



Board of Directors Meeting

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July 25, 2024

9:30 a.m.

Agenda

Board Members

Shelley Heller
Chair

Hon. Frederic N. Smalkin
Secretary

Brendon Baatz
Treasurer

Robert L. Witt, II
Chair, HR Committee

Moalie Jose, P.E.
Chair, Audit Committee

James H. Johnson Jr.,
Ph.D., P.E.

Dereck E. Davis
State Treasurer

Charles C. Glass, Ph.D.,
P.E.
Executive Director

Call to Order Shelley Heller

Inspire Awards Managing Directors

Organizational Meeting Matters Shelley Heller

- Election of Board officers (Chair, Secretary, Treasurer)
- Board Deputy Secretary appointment
- HR and Audit Committee assignments (and Chair assignments)
- 2025 Board draft meeting schedule

Approval of Minutes – June 27, 2024 Shelley Heller

Executive Director's Report Charles Glass

New Business Report

MES Services for Non-Governmental Entities

- Amazon Services, Inc. – Deicing program support Melissa Slatnick

Human Resources Report Stephanie Patton

Procurement Winsome Condra

Procurement Items

- Item 1: Midshore Landfill I – New wheel loader, Carter Machinery Co.
- Item 2: Brown Station Landfill Pretreatment Facility – Loading, hauling & disposal of leachate, Agri-Services, Corp.
- Item 3: Brown Station Landfill – Area C infill & infrastructure improvements, SCS Engineers, Inc.
- Item 4: Cheltenham Armory – Storage tank replacement, Kalyani Environmental Solutions, LLC
- Item 5: Montgomery Co. - Yard trim hauling, Consolidated Commercial Services, LLC

Procurement Notifications

New/Old Business

- Midshore Regional Landfill II – Amended & Restated Memorandum of Understanding

Closed Session

- Approval of Minutes – June 27, 2024
- Executive Director’s Salary
- Legal Report

Shelley Heller
Robert Witt
Sean Coleman

Adjournment

Chair



Wes Moore GOVERNOR

Aruna Miller LT. GOVERNOR

Charles Glass, Ph.D., P.E. EXECUTIVE DIRECTOR

Maryland Environmental Service Board of Directors Meeting Schedule – 2025

Schedule:

January 23 (Thursday)	9:30 a.m. Board Meeting
February 27 (Thursday)	9:30 a.m. Board Meeting
March 27 (Thursday)	9:30 a.m. Board Meeting
April 24 (Thursday)	9:30 a.m. Board Meeting
<i>May 22 (Thursday)</i>	<i>9:30 a.m. Audit Committee</i>
May 29 (Thursday)	9:30 a.m. Board meeting
<i>June 12 (Thursday)</i>	<i>9:30 a.m. HR Committee</i>
June 26 (Thursday)	9:30 a.m. Board Meeting
July 24 (Thursday)	9:30 a.m. Board Meeting
August 21 (Thursday)	9:30 a.m. Board Meeting
September 25 (Thursday)	9:30 a.m. Board Meeting
<i>October 23 (Thursday)</i>	<i>9:30 a.m. Audit Committee</i>
October 30 (Thursday)	9:30 a.m. Board Meeting
November 20 (Thursday)	9:30 a.m. Board Meeting
December 18 (Thursday)	9:30 a.m. Board Meeting

Revised 7/25/24

Approval Prior to Board of Public Works Review
MES SERVICES FOR A NON-GOVERNMENTAL ENTITY IN EXCESS OF \$250,000
FOR
BOARD OF DIRECTORS' NOTIFICATION

July 25, 2024

Group & Division: Technical and Environmental Services

Project Name: Amazon Midfield Cargo Deicing Program Support and Maintenance Program for Sewer Ejector Pit, Oil Water Separator, Deicing System, and Backflow Preventer

MES Contract #: 2-23-3-39

Client: Amazon.com Services, LLC

Original Contract: \$201,333.14

This Modification #1: \$211,473.00

Revised Amount: \$412,806.14

Term: Through June 30, 2025, renews annually with budget approval

Remarks: This contract and scope of work allows for MES to continue to provide deicing collection program support and complete the necessary inspections and preventative maintenance for three sewer ejector pits, deicing system, two oil/water separators, six backflow preventers, and five Bullhorn units at Amazon Midfield Cargo Area at the BWI Marshall Airport. MES additionally provides emergency response related to these services. MES will present this item to the Board of Public Works for approval on August 7, 2025.

Approval after Solicitation
PROCUREMENTS, CONTRACTS, PURCHASE ORDERS,
AMENDMENTS, AND CHANGE ORDERS
FOR
BOARD OF DIRECTORS' APPROVAL

July 25, 2024

Item: 1

Type: Equipment over \$200,000

Group & Division: Environmental Operations Group

MES Contract Number: TBD

Project Name: Midshore I Transfer Station

Title/Description: Purchase of a 2024 CAT 930M Wheel Loader

Procurement Method: Intergovernmental Cooperative Agreement
Sourcewell Contract # 020223-CAT
MES Sourcewell # 5305

Bids/Proposals: Carter Machinery Company (via Sourcewell)

Awarded To: Carter Machinery Company

Amount: \$237,953

Term: One Time Purchase

Client/Fund Source: Talbot County / Equipment Fund

MBE Goal: 0%

Remarks: This unit is planned to replace the aging 2017 John Deere 524K Wheel Loader at the Midshore I Transfer Station. The loader is essential equipment that is used to push and consolidate waste on the transfer station floor as well as load out both municipal solid waste and mulch.

*An MBE search was performed for this purchase as well as for previous purchases of heavy equipment. In all searches, no MBEs were found.



Change Order Approval
PROCUREMENTS, CONTRACTS, PURCHASE ORDERS,
AMENDMENTS, AND CHANGE ORDERS
FOR
BOARD OF DIRECTORS' APPROVAL

July 25, 2024

Item: 2

Type: Services over \$200,000

Group & Division: Environmental Operations Group

MES Contract Number: 1-21-4-28-5

Project Name: Brown Station Road Sanitary Landfill - Leachate Hauling and Disposal Services

Title/Description: Loading, hauling, and disposal services of leachate collected at the respective facility at a unit price of \$0.375 per gallon. No quantities of leachate are guaranteed.

Original Procurement Method: Competitive Sealed Bid

Contractor: Agri-Services Corp.

Original Term: 7/1/2021 to 6/30/23 (with 2 additional 3-year optional renewal periods)

Modified Term: Renewal Letter 1 – 7/1/23 – 6/30/26

Original Amount: \$540,000.00 (BOD Item 3, approved 4/29/21)

Modifications to Date: CO#1 – No-cost, change in disposal facility
CO#2 - \$195,062.50
CO#3 – \$250,000 (BOD Item 14, approved 03/28/24)

Amount of this Change Order #4: \$500,000.00

Revised Total Contract Amount: \$1,485,062.50

Client/Fund Source: Prince George's County (IGA #2-21-4-53)

MBE Participation: Goal 30%, Participation to date 63%

Remarks: This contract has been active since July 2021 and is a will-call service to haul and dispose of leachate from Brown Station Road Sanitary Landfill. It is in place to manage excess landfill leachate

generation that cannot be treated by the on-site pre-treatment facility due to operational limitations or severe weather events. There are no guaranteed minimum or maximum quantities of leachate that require off-site transport and disposal. Based on the recent site conditions, additional hauling and disposal is necessary. The amount of this change order adds approximately 200 truckloads, which equates to 3 months of historic off-site disposal capacity, should it be required.



Change Order Approval
PROCUREMENTS, CONTRACTS, PURCHASE ORDERS,
AMENDMENTS, AND CHANGE ORDERS
FOR
BOARD OF DIRECTORS' APPROVAL

July 25, 2024

Item: 3

Type: Construction over \$200,000

Group & Division: Environmental Operations

MES Contract Number: 1-22-4-31-2

Project Name: Brown Station Road Sanitary Landfill - Area C Infill and Infrastructure Improvements

Title/Description: Brown Station Landfill Area C infrastructure engineering, permitting, construction, and construction support

Original Procurement Method: Client-Directed Sole-Source

Contractor: Stearns, Conrad, and Schmidt Consulting Engineers, Inc. (aka SCS, Engineers)

Original Term: 1/10/2022 to 7/30/2026

Modified Term: N/A

Original Amount: \$20,350,825.00 (BOD Item 5, 8/26/21)

Modifications to Date: CO#1 – \$3,013,257 (BOD Item 2, 1/16/23)
CO#2 – \$165,886.00

Amount of this Change Order #3: \$671,457.25

Revised Total Contract Amount: \$24,201,425.25

Client/Fund Source: Prince George's County (IGA #2-21-4-53)

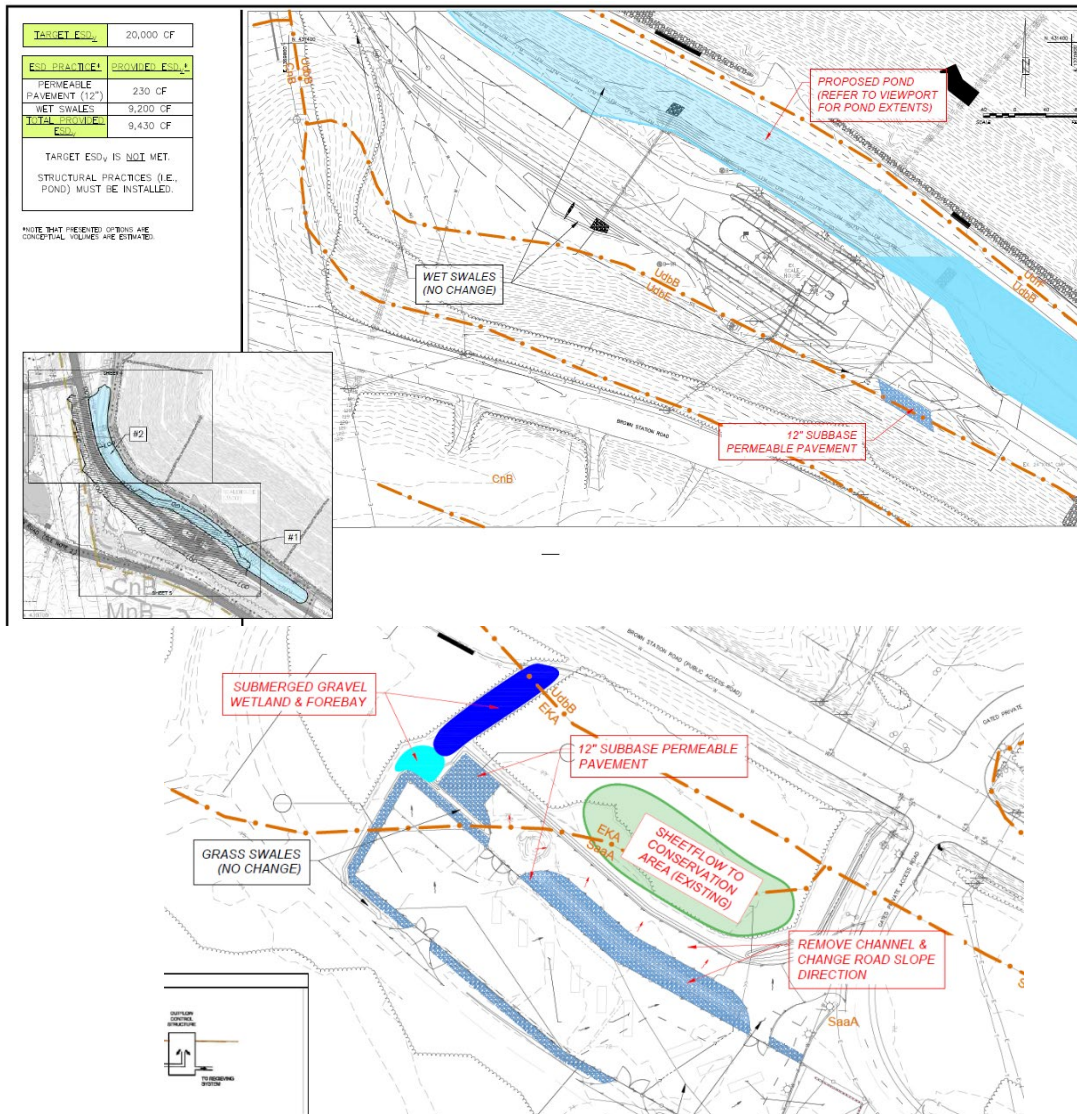
MBE Participation: Goal 20%, Participation to date 12.5%

Remarks: This change order reflects updates in scope for the Area C Infill Design-Build projects including scale house renovations, lot relocation, and leachate collection system upgrades. The additional work is driven by client requests and permit requirements. Client-directed changes include provisions for temporary generator hookups at the new pump stations,

additional paving and appurtenance installations at a relocated lot, and installation of two deluxe portable restroom trailer units for county employees displaced by construction activity.

This change order also captures additional stormwater design and permitting efforts for the lot relocation and scale house projects. During the course of obtaining stormwater permit approvals for both projects, review comments by the local regulatory jurisdiction triggered redesign efforts that altered existing approvals and exceeded the contracted level of effort. To meet Environmental Site Design, the relocated lots will now feature a submerged gravel wetland and forebay while the scale house renovation will feature a stormwater pond, wet swales, and permeable pavements.

MBE participation is currently below the 20% goal of the contract due to delays in active construction resulting in fewer MBE opportunities. Once construction resumes, MBE participation is expected to increase with vendors providing services such as material ordering, delivery, and paving.



Approval after Solicitation
PROCUREMENTS, CONTRACTS, PURCHASE ORDERS,
AMENDMENTS, AND CHANGE ORDERS
FOR
BOARD OF DIRECTORS' APPROVAL

July 25, 2024

Item: 4

Type: Construction services over \$200,000

Group & Division: Technical and Environmental Services

MES Contract Number: 1-25-3-05-6

Project Name: Maryland Military Department Cheltenham Armory UST Removal and AST Replacement

Title/Description: Removal of the underground storage tank (UST) that supplies heating oil to the boilers at Cheltenham Armory, and installation of an aboveground storage tank (AST) of the same capacity.

Procurement Method: Cooperative Agreement with Baltimore City Board of School Commissioners

Bids/Proposals: N/A

Awarded To: Kalyani Environmental Solutions, LLC

Amount: \$238,865.75

Term: The work is to be completed prior to July 1, 2025.

Client/Fund Source: Maryland Military Department / 15-02-55

MBE Goal: 29% (Prime contractor is an MBE)

Remarks: MES will hire Kalyani to remove the current underground storage tank at the Cheltenham Armory and replace it with an above ground storage tank.



Change Order approval

**PROCUREMENTS, CONTRACTS, PURCHASE ORDERS,
AMENDMENTS AND CHANGE ORDERS
FOR
BOARD OF DIRECTOR'S APPROVAL**

July 27, 2024

Item: 5

Type: Services over \$200,000

Group & Division: Environmental Operations

MES Contract Number: 1-21-4-38-5R

Project Name: Montgomery County Yard Trim Hauling

Title/Description: Yard trim and leaf hauling from the Montgomery County Grinding Operation in Derwood to the Montgomery County Yard Trim Compost Facility in Dickerson.

Original Procurement Method: Competitive Sealed Bid

Contractor: Consolidated Commercial Services, LLC

Original Term: The term of the contract shall be for two years, with an option to renew for three additional one-year terms.

Modified Term: Year 4 of the contract; one additional one-year term remaining.

Original Amount: \$582,525 (BOD Item 1 August 26, 2021)

Modifications to Date: Change Order No. 1, \$17,475.76 (May 3, 2022)
Change Order No. 2 \$680,000 (BOD Item 7, September 29, 2022)
Change Order No. 3 \$735,000 (BOD Item 6, August 24, 2023)

Amount of this Change Order #4: \$735,000

Revised Total Contract Amount: \$2,750,000.76

Client/Fund Source: Montgomery Count Yard Trim Compost Facility (MCYTCF) IGA No. 2-16-4-68. FY2025 Operating Budget: 2554-1200-6223

MBE Participation: Goal 30%, Participation to date 25.8%

Remarks: This funding will allow the contractor to provide services for year three of the contract term. MES anticipates that more that 70% of the yard trim loads will be transported by truck based on historic trends within Montgomery County.

**AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN THE
MIDSHORE REGIONAL COUNTIES
AND THE
MARYLAND ENVIRONMENTAL SERVICE
FOR SOLID WASTE DISPOSAL**

THIS AMENDED AND RESTATED MEMORANDUM OF UNDERSTANDING (“This Memorandum”) made this _____ day of _____, 2024, by and between the County Commissioners of Caroline County (“Caroline”), the County Commissioners of Kent County (“Kent”), the County Commissioners of Queen Anne’s County (“Queen Anne’s”), the Talbot County Council (“Talbot”) (the four counties collectively being the “Midshore Counties”) and the Maryland Environmental Service (“MES”).

PURPOSE

The purpose of this Memorandum is to set forth and confirm the parties’ respective obligations for the development, operation and closing by the Maryland Environmental Service of solid waste facilities that, based on current estimates for remaining permitted airspace at the Midshore II landfill, will serve the Midshore Counties through at least the year 2083.

BACKGROUND

Since the early 1980’s MES, Caroline, Queen Anne’s and Talbot have been working together to develop and implement a regional solution to those counties’ solid waste disposal needs. The parties first studied the feasibility of developing a resource recovery facility in the region. After concluding that a resource recovery facility was not practical, the parties then agreed in May, 1986, to move forward with a regional landfill project.

In March, 1988, the three counties and MES executed a contract (“1988 Contract”) whereby MES agreed to develop the regional landfill, including preparing the detailed engineering design of the facility, acquire all necessary federal, State and local permits and approvals, issue

bonds to finance the cost of the new landfill, construct and then operate the project. The 1988 Contract obligated the three counties, and not MES, to select a site for the landfill.

Later that year, in July 1988, MES and Caroline, Queen Anne's and Talbot signed a Memorandum of Understanding ("1988 MOU") further defining their roles, responsibilities, obligations and direction of the parties in implementing the project. The 1988 MOU defined the project as the Midshore Regional Landfill ("Midshore I") and designated the site of the landfill to be on a parcel of land adjacent to the Easton Landfill. MES was directed to take the lead in acquiring the site. Caroline and Queen Anne's were required to establish an inventory of proposed sites in their respective counties for future regional landfills. Those two counties each agreed to acquire an option to purchase at least one of the sites designated in their respective counties. The parties also undertook to determine, by September, 1988, the most suitable method of securing revenues adequate to construct and operate the landfill and make provisions for the payment of debt service, including, but not limited to, MES establishing a solid waste service district pursuant to the MES Act, Title 3, Subtitle 1, Natural Resources Article, Annotated Code of Maryland. ("MES Act").

Consistent with the 1988 Contract and the 1988 MOU, MES obtained a solid waste disposal permit from the Maryland Department of the Environment in January, 1990. MES also acquired from the Town of Easton the site for Midshore I. As a condition of transferring the property, the Town of Easton required MES to take title to the adjacent Easton Landfill, and to close and monitor the Easton Landfill in accordance with State and federal requirements.

To finance the cost of designing and constructing Midshore I, and closing the Easton Landfill, MES agreed that it would issue indebtedness. In February, 1990, MES issued its \$8,075,000 Revenue Bonds (Mid-Shore Regional Landfill Project), Series 1990, to finance a portion of the construction of Midshore I, and the closure of the Easton Landfill. The parties agreed that MES would not need to establish a MES service district.

Midshore I opened in 1991. In September 1992 Kent entered into a Service Agreement with MES to become the fourth Midshore County participating in the Midshore I project. MES successfully operated Midshore I for twenty years. In conjunction with the development of additional cells at Midshore I MES issued additional debt. By agreement of MES and the Midshore Counties, Midshore I stopped accepting solid waste on December 31, 2010. MES subsequently constructed a closure cap at Midshore I in accordance with MDE regulations. MES continues to

perform post-closure monitoring at Midshore I and the Easton Landfill. Under an agreement with Talbot, MES operates a homeowner drop-off facility and a small transfer station at Midshore I. The waste received at these two facilities is then transferred to Midshore II by MES.

In 2005 MES and the Midshore Counties entered into a Memorandum of Understanding (“2005 MOU”). Pursuant to the 2005 MOU Caroline provided a site adjacent to the Holly Road Landfill for construction of a second Midshore regional landfill (“Midshore II”). MES designed, obtained permits for, and constructed Midshore II, which opened in January, 2011. MES has successfully operated Midshore II since it opened.

In accordance with the 2005 MOU MES also designed and constructed the closure cap and has performed post-closure monitoring and closure cap maintenance at Caroline’s Hobbs Road Landfill. MES was authorized to utilize surplus operating funds from Midshore I, as well as the proceeds of additional debt it issued, for the design and construction of the Hobbs Road Landfill closure cap.

To finance the cost of designing and constructing Midshore II, closing Midshore I, closing the Hobbs Road Landfill and undertaking other Midshore projects, MES has issued a series of revenue bonds. As of April, 2024, MES has outstanding \$ 17,712,000 in debt for Midshore II and the other projects.

Pursuant to Waste Disposal Service Agreements executed by and between each of the Midshore Counties and MES (“Service Agreements”), MES is authorized to charge a tipping fee for each ton of solid waste accepted at Midshore II. If the sum of the tipping fees, plus any other revenues made available to MES are not sufficient to pay the total costs incurred by MES in operating Midshore II, including any debt service, the Service Agreements require the Midshore Counties to pay to MES a supplemental fee to make up the difference. To date, the Midshore Counties have never had to pay a supplemental fee.

The 2005 MOU included a provision that each of the Midshore Counties would host an active solid waste disposal facility for 20 years. The parties have since determined that Midshore II has sufficient solid waste disposal capacity, as measured by permitted air space, to remain open beyond the initial 20-year period. The parties recognize that operating Midshore II for more than 20 years will delay the need for MES to issue additional debt to fund the development of Midshore III, and the closure of Midshore II. By delaying the issuance of additional debt, and fully utilizing

the capacity at Midshore II, MES will be able to spread the total costs of operating Midshore II over a longer period, which will benefit all citizens of the Midshore Counties.

The parties also recognize that by continuing to operate Midshore II for a period longer than 20 years Caroline will be impacted. The parties have determined that such impacts can be addressed by MES paying Caroline a Host Fee, as described in this Memorandum.

Each of the Midshore Counties, and MES, acknowledge and agree that the solid waste disposal needs of the Midshore region are best served by development of regional solid waste disposal facilities constructed, financed, and operated by MES.

ARTICLE I

CONFIRMATION OF THE WASTE DISPOSAL SERVICE AGREEMENTS

The Parties hereto expressly confirm that the Service Agreements by and between MES and each of the Midshore Counties are in full force and effect. The Parties further acknowledge that no party to the Service Agreements is in any way in default thereunder. Each Party agrees to continue to diligently perform their respective obligations under the Service Agreements. Nothing in this Memorandum shall be construed to be an amendment to any Service Agreement.

ARTICLE II

OBLIGATIONS OF THE MIDSHORE COUNTIES

Section 2.01. Designation of Solid Waste Disposal Sites

- A. The Parties acknowledge and agree that Talbot has met its obligation to provide a site for a regional solid waste disposal facility.
- B. The Parties acknowledge and agree that Caroline has met its obligations to provide a site for a regional solid waste disposal facility.
- C. The Parties acknowledge that Queen Anne's has acquired a site for a third Midshore regional solid waste disposal facility ("Midshore III"). Queen Anne's has represented that the site has sufficient developable acreage to permit full implementation of the projects described in Section 3.04. Queen Anne's shall take no action, nor shall it suffer any action to be taken, or use to be made, that would

cause the site to be damaged or to be changed in any way that would diminish its usefulness as a solid waste disposal facility, or that would significantly increase the cost to develop or operate the site as a solid waste disposal facility. Queen Anne's shall convey the property to MES, or to another entity designated by the Midshore Counties, for reasonable and adequate consideration. Prior to December 31, 2028, Queen Anne's may designate a different site for Midshore III, but only if the site is sufficient to fully implement the projects described in Section 3.04.

- D. Unless otherwise agreed to by the Parties, in writing, within 12 years of the estimated closure date of Midshore III, but, based on current estimates on remaining permitted airspace at Midshore II, no later than December 31, 2050, Kent shall acquire all property rights necessary to develop an appropriate site for a fourth Midshore regional solid waste disposal facility ("Midshore IV"). The site shall have sufficient developable acreage to permit full implementation of the projects described in Section 3.04. Kent shall take no action, nor shall it suffer any action to be taken, or use to be made, that would cause the site to be damaged or to be changed in any way that would diminish its usefulness as a solid waste disposal facility, or that would significantly increase the cost to develop or operate the site as a solid waste disposal facility. Kent shall convey the property to MES, or to another entity designated by the Midshore Counties, for reasonable and adequate consideration.

Section 2.02. Cooperation

- A. Each Midshore County shall perform such acts, and execute and deliver such other agreements and documents, which may be necessary or reasonably requested by any other Party to give full effect to this Memorandum, or to enable any other Party to perform its obligations hereunder. The Parties acknowledge that they will develop and execute, at future dates, additional agreements further defining their respective obligations. Each Midshore County shall take all such actions as are necessary to amend their land use and zoning laws to allow the sites described in

Section 2.01 to be utilized as solid waste disposal facilities in accordance with this Memorandum.

- B. Each Midshore County shall take all such actions as are necessary to amend their respective Solid Waste Plans in a timely manner and in accordance with State law, to bring them into conformance with their respective obligations under this Memorandum.
- C. Unless otherwise excused by a subsequent written agreement, each Midshore County shall cause all municipal solid waste under its direct control to be delivered to one of the Midshore solid waste disposal facilities identified hereunder. Each Midshore County shall pay the standard tipping fee which is in effect at the time the solid waste is delivered. Each Midshore County shall also take such actions as are legally permissible to direct any municipality in a Midshore County to deliver the municipality's municipal solid waste to one of the Midshore solid waste disposal facilities identified in this Memorandum.
- D. No Midshore County will undertake the planning of, or participate in any way in, any other solid waste disposal or management project which may reasonably result in the success or the finances of facilities or projects implemented under this Memorandum being diminished or jeopardized, without first consulting with and obtaining the consent of MES and each of the other Midshore Counties.
- E. The Midshore Counties shall establish a technical advisory group to provide advice to MES on the planning, design, permitting, construction, operation, closure and post-closure monitoring of the solid waste disposal facilities contemplated by this MOU.

ARTICLE III
OBLIGATIONS OF MES

Section 3.01. Current Operations. MES shall continue to provide solid waste disposal services to the Midshore Counties as provided in the Service Agreements, as required by law, and as otherwise agreed by and between the Parties. These services generally include the current operation of Midshore II, and the post-closure monitoring of the Easton Landfill, Midshore I, and the Hobbs Road Landfill.

Section 3.02. Midshore II Road Improvements. MES will arrange for River Road to be repaved between Md. Route 480 and Holly Road, and MES will arrange for Holly Road to be repaved between River Road and the Ackerman Farm borrow site entrance. Repaving will be completed within 1 year of the date of execution of this MOU. All repaving will be made with a minimum of 2 inches of hot mix asphalt. Paving at Holly Road will include a wedge and level course to achieve 2% cross-sectional slopes.

Section 3.03. Closure of Midshore II. MES shall stop accepting solid waste for final disposal at Midshore II once the permitted airspace has been exhausted, which is estimated to be after June 30, 2042. MES shall close and cap Midshore II in accordance with the requirements of the Maryland Department of the Environment. MES shall also perform post-closure monitoring and maintenance of Midshore II for the period of time required by law.

Section 3.04. Future Solid Waste Disposal Facilities.

- A. MES shall plan for, design, obtain permits for, construct, operate, close, and conduct post-closure monitoring and maintenance for Midshore III. MES shall perform its obligations hereunder so that Midshore III shall be capable of accepting municipal solid waste for disposal on or before the date that the permitted airspace at Midshore II has been exhausted. Unless otherwise agreed by the Parties, Midshore III will be designed to meet or exceed current MDE and EPA landfill design requirements, to be capable of accepting all municipal solid waste generated in the Midshore Counties for a minimum period of twenty years from its date of initial operation, based upon US Census

population growth estimates available at the time the design is prepared. MES will not be obligated to design and construct Midshore III to be capable of accepting rubble or demolition debris, except in de minimis quantities.

- B. The Parties will determine at a future date the types of solid waste that will be accepted at Midshore IV. The Parties will also determine at a future date if the solid waste disposal needs of the Midshore Counties will be met by alternative means other than the solid waste disposal facilities contemplated at Midshore IV. Midshore IV shall be designed and constructed so as to be capable of accepting solid waste for at least 20 years.
- C. In performing its obligations under this MOU, MES will meet with and consider the advice of the Midshore technical advisory group designated pursuant to Section 2.02.E. of this MOU.

Section 3.05. Recycling. Each of the solid waste disposal facilities shall be constructed and operated in a manner that allows for the acceptance, storage and transfer of the same types of recyclable materials which MES currently manages at Midshore II. The Parties will periodically review whether other types of recyclable materials may be managed at the solid waste disposal facilities. Unless otherwise modified by the Midshore Counties, the Midshore Regional Recycling Program will continue to have primary responsibility for managing the Midshore Counties' recycling programs.

Section 3.06. Limitation of Liability. The obligations of MES under this Memorandum are limited obligations payable solely from such amounts as may be received by MES in connection with its operation of Midshore II and the provision of solid waste disposal services to the Midshore Counties under the Service Agreements, or this Memorandum. The obligations of MES shall not be payable from the general funds of MES, and the incurrence or non-performance of such obligations shall not constitute or create a legal or equitable pledge of, or lien or encumbrance upon, or claim against, any of the assets or property of MES or upon any of its income, receipts, or revenues, except the amounts described in the immediately preceding sentence.

ARTICLE IV
ACQUISITION OF MIDSHORE III SITE

Section 4.01. Obligation to Convey Midshore III Site. Queen Anne's and MES will negotiate a formal transfer agreement and will do all things reasonably necessary to convey from Queen Anne's to MES good and clear fee simple title to the Midshore III Site no later than December 31, 2036. Queen Anne's shall take no action, nor shall it suffer any action to be taken, or use to be made of the Midshore III Site, which would cause the Midshore III Site to be damaged or to be changed in any way that would diminish its usefulness for the type of solid waste disposal facility contemplated by this Memorandum, or that would significantly increase the cost to develop or operate the site for the type of solid waste disposal facility contemplated by this Memorandum. In particular, but without limitation, Queen Anne's shall not conduct or permit any soil removal activities on the Midshore III Site, nor shall it allow or authorize the storage or disposal of any solid or hazardous waste on the Midshore III Site.

Section 4.02. Consideration for Midshore III Site. In consideration of Queen Anne's providing the Midshore III Site, MES shall manage the operation of a residential drop-off facility located on or near Harper Road, Centreville, Maryland. MES shall only accept residential solid waste and recyclable materials at that facility. The costs of operating the residential drop-off facility and transferring solid waste from that facility to Midshore III shall be included in the costs of operating Midshore III. MES shall not be obligated to operate the residential drop-off facility until Midshore III has opened to accept solid waste.

Section 4.03. Access. Queen Anne's will permit MES, and its employees, agents, and contractors, reasonable access to the Midshore III Site for purposes consistent with MES' obligations under this MOU.

ARTICLE V
FINANCIAL MATTERS

Section 5.01. Project Costs. Costs related to the obligations of MES under the Service Agreements shall continue to be paid in accordance with those Agreements.

Section 5.02. Tipping Fee And Other Fees. In consultation with the Midshore Counties, and in accordance with its obligations under the Service Agreement, MES shall charge a Tipping Fee for solid waste disposal services provided by MES pursuant to the Service Agreements. MES may also collect surcharges and other fees for tires and other materials which require special handling or disposal. All such Tipping Fees, surcharges and other fees shall be deemed Landfill Revenues, as defined in the Service Agreements. Beginning on July 1, 2025, and at the start of each Fiscal Year thereafter while Midshore II remains open to accept solid waste, MES will increase the Tipping Fee for Residential and Commercial Waste by a minimum of 1.4% of the previous year's Tipping Fee ("Annual Tipping Fee Increase"). MES may defer imposing an Annual Tipping Fee Increase if it reasonably determines that Landfill Revenues (as defined in the Service Agreements) will be sufficient to fully cover Total Costs (as defined in the Service Agreements).

Section 5.03. Caroline County Host Fee. From July 1, 2024 through the date Midshore II stops accepting waste, MES will pay Caroline County a Host Fee ("Host Fee") for each ton of Residential and Commercial Waste accepted at Midshore II. From July 1, 2024, through December 31, 2030, the Host Fee will be \$3.00 per ton. From January 1, 2031, through the date Midshore II stops accepting waste, the Host Fee will be \$6.00 per ton. All amounts paid as Host Fees will be deemed to be included in the definition of Total Costs as set forth in the Service Agreements. No Host Fee will be paid for (i) any waste or materials accepted from Caroline County's Holly Road Collection site, or (ii) brush or yard waste. MES will pay the Host Fee to Caroline County quarterly, except that MES will have no obligation to pay any Host Fee until this Memorandum becomes effective as provided in Article VI and Section 7.05. The obligation of MES to pay the Host Fee to Caroline County will begin on July 1, 2024, notwithstanding the date this Memorandum becomes effective.

Section 5.04. Future Solid Waste Disposal Facilities. The Parties will cooperate to develop and implement funding strategies for implementation of the projects to be undertaken pursuant to this Memorandum.

ARTICLE VI

TERM

This Memorandum shall become effective upon the execution and delivery of each counterpart by each of the parties, as described in Section 7.05. Unless terminated sooner by agreement of all the Parties, and based on current estimates for remaining permitted airspace at the Midshore II landfill, this Memorandum shall remain in effect until Midshore IV closes, which the Parties estimate will be on or after December 31, 2083.

ARTICLE VII

GENERAL

Section 7.01. Counties' Contractual Representatives. Each of the Midshore Counties shall designate a person to be their contractual representative, with full authority to give and receive any notice or other communication required by this Memorandum or take any action in regard to the interest of their respective County under this Memorandum.

Section 7.02. General Compliance With Laws. Each Party shall comply with all applicable federal, State and local laws which affect performance hereunder. The Counties acknowledge that MES, as an agency of the State of Maryland, is exempt from the application of local laws, unless expressly directed by the General Assembly of Maryland to comply with such laws.

Section 7.03. Amendments. This Memorandum may be amended from time to time by written agreement, duly authorized and executed by the Parties hereto. Oral statements purporting to amend this Memorandum shall not be binding on the Parties.

Section 7.04. Other Projects. The Midshore Counties and MES acknowledge that as of the effective date of this Memorandum Queen Anne's and Kent continue to be obligated to provide, respectively, sites for Midshore III and Midshore IV. In lieu of designating a site for a solid waste disposal facility, Queen Anne's and Kent may each propose an alternative project for managing or disposing of the Midshore Counties' municipal solid waste. A proposed alternative project may not be adopted or be implemented until it has been approved by all the Midshore Counties. Unless the Midshore Counties unanimously agree otherwise, MES shall develop, implement and manage any such alternative project. In the event the Midshore Counties determine that they will not utilize MES to implement Midshore III or Midshore IV, or an alternative project, the Midshore Counties shall be obligated to provide for all costs related to the closure, maintenance, post-closure monitoring, or any other costs associated with Midshore I, Midshore II, and any other project contemplated or implemented pursuant to this Memorandum.

Section 7.05. Counterparts. This Memorandum may be executed in separate counterparts by MES and each of the Midshore Counties, each of which shall be deemed an original, and all of which when executed and delivered shall together constitute one and the same agreement. This Memorandum shall not be effective until each Midshore County has executed and delivered its Memorandum.

IN WITNESS WHEREOF, the County Commissioners of _____ County and MES have signed this Memorandum to be effective the day and year first above written.

_____ **COUNTY, MARYLAND**

ATTEST: (COUNTY SEAL)

BY: _____
President

BY: _____
Vice President

BY: _____
Member

MARYLAND ENVIRONMENTAL SERVICE

ATTEST (AGENCY SEAL)

BY: _____
Charles Glass, Ph.D., P.E., Executive Director
