



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

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

BOARD OF DIRECTORS MEETING MINUTES

MEETING 03-21

March 25, 2021

LOCATION: Conference/Video Call

TIME: 9:30 a.m.

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean L. Coleman, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Tammy Banta (video)
Jason Gillespie (video)
Steve Tomczewski (video)
Vishal Bhatia (video)
Dan Faoro (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:35 a.m. Board members and staff participated via Teams video. The meeting was broadcast live to the public on YouTube.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of February 25, 2021. Mr. Smith made a motion to approve the minutes, and Mr. Snee seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass was sad to report that staff member Roger Myers, Jr. passed away unexpectedly on Saturday, March 20th. Mr. Myers was a Field Operations Supervisor at the Montgomery County Yard Trim Composting Facility in Dickerson, MD. He managed the Leafgro® bagging line and crew at the site and was a stalwart force that produced the 650,000 bags of Leafgro® each year like clockwork. He was a valuable member of the MES Dickerson family and will be deeply missed.

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be incurred on his behalf in the past month, and he continues to refrain from travelling or incurring business expenses.

Dr. Glass also announced the retirement of long-serving team member Karen Fields. Ms. Fields was hired as an Environmental Systems Operator Apprentice in 1987 at the Crownsville Water plant. She progressed to an ESOI and then switched to the Environmental Specialist series where she held positions of increased responsibility. Her final position was Senior Lead Environmental Specialist in the Environmental Monitoring department. She will be presented with a Director's Citation for her 30+ years of service, and with a Governor's Citation. Dr. Glass will be reinstating retirement gifts for staff members who retire or have retired in the last few years with 30+ years of service.

The MES Reform Act bills continue to progress through the Legislature. SB2 has now crossed over to the House of Delegates. No hearings are scheduled, but a vote is expected to occur before the end of the session.

The State Transparency and Accountability Reform (STAR) Commission met for the third time last week. The presentations given at the meeting inspired Dr. Glass to locate and post the MES Strategic Plan for 2017 to 2022 on the website. A group is being formed to evaluate how well the agency has met the goals of this plan and begin efforts to update the plan for the next five years.

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Dr. Jahan has accepted the Sea Grant offer to join MES. Dr. Jahan will focus on compiling the operations information and drafting a report on greenhouse gas emissions that will be presented to the General Assembly. She will also work with Mr. Kluga in the Grants office on new proposals with agency partners on innovative technologies.

Dr. Glass emphasized his commitment to training and educational opportunities for agency employees. The supervisor and management training program will be re-implemented with a focus on supporting and encouraging all employees to stay, thrive and grow with the agency. No matter where a person starts in the agency, they should be encouraged to keep learning and preparing for the next job within the agency. Dr. Glass has begun discussions with UMBC about their certificate and Master's degree program in Environmental Engineering and Project Management. He will also reach out to other universities that have flexible online programs that are conducive to working adults.

Dr. Glass was happy to report that equipment from the Maryland Department of Aging Durable Medical Equipment program was being used at Covid vaccination clinics. His grandmother was able to use one while waiting in line for her vaccination.

There is a new inspiring video on Poplar Island that was posted on LinkedIn.

An RFI was issued to gauge industry capabilities to produce Biochar from organic wastes. Mr. Razik and Mr. Ford are reviewing the responses received. Anne Arundel County and WSSC are interested in teaming on project with MES. The EPA has identified a new pollutant, PFAS. The Biochar gasifier/pyrolysis reactor is one of the few technologies capable of destroying PFAS.

The Governor recently announced that a \$1,000 bonus payment will be made to all State employees. Dr. Glass asked the Board to reward MES employees for their sacrifices over the last year, by granting them a similar \$1,000 payment. Mr. Snee moved to authorize the \$1,000 payment to all MES employees, Ms. Heller seconded the motion. The motion passed unanimously.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. Mr. Snee asked if there was any change in status to the Brown Station Landfill project since last month. Mr. Tomczewski indicated that the five-year agreement is moving forward. The County recently added about \$10 million to the

proposed contract. The FY22 proposed budget is \$12.4 million, which is close to the FY21 budget. The work continues.

FINANCIAL REPORT

Mr. Patel presented the February 2021 Financial report. Labor sales are following the same trend as the last six months. Labor sales continue to remain lower than at the same period last year, due to there being 1 less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the net financial position.

The agency will meet its budgeted increase in net assets for FY2021. The total net assets are approximately evenly divided, with about half being capital assets and half unrestricted net assets. Staff are looking at replacing fleet vehicles and adding about 10 vehicles to the fleet this year, something which has not been done in the last 2 years. Another 10 vehicles will be added the following year. The actual increase in net assets should wind up being about what was budgeted. Fringe variance is high now but is expected to even out. As Administrative positions are filled, the overhead variance will decrease.

Mr. Patel also discussed the Accounts over 90 days report. The report will now be updated a few days before each meeting, rather than at the end of the preceding month, for a more accurate snapshot. Finance staff and project managers are working diligently on collections. All available staff are working on collections and the list will improve. Mr. Snee congratulated Mr. Patel and his staff on the progress they have made in reducing accounts receivable.

AUDIT COMMITTEE REPORT

Ms. Heller advised that the Audit Committee met earlier today and received reports from Ms. Condra and Mr. Patel. The committee approved the Internal Audit Charter and Plan. These documents summarize the internal auditor's findings and recommendations. Mr. Snee inquired if there were any concerns with the hotline item. Ms. Condra advised that controls are in place, and it appears that most of the individuals involved no longer work at MES. They are looking at ways to prevent any future problems.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 851 current positions. The vacancy rate will be 3.86% once pending new hires are brought on board. Remote hiring and

orientation are ongoing, with 91 new employees being brought on board since Covid restrictions were enacted.

HUMAN RESOURCES COMMITTEE REPORT

Mr. Snee advised that the Human Resources and Compensation Committee met yesterday. The Committee consists of Mr. Hall, Judge Smalkin and Mr. Snee. They approved the minutes of the HR Committee meeting held in May 2020. An overview of the BEST program was presented. The MES enabling statute required it to promulgate regulations and create an independent personnel system. That personnel system requires compensation to be based on merit and performance. In 1999, the BEST program was adopted, and has worked well for 22 years. The program established goals for the agency, and if those goals are met, additional payments are made to agency employees. In April 2020, as the agency was projected to meet its goals, and to enhance moral as the Covid epidemic accelerated, the Board approved the early disbursement of FY 2020 BEST payments. The Board did not authorize the payment of BEST Plus or Executive Incentive at that time. In June 2020 \$3,000 payments were made to every eligible employee. In November 2020, a pause was made on any additional payments. The HR Committee is now recommending that the Board remove that suspension. The Committee is recommending a total FY20 BEST payment of \$3,300 for all eligible employees. The \$3,000 was already paid, so an additional payment of \$300 would be paid at this time. In addition, the Committee is recommending BEST Plus funds be authorized in the amount of \$789,480, to be distributed by the Managing Directors. The Committee further recommends \$120,605 to be made available for Executive Incentive payments, which will be awarded at not more than 10% of an Executive's base pay.

RESOLUTION 2021-03-1R

Mr. Snee recommended approval of Resolution 2021-03-1R, which authorizes FY20 BEST, BEST Plus and Executive Incentive payments as detailed above by the HR Committee. Mr. Smith seconded the motion. The Motion passed unanimously.

GROUP UPDATES

Ms. Banta highlighted the Baltimore Harbor Anchorage and Channels modification of the Seagirt Loop Channel feasibility study. The project includes widening and deepening the Seagirt Loop Channel, re-design of an anchorage to allow larger vessels to standby in the Harbor, examine deepening the SLP Channel and

turning basin, and evaluation of other structural/nonstructural measures to improve transportation efficiencies in the harbor.

Mr. Tomczewski highlighted the Durable Medical Equipment Refurbishment Program. The Facility was operated by three MES employees in FY21, with additional employees expected in FY22. To date, the program has collected over 2,000 pieces of equipment with over 90 refurbished wheelchairs being donated to mass vaccination centers. Collection agreements are in place with Anne Arundel, Harford, Kent, Talbot, Queen Anne's, Caroline, Prince George's Counties, and Baltimore City.

Mr. Gillespie highlighted the American Rescue Plan Act. MES, in consultation with DBM, has submitted a list of potential shovel ready projects that would be eligible for funding. The Act included provisions for funding water and wastewater critical infrastructure upgrades. The projects would need to be completed by December 2024.

RESOLUTION 2021-03-2R

Mr. Gillespie presented Resolution 2021-03-2R, reaffirming the Darlington Water Supply Service District and approving an update to the Five-year plan. The Service District was created in October 1997. MES acts as the utility and owner of this system, not just the operator. MES is required to review, update, and readopt the Five-Year plan for the Service District biennially. A public hearing was held on March 10, 2021. There is no rate increase at this time or contemplated for the foreseeable future. Mr. Snee moved to approve Resolution 2021-03-2R, Mr. Smith seconded. The resolution passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for the Microsoft licensing for the next three years, from SHI. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for design/build services for the Montgomery County Oaks Landfill Oil & Grit expansion. The County directed sole source for Barton & Logudice is based on their previous work at the landfill, and creation of the concept plan for the project. Mr. Hall made the motion to approve the item, Mr. Snee seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is for hydraulic modeling support services in Howard County for MDE, provided by Wood Environment &

Infrastructure Solutions, Inc. Mr. Smith made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is for drainage management, remediation and maintenance support for MDOT SHA provided by Concrete General, Inc. Mr. Snee made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for additional work at the Eastern Pre-Release Unit Wastewater Treatment Plant expansion and upgrade provided by M2 Construction, LLC. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is for carbon pricing review and technical services for the Maryland Energy Administration (MEA) provided by McKinsey and Company. MEA vetted two other companies before selecting McKinsey & Company. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$250,000 were reviewed.

LEGAL REPORT

Mr. Coleman advised that his office has been very busy with multiple projects, ongoing litigation, and several procurement matters. There are several upcoming trials scheduled before the Anne Arundel County Circuit Court. The first is scheduled for a 9-day trial in April and related to the closure of the Midshore I landfill. The second arose from a bid dispute over a project at Cox Creek. A decision on a Temporary Restraining order is due on Monday.

Mr. Coleman also congratulated Ms. Fuller on her 25 years with the agency.

OLD/NEW BUSINESS

Dr. Glass advised that the position of Deputy Director was recently advertised. Many talented responses have already been received. The announcement will be open for another two weeks. He is hoping to fill the position by the end of the fiscal year.

The next meeting of the Board is scheduled for April 29, 2021 at 9:30 a.m.

ADJOURNMENT

Upon motion by Mr. Snee, seconded by Mr. Smith, the meeting adjourned at 10:52 a.m.

Frederic N. Smalkin

HONORABLE FREDERIC SMALKIN
SECRETARY

Charles Glass

CHARLES C. GLASS, Ph.D., P.E.
ACTING DIRECTOR