time prior to the closing there is a material adverse change in the Service's financial condition, if we discover adverse circumstances of which we are currently unaware, if we are unable to agree on acceptable documentation with the Service or if there is a change in law (or proposed change in law) that changes the economic effect of this financing to BB&T. We reserve the right to negotiate and/or terminate our interest in this transaction should we be the successful proposer.

Please call me at (336) 376-0254 with your questions and comments. We look forward to hearing from you.

Sincerely,

BRANCH BANKING AND TRUST COMPANY



Alison W. Peeler  
Senior Vice President

Enclosure

Maryland Environmental Service Revenue Bond

**DRAFT**

Compound Period: Semiannual

Nominal Annual Rate: 3.140%

CASH FLOW DATA

Event	Date	Amount	Number	Period	End Date
1 Loan	4/22/2014	4,500,000.00	1		
2 Payment	10/22/2014	189,240.95	30	Semiannual	4/22/2029

AMORTIZATION SCHEDULE - Normal Amortization

	Date	Payment	Interest	Principal	Balance
Loan	4/22/2014				4,500,000.00
1	10/22/2014	189,240.95	70,650.00	118,590.95	4,381,409.05
2014 Totals		189,240.95	70,650.00	118,590.95	
2	4/22/2015	189,240.95	68,788.12	120,452.83	4,260,956.22
3	10/22/2015	189,240.95	66,897.01	122,343.94	4,138,612.28
2015 Totals		378,481.90	135,685.13	242,796.77	
4	4/22/2016	189,240.95	64,976.21	124,264.74	4,014,347.54
5	10/22/2016	189,240.95	63,025.26	126,215.69	3,888,131.85
2016 Totals		378,481.90	128,001.47	250,480.43	
6	4/22/2017	189,240.95	61,043.67	128,197.28	3,759,934.57
7	10/22/2017	189,240.95	59,030.97	130,209.98	3,629,724.59
2017 Totals		378,481.90	120,074.64	258,407.26	
8	4/22/2018	189,240.95	56,986.68	132,254.27	3,497,470.32
9	10/22/2018	189,240.95	54,910.28	134,330.67	3,363,139.65
2018 Totals		378,481.90	111,896.96	266,584.94	
10	4/22/2019	189,240.95	52,801.29	136,439.66	3,226,699.99
11	10/22/2019	189,240.95	50,659.19	138,581.76	3,088,118.23
2019 Totals		378,481.90	103,460.48	275,021.42	

12	4/22/2020	189,240.95	48,483.46	140,757.49	2,947,360.74
13	10/22/2020	189,240.95	46,273.56	142,967.39	2,804,393.35
2020 Totals		378,481.90	94,757.02	283,724.88	
14	4/22/2021	189,240.95	44,028.98	145,211.97	2,659,181.38
15	10/22/2021	189,240.95	41,749.15	147,491.80	2,511,689.58
2021 Totals		378,481.90	85,778.13	292,703.77	
16	4/22/2022	189,240.95	39,433.53	149,807.42	2,361,882.16
17	10/22/2022	189,240.95	37,081.55	152,159.40	2,209,722.76
2022 Totals		378,481.90	76,515.08	301,966.82	
18	4/22/2023	189,240.95	34,692.65	154,548.30	2,055,174.46
19	10/22/2023	189,240.95	32,266.24	156,974.71	1,898,199.75
2023 Totals		378,481.90	66,958.89	311,523.01	
20	4/22/2024	189,240.95	29,801.74	159,439.21	1,738,760.54
21	10/22/2024	189,240.95	27,298.54	161,942.41	1,576,818.13
2024 Totals		378,481.90	57,100.28	321,381.62	
22	4/22/2025	189,240.95	24,756.04	164,484.91	1,412,333.22
23	10/22/2025	189,240.95	22,173.63	167,067.32	1,245,265.90
2025 Totals		378,481.90	46,929.67	331,552.23	
24	4/22/2026	189,240.95	19,550.67	169,690.28	1,075,575.62
25	10/22/2026	189,240.95	16,886.54	172,354.41	903,221.21
2026 Totals		378,481.90	36,437.21	342,044.69	
26	4/22/2027	189,240.95	14,180.57	175,060.38	728,160.83
27	10/22/2027	189,240.95	11,432.13	177,808.82	550,352.01
2027 Totals		378,481.90	25,612.70	352,869.20	
28	4/22/2028	189,240.95	8,640.53	180,600.42	369,751.59
29	10/22/2028	189,240.95	5,805.10	183,435.85	186,315.74
2028 Totals		378,481.90	14,445.63	364,036.27	
30	4/22/2029	189,240.95	2,925.21	186,315.74	0.00
2029 Totals		189,240.95	2,925.21	186,315.74	
Grand Totals		5,677,228.50	1,177,228.50	4,500,000.00	

Last interest amount increased by 0.05 due to rounding.

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION  
14-07-1R**

**A RESOLUTION**

**AMENDING THE MARYLAND ENVIRONMENTAL SERVICE RETIREE  
MEDICAL REIMBURSEMENT PLAN.**

**R E C I T A L S**

**WHEREAS**, pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service (“MES”) is directed and authorized to determine and establish compensation and benefits for its employees; and

**WHEREAS**, on June 25, 1998, the Board of Directors of MES (“Board”) approved the development and adoption of the “Maryland Environmental Service Retiree Medical Reimbursement Plans” (“Reimbursement Plans”) to provide reimbursement of medical care for eligible retirees of MES and their surviving spouses; and

**WHEREAS**, in 2006 the Board previously amended the Reimbursement Plans to provide for a single Reimbursement Plan (the “Current Plan”) and made other changes; and

**WHEREAS**, to be eligible for benefits under the Current Plan a Former Employee of the Agency (as defined in the Current Plan) must have retired from MES at or after the age of 60 and have at least 16 years of Service (as defined in the Current Plan) with the Agency; and

**WHEREAS**, the Board desires to amend the Plan to modify the eligibility requirement to include individuals who retired from MES with 30 years of Service, regardless of age; and

**WHEREAS**, the Board desires to make the change in the eligibility requirement retroactive.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF  
THE MARYLAND ENVIRONMENTAL SERVICE THAT:**

1. The Board hereby confirms the adoption of the original Reimbursement Plans on June 25, 1998, and the subsequent amendment adopting the Current Plan in 2006. A copy of the Current Plan is attached as Exhibit “A” to this Resolution.

**Resolution No. 14-07-1R**  
**Amendment to Retiree Medical Expense Reimbursement Plan**  
**Page 2**

2. The Board hereby confirms all actions taken by MES in implementing the Reimbursement Plans and the Current Plan.

3. The Current Plan is hereby amended as follows:

Section 4.1, "Plan" is revised to be as follows:

4.1 Plan – Former Employees of the Agency who, on the date of their retirement, meet the following criteria will be eligible to participate in the Plan:

- a) Have at least 30 years of Service with the Agency; or
- b) Have at least 16 years of Service with the Agency and are at least age 60.

A Former Employee of the Agency is not eligible to participate in the Plan if the Former Employee is eligible to participate in the State Employee and Retiree Health and Welfare Benefits Program established pursuant to title 2, subtitle 5, State Personnel & Pensions Article of the Annotated Code of Maryland.

4. All other provisions of the Current Plan shall remain the same.

5. This Resolution shall be effective retroactive to January 1, 2013. Notwithstanding the foregoing, a Participant (as defined in the Current Plan) may receive reimbursements under the Plan only in the Plan Year(s) that the Participant was actually enrolled in the Plan, regardless of the date the Participant became eligible to participate.

**ADOPTED, this 21<sup>st</sup> day of July, 2014.**

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: 

JAMES M. HARKINS, DIRECTOR

BY: 

RICHARD P. STREETT, JR., V.M.D., SECRETARY



**MARYLAND ENVIRONMENTAL SERVICE**

**RETIREE MEDICAL EXPENSE REIMBURSEMENT PLAN**

## TABLE OF CONTENTS

### Article I

#### General

- 1.1 Name
- 1.2 Purpose
- 1.3 Applicability

### Article II

#### Definitions

### Article III

#### Permanent Plan or Arrangement

- 3.1 Permanent Plan
- 3.2 Exclusive Purpose

### Article IV

#### Plan Eligibility

- 4.1 Plan
- 4.2 Transferred Service Credits

### Article V

#### Participation

- 5.1 Enrollment
- 5.2 Late Entrants
- 5.3 Termination of Participation
- 5.4 Partial Year

### Article VI

#### Benefits

- 6.1 Benefits Payable
- 6.2 Medical Care
- 6.3 Limitation on Benefits
- 6.4 Funding of Benefits
- 6.5 Unused Benefits
- 6.6 Reimbursements from other Sources

### Article VII

#### Administration

- 7.1 Administrator
- 7.2 Other Persons

### Article VIII

#### Claims And Claim Procedures

- 8.1 Claim Forms
- 8.2 Claim Reimbursements
- 8.3 Claims Procedure

**Article IX**

**Amendment**

- 9.1 Right to Amend
- 9.2 Amendment Required by Federal Law

**Article X**

**Termination**

- 10.1 Right to Terminate
- 10.2 Automatic Termination of Contributions
- 10.3 Successor to Agency

**Article XI**

**Miscellaneous**

- 11.1 Limitations on Liability of Agency
- 11.2 Payment on Behalf of Deceased Participant or Incompetent
- 11.3 Non-Alienation of Benefits
- 11.4 Uniform Administration
- 11.5 Plan Communications
- 11.6 Construction

**MARYLAND ENVIRONMENTAL SERVICE**  
**RETIREE MEDICAL EXPENSE REIMBURSEMENT PLAN**

**ARTICLE I**

General

1.1 Name - The plan may be referred to as the “Maryland Environmental Service Retiree Medical Reimbursement Plan.”

1.2 Purpose - The purpose of the plan is to provide reimbursement of medical care for eligible Retirees of the Maryland Environmental Service (MES). It is the intention of MES (the “Agency”) that the plan qualify as an accident and health plan within the meaning of Section 105 of the Internal Revenue Code of 1986, as amended (“the Code”), and that the benefits payable under the Plan be eligible for exclusion from gross income under that section.

1.3 Applicability - The provisions of the Plan shall only apply to Retirees as defined herein who are participating in the Plan pursuant to Article V herein, and whose retirement from Maryland Environmental Service occurs after the effective date of the Plan.

END OF ARTICLE I

## ARTICLE II

### Definitions

The following words and phrases, as used herein, shall have the following meanings, unless a different meaning is plainly required by the context:

Administrator – The Employee who is the Plan Administrator for the Agency, or such other person or entity designated in accordance with the provisions of ARTICLE VII to administer and operate the Plan.

Agency – Maryland Environmental Service, an instrumentality of the State of Maryland duly organized and existing pursuant to the Laws of the State of Maryland and its successors and assigns, unless otherwise herein provided, or any other organization which hereinafter will assume the obligations hereunder, or which shall agree to become a party to the Plan.

Employee – Any regular full-time employee or any part-time employee of the Agency scheduled to work 50% or more of a normal workweek.

Effective Date – The effective date of the plan shall be January 1, 1999. The effective date of this revision to the plan will be July 1, 2006.

Internal Revenue Code – The Internal Revenue Code of 1986, as amended or replaced from time to time.

Participant – Any Retiree who is enrolled in the Plan in accordance with the provisions of ARTICLE V.

Plan – The Retiree Medical Expense Reimbursement Plan sponsored by the Agency that provides for reimbursement of medical expenses in an amount approved by the Board of Directors of the Maryland Environmental Service. For the Plan Year beginning January 1, 2007, the amount of Medical Reimbursement provided by the agency is \$3,600. The Board of Directors may approve a change in the amount to be reimbursed at any time in its sole discretion.

Plan Year - The twelve-month period beginning January 1 and ending December 31 each year. The Plan Year shall be the calendar year, and the records of the Plan shall be kept on a calendar year basis.

Retiree - A former Employee of the Agency who meets the eligibility requirements set forth in ARTICLE IV.

Service - A calendar year in which an Employee has worked or utilized approved leave for at least a total of 1,000 hours. An Employee may not earn more than one year of service in any calendar year.

END OF ARTICLE II

## ARTICLE III

### Permanent Plan or Arrangement

3.1 Permanent Plan – The Agency intends that the Plan be permanent for the exclusive benefit of its Retirees and their spouses. Nothing herein, however, shall prevent the Agency from amending or terminating the Plan, provided such amendment or termination shall not affect a claimant's rights to benefits hereunder with respect to reimbursable expenses that have been incurred prior to the date the Agency action is taken to terminate the Plan or the effective date of such termination, whichever occurs last.

3.2 Exclusive Purpose – The exclusive purpose of the Plan is to provide the medical benefits described herein for Retirees and their spouses. No benefits payable under the Plan shall be applied for any other purpose.

END OF ARTICLE III

## ARTICLE IV

### Plan Eligibility

4.1 Plan -- Former Employees of the Agency aged 60 or older who meet all of the following criteria will be eligible to participate in the Plan

- a) Retired from the Agency at or after the age of 60
- b) Have at least 16 years Service with the Agency and
- c) Are not eligible to participate in the State Employee and Retiree Health and Welfare Benefits Program established pursuant to title 2, subtitle 5 State Personnel & Pensions Article.

4.2 Transferred Service Credits – Notwithstanding any other provision or action permitting the transfer of employment service to the Agency from an Employee's previous employer, for purposes of determining eligibility under the Plan an Employee will not be given credit for any time the Employee worked or was employed by any other employer.

END OF ARTICLE IV



## ARTICLE V

### Participation

5.1 Enrollment – Participation in the Plan is voluntary. In order to be a Participant in the Plan, a Retiree must complete the appropriate annual enrollment form. In order to continue participation in the Plan, the Retiree must complete the appropriate election form each Plan Year. In the event a Retiree fails to complete the appropriate enrollment form, the Retiree shall not be deemed a Participant.

5.2 Late Entrants – A Retiree who does not enroll at the time of retirement may enroll at a later date providing the Retiree contacts the Agency and completes the applicable enrollment forms. For those Retirees who enroll after the beginning of the Plan Year, Participation shall be effective on the first of the month following the date the Agency receives the completed enrollment forms and the Retiree is accepted into the Plan.

5.3 Termination of participation – Participation in the Plan will terminate:

- a) the last day of the Plan Year for which the Agency has a completed enrollment form from the Participant; or
- b) the last day of the Plan Year in which the Plan is in effect.

Once a Participant's coverage terminates the Participant will have until April 15<sup>th</sup> of the subsequent Plan Year to submit eligible expenses for reimbursement. To be eligible for reimbursement, the expense must have been incurred while the Retiree was a Participant in the Plan, and meet all other eligibility requirements. For this purpose only, a claim will be considered to be incurred when the services relating to such claim have been rendered.

If a Retiree dies while a Participant in the Plan, the spouse of the Retiree will remain a Participant providing the spouse meets the enrollment criteria specified in section 5.1 above.

5.4 Partial Year – A Retiree who is a Participant for only part of a Plan Year will still be eligible to receive the entire reimbursement amount noted in Section 6.3. However, an expense will only be considered eligible if it was incurred while the Retiree was a Participant in the Plan.

. END OF ARTICLE V

## ARTICLE VI

### Benefits

6.1 Benefits Payable – The Agency shall pay to each Participant such amounts as he or she has expended while a Participant for medical care for himself or herself and his or her spouse, subject to the limits described in Section 6.3, below.

6.2 Medical Care – For purposes of the Plan the term “medical care” shall have the same meaning as in Section 213 (d)(1)(A) and (B) of the Internal Revenue Code.

6.3 Limitation on Benefits – No Participant may receive more than \$3,600 in reimbursements under the Plan in any Plan Year. For this purpose, amounts received that are attributable to reimbursements due the Participant’s spouse shall be considered to have been received by the Participant.

6.4 Funding of Benefits – The benefits provided under the Plan shall be funded solely through contributions by the Agency.

6.5 Unused Benefits – In no event shall a Participant or former Participant be entitled to receive unused benefits if the Participant did not incur eligible expenses, and submit the expenses for reimbursement as required under Section 8.2. Unused Benefits of a Plan Year are forfeited by the Participant if the Participant does not submit a request for reimbursement by April 15 of the following year, and these benefits will not, under any circumstance, be carried over to any other Plan Year.

6.6 Reimbursements from other Sources – Reimbursements under the Plan shall be made only in the event and to the extent that reimbursement for amounts expended, or payment, for medical care is not provided for under any insurance policy or under any other plan of the Agency or another employer or under any federal or state law. If there is such a policy, plan or law in effect providing for such reimbursement or payment in whole or in part, then, to the extent of the coverage under such policy, plan or law, the Agency shall be relieved of any and all liability hereunder.

END OF ARTICLE VI .

## ARTICLE VII

### Administration

7.1 Administrator – Except as otherwise designated by the Agency, the Plan Administrator shall be the administrator of the Plan. The Plan Administrator shall have the exclusive power and duty to administer interpret and construe the Plan, to determine all questions of eligibility and of the status and rights of Participants and others under the Plan, to decide any disputes arising hereunder and to take such other action as is herein specifically delegated to said Administrator pursuant to the terms of the Plan.

7.2 Other Persons – No person other than the Plan Administrator shall have any power or responsibility with respect to the Plan except to the extent that the Plan Administrator shall have so delegated certain administrative responsibilities to an employee of the Agency.

The Plan Administrator may also appoint such representatives as it may deem necessary for the performance of its duties, may delegate to such representatives such powers and duties as it may deem expedient or appropriate, and may enter into contracts with such representatives if the Plan Administrator deems such contracts appropriate. The Plan Administrator may incur reasonable expenses in the performance of these duties, including such compensation, if any, as it may for its representatives. The Plan Administrator's expenses, including compensation to its representatives, represent the costs of doing business and shall be considered an expense of the Agency rather than an expense of the Plan.

END OF ARTICLE VII

## ARTICLE VIII

### Claims and Claim Procedures

8.1 Claim Forms – Claims for benefits under the Plan shall be made on forms provided and maintained by the Agency. The Participant will be required to furnish additional information, including, but not limited to, receipts, insurance agency explanations of benefits, optometrists' and physicians' statements, all as determined by the Plan Administrator on a uniform and non-discriminatory basis.

8.2 Claim Reimbursements – To obtain reimbursement for medical expenses hereunder, a Participant must submit eligible expenses for the Plan Year no later than April 15<sup>th</sup> of the year immediately following the Plan Year during which the expense was incurred, and the Retiree was a Participant.

All claims submitted by Participants during a calendar month shall be processed as of the end of the calendar month, or more frequently, at the Plan Administrator's discretion. The Participant will be reimbursed in an amount equal to the lesser of (i) the amount of the approved claim, or (ii) the total amount specified in Section 6.3 less the amount of any claims previously paid during the Plan Year.

Payments made pursuant to this section shall be made only to the Participant, and no payment shall be made directly to the provider of health care services, treatment or supplies. Unless a participant has less than \$50 in unused benefits, a claim in the amount of \$50 or less shall not be paid until the Plan Administrator receives claims from a Participant totaling more than \$50.

8.3 Claims Procedure – In the event that any Participant, beneficiary or dependent (hereinafter referred to as the "Claimant") believes that he or she is entitled to a benefit under the Plan, and such benefit has not been paid or commenced under terms or in an amount with which the Claimant is not in agreement, said Claimant shall have a right to file a written claim with the Plan Administrator setting forth the reason the Claimant believes he or she is entitled to the benefit, or setting forth the nature of the dispute with the terms or amount of the benefit, as the case may be. Such claim shall be delivered or mailed to the Plan Administrator (to the attention of the Plan Administrator or such other person as shall have been delegated to receive such claim).

Unless it is determined that the matter is to be resolved in accordance with the wishes of the Claimant as set forth in the claim, the Plan Administrator shall provide the Claimant with a written notice setting forth the specific reason or reasons for the denial, specific reference to pertinent Plan provisions on which the denial is based, a description of any additional material or information necessary for the claimant to perfect his claim and an explanation of why such material or information is necessary, and an explanation of the Plan's claim review procedure. If such notice has not been provided to the claimant within 90 days after

the claim was received by the Plan Administrator, and the claim has not been approved within such period of time, the claim shall be deemed denied and the Claimant shall be entitled to institute review procedures as hereinafter set forth, except that the 90 day period may in special circumstances be extended to 180 days, provided that the Plan Administrator so notifies the claimant, before expiration of the initial 90 day period, in a written notice setting forth the reason for the extension and the estimated decision date.

For a period of 60 days following the date on which a Claimant has been provided with a notice of denial as aforesaid, the Claimant may appeal the denial by submitting to the Director of the Agency a written request for a review by the Director of Agency of the denial. At any time prior to the filing of such appeal, the Claimant shall have a right to review all pertinent documents (which shall be made available to Claimant during normal business hours at the Agency). The Claimant shall have the right to submit to the Director of the Agency at any time during the pendency of the review procedure any written statement of issues and comments that the claimant believes it relevant for the Director of Agency to consider. A decision by the Director of the Agency shall be made promptly, and not later than 60 days after the Director of Agency's receipt of the request for review, unless special circumstances require an extension of time for processing, and the Director of Agency so notifies the Claimant in writing prior to the expiration of the initial 60 day period, in which case a decision shall be rendered as soon as possible but not later than 120 days after such receipt of a request for review. The Director of Agency's decision shall be set forth in writing and delivered to the Claimant and shall include specific reasons for the decision and specific references to pertinent Plan provisions on which the decision is based. The Director of Agency's decision shall be final and binding on the Agency and the Claimant, and all other parties claiming any interest under the Plan and their heirs and assigns. The Claimant shall have no further right of appeal to a court or administrative body.

Any reference to the Claimant shall be deemed to include any person named by the Claimant as his duly authorized representative, provided that such representative delivers to the Agency a written power of attorney or otherwise satisfies the Agency that he has been duly authorized to act for the Claimant.

END OF ARTICLE VIII

## ARTICLE IX

### Amendment

9.1 Right to Amend – The Agency shall have the right to amend the Plan, at any time, and with respect to any provisions thereof, and all parties thereto or claiming any interest thereunder shall be bound thereby, and such Amendment shall be immediately effective upon its adoption by the Agency, unless the Agency specifies some other effective date in the amendment.

9.2 Amendment Required by Federal Law – Notwithstanding the provisions of Section 9.1, the Plan may be amended at any time, retroactively if required, if found necessary in order to conform to the provisions and requirements of the Internal Revenue Code, or any similar act or any amendments thereto or regulations promulgated thereunder; no such amendment shall be considered prejudicial to any interest of a Participant, beneficiary or dependent hereunder.

END OF ARTICLE IX

## ARTICLE X

### Termination

10.1 Right to Terminate – It is the present intention of the Agency to maintain the Plan throughout the Agency's existence. Nevertheless, the Agency reserves the right, at any time through action of its Board of Directors, to terminate or discontinue maintenance of the Plan, or to terminate the Plan; provided, however, that in the event of the termination of the Plan, any unused benefits at the time of termination will be maintained to the end of the Plan Year in which termination occurred, and, the Participant will be permitted to submit claims for reimbursement in accordance with the provisions of ARTICLES VI AND VIII.

10.2 Automatic Termination of Contributions – The liability of the Agency to continue the Plan shall automatically terminate upon dissolution of the Agency, upon its adjudication as bankrupt, or upon the making of a general assignment for the benefit of creditors.

10.3 Successor to Agency – In the event of the dissolution, merger, consolidation, sale of all or substantially all of the assets, or reorganization of the Agency, and if permitted by law, provision may be made by which the Plan will be continued by the successor employer, in which case such successor shall be substituted for the Agency under the Plan. The substitution of the successor shall constitute an assumption of Plan's liabilities by the successor and the successor shall have all of the powers, duties and responsibilities of the Agency under the Plan. If such action has not been taken within 90 days from the effective date of such transaction, the Plan shall terminate as of the effective date of the transaction.

END OF ARTICLE X

## ARTICLE XI

### Miscellaneous

11.1 Limitations on Liability of Agency – Neither the establishment of the Plan nor any modification thereof, nor the creation of any fund or account, nor the payment of any benefits, shall be construed as giving to any Participant or other person any legal or equitable right against the Agency (or any person connected therewith), except as provided by law, by any Plan provision. In no event shall the Agency (or any person connected therewith) be liable to any person for the failure of any Participant, beneficiary or other person to be entitled to any particular tax consequences with respect to the Plan or any contributions thereto or distribution therefrom.

11.2 Payment on Behalf of Deceased Participant or Incompetent – If any person to whom a benefit is payable hereunder is incompetent by reason of physical or mental disability, the Plan Administrator shall have the power to cause the payments becoming due to such person to be made to another for his benefit without responsibility of the Plan Administrator to see to the application of such payments.

If the Participant to whom a payment is due is deceased, the Agency shall make the payment to the Participant's estate. Payments made pursuant to this Section 11.2 shall operate as a complete discharge of the Agency.

11.3 Non-Alienation of Benefits – No benefit payable under the Plan shall be subject in any manner to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, and any such action shall be void and of no effect; nor shall any such benefit be in any manner liable for or subject to the debts, contracts, liabilities, engagements or torts of the Participant entitled to such benefit.

11.4 Uniform Administration – Whenever in the administration of the Plan any action is required by the Plan Administrator, including, but not by way of limitation, action with respect to the eligibility of Participants, contributions or benefits, such action shall be uniform in nature as applied to all persons similarly situated and no such action shall be taken which will discriminate in favor of Participants who are officers or significant shareholders of the Agency or highly compensated Employees.

11.5 Plan Communications – Except as otherwise specifically provided in the remainder of this document, all elections made in connection with the Plan shall become effective only when duly executed on forms provided or approved by, and filed with, the Plan Administrator.

11.6 Construction – In case any provisions of the Plan shall be held to be illegal or void, such illegality or invalidity shall be fully severable, and the Plan shall be construed and enforced as if said illegal or invalid provisions had never been inserted herein. For



all purposes of the Plan, where the context permits, words in the masculine gender shall include the feminine and neuter genders, the singular shall include the plural, and the plural shall include the singular. Headings of Articles and Sections are inserted only for convenience of reference and are not to be considered to the construction of the Plan. Except to the extent preempted by the laws of the United States of America, the laws of the State of Maryland shall govern, control and determine all questions arising with respect to the Plan and the interpretation and validity of its respective provisions. If the indefinite continuance of the Plan would be in violation of the law, then the Plan shall continue for the maximum period permitted by law and shall then terminate. Participation under the Plan shall not give any Participant the right to be retained in the service of the Agency nor any right or claim to any benefit under the Plan unless such right or claim has specifically accrued hereunder.

END OF ARTICLE XI

IN WITNESS WHEREOF, the Agency has caused the Plan to be revised/amended this 1st day of July, 2006.

**Maryland Environmental Service**

By \_\_\_\_\_ (SEAL)

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION  
14-09-1R**

**A RESOLUTION**

**AUTHORIZING THE DIRECTOR OF THE MARYLAND ENVIRONMENTAL SERVICE ("SERVICE") TO CLOSE CERTAIN OFFICES AND FACILITIES OF THE SERVICE ON FRIDAY, NOVEMBER 28, 2014, AND FURTHER AUTHORIZING CERTAIN PAYMENTS TO EMPLOYEES OF THE SERVICE.**

**R E C I T A L S**

**WHEREAS**, pursuant to §3-103.1(b)(4) of the Natural Resources Article, Annotated Code of Maryland, the Service may determine the terms of employment of its employees, including compensation, benefits, holiday schedules, and leave policies; and

**WHEREAS**, the employees of the Service are dedicated, resourceful and hard-working; and

**WHEREAS**, by law, the offices of most State agencies will be closed on Friday, November 28, 2014.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE THAT:**

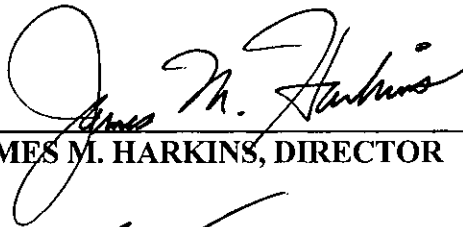
1. The Director may close the offices and facilities of the Service on Friday, November 28, 2014, except for those offices and facilities which the Service is obligated by law or agreement to operate and have open for business on that day.
2. All employees of the Service shall be granted paid leave on Friday, November 28, 2014, in the same manner as if that day were a Holiday under COMAR 14.27.02.15.A.

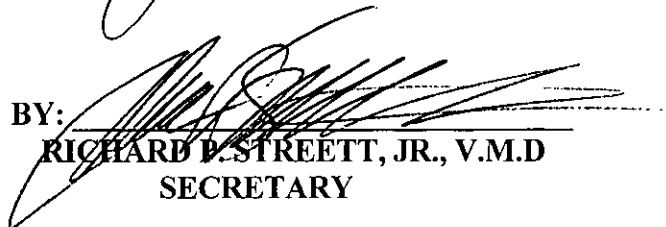
Resolution No. 14-09-1R  
Authorization to Close MES Offices on 11/28/14  
Page 2

ADOPTED, this 29<sup>th</sup> day of September, 2014.

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JAMES M. HARKINS, DIRECTOR

BY:   
RICHARD D. STREETT, JR., V.M.D  
SECRETARY

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION  
(14-10-1R)**

**A RESOLUTION AUTHORIZING**

**THE SERVICE TO AMEND ITS 401(k) SAVINGS PLAN AGREEMENT,  
AND GENERALLY RELATING TO THE RETIREMENT PROGRAM FOR  
CERTAIN EMPLOYEES OF THE SERVICE.**

**R E C I T A L S**

**WHEREAS**, pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland, the Maryland Environmental Service ("Service") is directed and authorized to determine and establish compensation and benefits for its employees; and

**WHEREAS**, the Board of Directors of the Service ("Board") has previously approved an Adoption Agreement ("Adoption Agreement") establishing a 401(k) Savings Plan ("Plan") for its employees; and

**WHEREAS**, the Board desires to amend the Adoption Agreement to allow the Service to automatically enroll employees into the Plan, and to make other changes as described herein.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF  
DIRECTORS OF THE MARYLAND ENVIRONMENTAL SERVICE THAT:**

1. Capitalized terms not defined in this Resolution shall be as defined in the Adoption Agreement.
2. Effective January 1, 2015, an Employee will be eligible to become a Participant in the Plan without completing any Eligibility Service.

**Resolution No. 14-10-1R**  
**Amendment to 401(k) Plan**  
**Page 2**

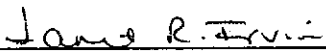
3. For each Employee hired on or after January 1, 2015 and who meets the eligibility requirements set forth in the Adoption Agreement, and except as otherwise provided in this Resolution and the Adoption Agreement, the Service shall automatically enroll the Employee in Plan and shall further withhold from the Employee's Compensation an Elective Deferral and contribute such amount to the Plan on the Employee's account. The initial amount of the Elective Deferral shall be three percent (3%) of the Employee's Compensation.
4. For an Employee who is automatically enrolled in the Plan in accordance with Section 3 of this Resolution, the Service may automatically increase Elective Deferrals by one percent (1%) of the Employee's Compensation each fiscal year, up to a maximum of six percent (6%) of the Employee's Compensation.
5. An Employee may opt to decline to allow automatic Elective Deferrals withheld from the Employee's Compensation. An Employee who chooses to decline automatic Elective Deferrals must utilize the forms required by the administrator of the Plan to indicate the Employee's choice.
6. The Director of the Service is hereby authorized to execute, acknowledge and deliver the Adoption Agreement, with any changes, insertions and omissions therein as may be approved by the Director, such approval to be conclusively evidenced by execution and delivery of such documents. The Director and the other officers of the Service are each hereby authorized to affix the official seal of the Service to the Adoption Agreement and attest the same.
7. The Director and the other officers of the Service shall be, and hereby are, authorized to take such other acts and to execute and deliver such other documents, certificates, papers, instruments, opinions, or affidavits and to do or cause to be done any and all other acts and things necessary or proper for carrying out this Resolution.
8. This Resolution shall be effective immediately.


ADOPTED this 27<sup>th</sup> day of October, 2014.

MARYLAND ENVIRONMENTAL SERVICE

BY:   
JAMES M. HARKINS, DIRECTOR

BY:   
JOHN O'NEILL, DEPUTY DIRECTOR

BY:   
JANET R. IRVIN, TREASURER

BY:   
RICHARD P. STREETT, JR., V.M.D.  
SECRETARY