

**BOARD OF DIRECTORS
MEETING MINUTES****MEETING 10-20****October 22, 2020****LOCATION:****Conference/Video Call****TIME:****9:30 a.m.****DIRECTORS PRESENT:**

Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Leslie Jackson-Jenkins, Esq. (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT:

None

OTHERS PRESENT:

Sean L. Coleman, Esq. (video)
Tammy Banta (video)
Jason Gillespie (video)
Steve Tomczewski (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Vishal Bhatia (video)
Dan Faoro (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)
Valerie Colimon, RSM in at 10, out at 10:19am
Andrew Wolf, RSM in at 10, out at 10:19am

CALL TO ORDER

Dr. Glass called the meeting to order at 9:35 a.m.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of September 24, 2020. Mr. Smith made a motion to approve the minutes, and Mr. Hall seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass began by reporting his expenses for the last month. As the provided credit card and expense reimbursement reports reflect, he has incurred no expenses in the past month. Resolution 20-10-01R, which will be presented at this meeting, establishes expense reimbursement guidelines for the Director and procedures for oversight on a monthly basis by the Board of Directors.

Dr. Glass has decided to move forward with an electronic Christmas card to send to agency clients and partners, which will incur no added expense.

Dr. Glass introduced Ms. Winsome Condra to the Board. She is the new Internal Auditor for the agency. She has an impressive background working with both public and private organizations. She is already assisting the Executive Office and will be working with the Office of Attorney General in responding to various matters.

Dr. Glass also welcomed Mr. Hament Patel, a long serving MES employee, who is now the Acting Managing Director of Finance.

Dr. Glass asked for a motion to nominate Ms. Pamela Fuller, Paralegal with the Office of Attorney General, as the Clerk of the Board. The Clerk will work under the supervision of the Board Secretary and be responsible for preparing the meeting notices, preparing the initial set of minutes for both open and closed sessions of the Board, and maintaining the files of the Board meetings. Mr. Snee made a motion to approve the action, Mr. Smith second. The motion passed unanimously.

Dr. Glass and the Board wished a Happy Birthday to Ms. Tammy Banta.

Several partners have had high praise for the agency and teammates. Kristen Fidler and Kristen Keene at MDOT MPA praised Cox Creek site manager, Robert Natarian as the "mastermind of all things innovative re-use." A U.S. Army Corps of Engineers staff member stated "The MES Operators [at Poplar Island] are the best in the world and great at what they do."

On September 29th, Dr. Glass had an introductory meeting with MDOT MPA Executive Director Bill Doyle. Discussion involved the upcoming Seagirt Berth 3

dredging and the dredging associated with the approach and turn around for the post Panamax ships.

On October 6th, Dr. Glass met with Mr. Adam Ortiz, Director of the Montgomery County Department of Environmental Protection regarding the expansion of Leafgro®, Leafgro Gold ® and the expansion of other possible products. He has requested MES set-up a meeting with Joe Gill, Director of Prince George's County Department of the Environment to discuss this exciting opportunity.

On October 20th, Dr. Glass attended the annual meeting between MES and the DNR/Maryland Park Service. Mr. Gillespie led a presentation reviewing the Capital and Operating programs in support of water and wastewater systems throughout the Park Service, and Mr. Patel reviewed the financials from 2020. Park Service Superintendent Nita Settina is interested in expanding solar projects on Park Service land with MES and MEA as partners. MEA suggested they explore an MOU with MES to research and implement projects.

The draft audit report for FY20 is almost complete. Ms. Colimon of RSM will be on the call at 10am to discuss.

An initial payment from the Town of Sudlersville was received in early September. The second payment due in October has not yet been received. Dr. Glass is recommending a termination notice be submitted to the Town on November 1st.

Dr. Glass continues to review the MES statute, regulations, resolutions, policies and procedures. In an effort to be more transparent, all of the minutes of the Board have been posted to the MES website. All of the Resolutions will be posted soon. While reviewing and studying the law, regulations, board resolutions, policies and procedures that govern MES, he has also begun to review management actions that follow through on that intent and how those management actions and results can best be presented to all MES clients, stakeholders and partners. The Managing Directors have been providing top stories and key performance indicators. A presentation is being developed that can be shared online or with clients. A presentation is also being created that highlights the differences between compensation and benefits of MES employees and other State employees that can be used to guide future policies. Mr. Faoro and Ms. Banta are leading a group to trace the history of the agency with stories from long-serving staff.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions.

Mr. Snee asked about some of the larger cost proposals on the Agency Activity Report including Cox Creek Expanded, Energy Transfer Ports - Colgate Creek, and Seagirt Berth 3. Ms. Banta noted that MDOT MPA signed the \$33.99M proposal for Cox Creek Expanded +60 dike construction earlier this month. Amongst other items, this project includes raising the existing dikes to +60 ft and expansion of the facility onto the upland area.

Colgate Creek is located between the Seagirt and Dundalk Marine Terminals. This dredging project also has an innovative reuse component that is not yet defined. The Seagirt Berth 3 project will be covered today under the Group Updates portion of the meeting.

Mr. Gillespie explained that the SHA District 3, Task 3 is for ongoing stormwater remediation projects. The amended Task will expand the project to more Districts. The MOU has not yet been executed, but the quarterly meeting is approaching, where all Task Orders will be discussed.

Mr. Tomczewski indicated the FY21 amendment with Prince George's County for \$11 million is almost finalized for work at Brown Station landfill. The FY21-FY25 five year agreement may be broken into smaller shorter duration MOUs.

AUDIT COMMITTEE REPORT

Ms. Jenkins reported that the Audit Committee met with the audit team from RSM earlier today. She reviewed the scope and objective of the audit team. Valerie Colimon and Andrew Wolf of RSM then joined the meeting at 10am and shared their presentation. They expect to issue a clean, unmodified report. Once they receive the final 3 components, they will issue their final report, next week.

There were no changes to the planned scope of the FY20 audit. Management was very responsive and helpful throughout the process. Their investigation indicated proper controls were in place to prevent fraud. Since Covid-19 struck in the fourth quarter, it had minimal impact on the last fiscal year.

A few additional items will be completed after the conclusion of the audit.

Mr. Patel thanked the entire RSM team. The FY20 financial statements are attached to the RSM presentation. They do not anticipate any substantive changes prior to finalization.

FINANCIAL REPORT

Mr. Patel reported that labor sales in FY21 are lower than FY20. This is partly due to the conversion to Workday which computes pay end dates differently than JDE. JDE used check date, Workday uses the pay-period end date. So FY21 will have one less pay period than FY20. The budgets were prepared with this in mind, and it will not have a major impact on the net results. The positive change in net assets for FY21 is at \$1.6M, with a projected \$3M increase for the whole year. Contributing factors include reduced overhead and fringe costs.

The total assets are at 50% Capital Assets and 50% restricted and unrestricted net assets. There was a \$1.6M increase in net assets. Overhead cost savings were not in the budget when prepared, but is subject to fluctuations due to holidays, snow days, etc.

The 2021 Financial Plan indicates labor will be lower, but recovery will be higher.

Progress continues to be made on the Accounts over 90 days report. ACH transfer information has been sent to the Town of Sudlersville. MTA is processing their invoice. A lawsuit has been filed against Wise Recycling, but they may no longer be in business.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 855 current positions with a vacancy rate of 4.39%, and it will be 3.87% once pending new hires are brought on board. Remote hiring and orientation are ongoing. There have been 57 new employees brought onboard since Covid started.

RESOLUTION 2020-10-1R

Ms. White introduced Resolution 2020-10-1R. This resolution modifies the manner in which the senior manager class of employees earn annual and compensatory leave. Ms. White indicated that employees must be pre-approved to work extra and earn comp time. Ms. Jenkins made the motion to approve the Resolution, Mr. Smith seconded, there was no discussion. The resolution passed unanimously.

RESOLUTION 2020-10-2R

Ms. White introduced Resolution 2020-10-1R. This resolution authorizes the Director to be reimbursed for certain business expenses, approved by the Managing Director of Finance, and reported to the Board on a monthly basis. Mr. Smith made the

motion to approve the Resolution, Mr. Hall seconded, there was no discussion. The resolution passed unanimously.

GROUP UPDATES

Ms. Banta presented the Seagirt Berth 3 Dredging project. MDOT MPA is working in conjunction with Ports America Chesapeake as part of the Building Utilizing Investments to Leverage Development (BUILD) grant. Approximately 400,000 cy of material will be dredged to 51-ft. +1 ft of overdepth below Mean Lower Low Water for the Seagirt Berth 3, Seagirt Berth 3 widenings, and Turning Basin to be placed at the Masonville Dredged Material Containment Facility. An additional 81,000 cy of material will be dredged from the Seagirt-Dundalk Channel Dredging under separate funding. This project will serve to further accommodate the ultra large container vessels into the Port of Baltimore.

Mr. Gillespie presented a new Task order with Baltimore County to examine problem flooding areas. MES will be updating the County's database and conducting condition assessments. Some of the studied areas may need maintenance or replacement.

Mr. Tomczewski presented the Montgomery County Food Scrap collections project. MES has purchased a collection truck and supplied the driver to provide for food scraps collection. Scrap food is collected from 10 commercial stops, 3 days a week. The materials are then composted at the Prince George's County Organic Composting Facility into Leafgro Gold ®. The amount of food scraps collected has been reduced by Covid-19 closures. A pilot homeowner collection program is being investigated.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is a change order with ACV Enviro for the Statewide Household Hazardous Collection (HHW) Program. Mr. Snee made the motion to approve the item, Ms. Jenkins seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is a change order with Van Dyke Bale Corporation for the addition of a Maintenance Platform and Old Newsprint Screen to the plastics line at the Prince George's County MRF. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously, with the exception of Ms. Jenkins who abstained.

Ms. Crosby introduced Item 3. The procurement is for line cleaning, inspection, and repair at the Hawkins Point Landfill and Dundalk Marine Terminal provided by

Mobile Dredging & Video Pipe, Inc. Mr. Smith made the motion to approve the item, Mr. Snee seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is a change order with Anchor QEA for strategic planning support for reducing air emissions at MDOT MPA Public Terminals. Ms. Jenkins made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is a change order with Gahagan & Bryant Associates (GBA) for Energy Transfer Ports Task 5 – HarborWide Surveys. Ms. Jenkins made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is a change order with Mobile Dredging and Video Pipe, Inc. for additional dredging work at Lake Linganore. Frederick County was able to secure a Grant for \$3 million toward this project. Frederick County, the City of Frederick and the Lake Linganore Association are all happy with the progress of the project. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 7. The procurement is a change order with STORMWATER Maintenance, LLC for stormwater remediation and maintenance throughout Central Maryland. Ms. Jenkins made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 8. The procurement is a change order with EARN Contractors, Inc. for contract labor at the Montgomery County Yard Trim Composting Facility and Grinding Operation. Mr. Snee made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

The Board Notifications were reviewed.

OLD/NEW BUSINESS

Dr. Glass presented the Proposed 2021 Board meeting schedule. Board members were asked to check their schedules and provide comments by the next meeting.

Dr. Glass announced that this was Ms. Jenkins last meeting. He thanked her for her guidance and support during his first four months at MES as well as her many years of dedicated service on the Board. The Board members also wished her well.

The next meeting of the Board is scheduled for November 19, 2020 at 9:30 a.m.

CLOSED SESSION

At 11:13 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1) (7) and (b)(12) Dr. Glass stated that the Board intended to enter closed session to approve the minutes of a prior closed meeting session, to discuss the performance of one of more individuals, to obtain advice of counsel, and to discuss an administrative proceeding. Dr. Glass asked if anyone objected to the Board entering closed session, and no objections were heard. Mr. Smith then made a motion that the Board enter closed session for the reasons stated above. Judge Smalkin seconded the motion, all members voted in favor of closing the meeting. Dr. Glass announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 10:38am. The Board members and Mr. Coleman and Ms. Fuller then logged into a secure conference video line.

Dr. Glass called the meeting of the closed session of the Board to order at 11:18 a.m. Present during the closed session of the Board were Board members Glass, Smalkin, Snee, Jenkins, Smith, Hall, and Assistant Attorney General Coleman and Paralegal Fuller. At the start of the closed session Dr. Glass requested a motion for the approval of the minutes of the closed session from the meeting of August 20, 2020. Ms. Jenkins made the motion to approve the minutes and Mr. Smith seconded. The minutes were unanimously approved.

During the closed session the Board consulted with counsel regarding the performance of a former employee of the Service, and regarding an investigation. The Board also voted unanimously to provide to the Joint Committee on Fair Practices and State Personnel Oversight copies of the approved minutes of the closed sessions of the Board meetings held on June 20, 2016, July 10, 2017, June 28, 2018, June 27, 2019, February 29, 2016, August 16, 2017, and May 28, 2020.

ADJOURNMENT

Upon motion by Mr. Snee, seconded by Judge Smalkin, the Board exited the closed session and the meeting adjourned at 12:00 p.m.

Frederic N. Smalkin

**HONORABLE FREDERIC SMALKIN
SECRETARY**

Charles Glass

**CHARLES GLASS, Ph.D.
ACTING DIRECTOR**