



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 10-21
October 28, 2021**

LOCATION: Hybrid In-Person/Video Call

TIME: 9:30 a.m.

DIRECTORS PRESENT: Charles Glass, Executive Director
Judge Frederic Smalkin, Chair (video)
Robert Witt, Secretary (video)
Robert Neall, Treasurer
Shelley Heller (video)
Marian Hwang, Esq. (video)
Nancy Kopp
Hiram Tanner

DIRECTORS ABSENT: None

OTHERS PRESENT:

Sean Coleman, Esq.	Casey Powers (video)
Ellen Frketic, Deputy Director	Melissa Slatnick
Tim Barr	Jewel White
Hattie Crosby (video)	Priscilla Carroll (video)
Marni Dolinar (video)	Robert Natarian (out at 10:07 am)
Tim Ford	Kelly Bender (out at 10:07 am)
Pamela Fuller	Darrius Willie (out at 10:07 am)
Steven King (video)	William Buszinski
Jana Leech (video)	Derek Day (out at 10:07 am)
Hament Patel	Valerie Colimon, RSM (out at 9:50am)

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:38 a.m. Some Board members and staff were present at MES Headquarters, other Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

RSM FY21 AUDIT REPORT

Valerie Colimon with RSM summarized the agency FY21 financial audit. RSM presented a detailed report to the Audit Committee yesterday. They plan to submit an unmodified opinion pending completion of three things: review of their concurring partners, subsequent events review, and management representation letter. They are also waiting to finalize the report pending any OMB subsequent addendums. The financial audit is designed to provide "reasonable" assurance, not absolute assurance of no fraud. No audit adjustments were made during the audit period, and no uncorrected misstatements were required. Interactions with management were very smooth and cooperative. Upon completion of the financial audit, two further audits will be completed: Schedule of Indirect Costs, and the Schedule of 6 Customer Report of Indirect Overhead Costs.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of September 23, 2021. No corrections or objections were noted. The minutes were unanimously approved.

INSPIRE AWARD

Ms. Dolinar presented an Extraordinary Service award to Bill Buszinski, John Oltman, Steve Mastro, Mapa Mapagunathne, Ricky Bradford, Vernon Kirk, and De'Lonte Kent for their repairs and improvements to the Masonville Cove Environmental Education Center on behalf of the Maryland Port Administration.

Ms. Dolinar presented an Extraordinary Service award to Robert Natarian, Jerome Lucky, Jamaal Downs, Kelly Bender, Dave Hollens, and Darrius Willie for their site maintenance and management of an industrial site along the Patapsco River, in addition to their other normal duties.

Ms. Slatnick present an Extraordinary Service award to Timothy Sautter, Dwayne Biles, Ryan Dieumegarde, Robert Dishon and Derek Day for their work on the emergency repairs to the main water line at Martin State Airport.

STATE TREASURER, NANCY K. KOPP – RETIREMENT

Judge Smalkin remarked on Treasurer Kopp's long and illustrious career with the State of Maryland. Dr. Glass expressed his appreciation for contributions, and impact on State Policy, and her work with the MES Board.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. There were no expenses to report for this period.

Dr. Glass announced several management changes within the Technical and Environmental Services (TES) group. He thanked Mr. Gillespie for 9 years of dedicated service and introduce Ms. Melissa Slatnick as the new Acting Managing Director for TES. Ms. Slatnick has over 24 years of experience at MES.

Communications throughout the agency, with stakeholders, and with potential clients is a major role of the Executive Director. There has been a ramp up of these activities over the last month. Dr. Glass listed many of the engagements he participated in over the last month with governmental and private sector entities. An interesting project on the horizon is a partnership between the Nature Conservancy, MES and Opti for TMDL credit for forest mitigation, similar to a past project for TMDL credits for stormwater management "smart" ponds.

Dr. Glass attended the ribbon cutting at the Prince George's County Materials Recycling Facility optical sorter upgrade. He also visited various MES sites throughout the State including Poplar Island, Hart-Miller Island, Prince George's County Food Waste Composting facility, and the Maryland Port. Also, after six years of efforts, the pilot project dredging at the Conowingo dam is complete. Dr. Glass thanked Ms. Dolinar, Ms. Slatnick, Mr. Buszinski, Ms. Morris, Mr. Coleman and the entire MES staff for their extraordinary efforts.

MES submitted an RFP to assess and prioritize the stormwater devices throughout Charles County for the Charles County Resiliency Authority.

CONFLICTS OF INTEREST POLICY

Mr. Coleman provided the updated Conflict of Interest Policy. The draft policy was distributed at the meeting last month. Minor changes and updates were submitted and incorporated. The policy requires, among other things, that Board members submit a copy of their Financial Disclosure reports to the MES Clerk and provides guidelines for recusals from votes. It is the responsibility of each Board members to identify potential conflicts. Questions can be directed to the MES Attorney General's office or the State Ethics Commission. Ms. Hwang made a motion to approve the policy, Ms. Kopp seconded. The motion passed unanimously.

AGENCY ACTIVITY REPORT

Judge Smalkin presented the Agency Activity Report and asked if there were any questions.

CONTRACT FOR PROVISION OF REQUESTED SERVICES

The new MES statute requires Board of Public Works approval of contracts for the provision of requested services to non-governmental entities over \$250,000. Ms. Dolinar and Mr. Coleman introduced the yearly budget renewal with Honeywell (formerly Allied Chemical) for operations and monitoring at the closed Hawkins Point Hazardous Waste Landfill. The agreement between MES, MPA, and Honeywell originated in 1983 and has continued with annual budget amendments ever since. The agreement will continue in effect until no regulatory requirements remain on the closed hazardous waste landfill. The Reform Act mandates that certain contracts with non-governmental entities must be approved by the Board of Public Works, but this is a yearly budget amendment. It is unclear if this item needs to be approved by the BPW, so it was presented today just in case. MES staff will be meeting with BPW staff later today to discuss the matter. Secretary Neall moved to approve the Item, Treasurer Kopp seconded. There were no questions, the item passed unanimously.

FINANCIAL REPORT

Mr. Patel presented the September 2021 Financial report. Labor sales were lower than expected across all groups. It is likely this trend will continue, but is not concerning at this point, as the difference can be made up in other areas. The change in net assets is also lower than this time last year, mostly due to the lower labor, overhead recovery, and fringe. The total net assets by the end of the year is typically a 50/50 mix of Invested in Capital Assets and Unrestricted Net Assets. This amount fluctuates throughout the year, and usually ends the year near 50/50. The 2022 Financial plan provides the details for the Budget v. Actual report.

The Accounts Receivable over 90 days is similar to last month. Collection activity continues.

AUDIT COMMITTEE REPORT

Ms. Heller advised that the Audit Committee met on October 27th to discuss several matters. RSM provided their report, as summarized earlier. The Internal Auditor, Winsome Condra also presented her report. She summarized the FY21 audits completed, and the FY22 audits currently in progress. There has been one call that

came into the Fraud Hotline this week. It is currently being investigated. The committee also reviewed and approved four Financial policies. The Committee is recommending approval by the full Board for the following policies: IT Acceptable Use, IT Asset Management, Expense Reimbursement, and Meal Reimbursement. Treasurer Kopp made a motion to approve all four policies, Mr. Witt seconded. The motion passed unanimously.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 723 active positions. The vacancy rate will be 6.22% once pending new hires are brought on board.

HUMAN RESOURCES COMMITTEE REPORT

Ms. Hwang advised that the HR Committee met on October 21st to consider five Human Resources policies. Those policies are Incentive Plans/Bonus Pay, Severance, Tuition Reimbursement, Whistleblower, and Diversity, Equity & Inclusion. The policies were first circulated to the committee on September 15th, then discussed at the HR Committee meeting on September 16th. Corrections and comments were submitted and incorporated. The Committee then reviewed and finalized the policies on October 21st. They were then distributed to the entire Board on October 22nd. Mr. Tanner made a motion to approve the five policies as presented, Treasurer Kopp seconded. The motion passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is for process improvements, data validation, and associated HPMS support services for MDOT SHA. Whitney, Bailey, Cox, Magnani, LLC will provide the services at a cost of \$284,115.20. There is a 59.8% MBE goal. Treasurer Kopp made the motion to approve the item, Secretary Neall seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 2. The procurement is for pavement replacement at the Harford County Solid Waste facility lower compost pad. American Asphalt will provide the service at a cost of \$429,805.31. There is a 100% MBE goal. Treasurer Kopp made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is a change order with ProAmpac Holdings, LLC (formerly Trinity Packaging Co.) for \$138,628.95. It is for Leafgro bags for the Montgomery County Yard Waste Compost Operation. There is a 0% MBE goal.

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Judge Smalkin made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is a change order with Concrete General, Inc. for \$1,300,000. It is for additional drainage maintenance needs provided to MDOT SHA. There is a 10% MBE goal. Work was scaled back last year due to Covid, but extra work has been added this year. Treasurer Kopp made the motion to approve the item, Secretary Neall seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is for a CAT 325 Excavator with Advanced 2D Grade at the Midshore II Landfill. Carter Machinery will provide the excavator at a cost of \$304,069. Mr. Tanner made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously, with the exception of Ms. Heller who abstained.

Ms. Crosby presented Item 6. The procurement is a change order with EA Engineering, Science & Technology, Inc. for \$231,365.15. It is for engineering and design service at the Sandy Hill Landfill. There is a 26% MBE goal. Secretary Neall made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 7. The procurement is for roadway resurfacing at the Brown Station Landfill. The American Asphalt Paving Company will provide the services at a cost of \$757,222. There is a 7% MBE goal. Judge Smalkin made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$200,000 were reviewed.

OLD/NEW BUSINESS

Dr. Glass reported that the MES MBE program reached 32% participation last year. This is better than the State goal of 29%.

Several members had questions about the upcoming Board assessment, since most currently members have only been on the Board for 4 months. It was suggested that a truncated report now, followed by a full report in three years should be requested. Dr. Glass and Treasurer Kopp would bring this suggestion to the General Assembly.

The Proposed 2022 Board meeting schedule was presented.

The next meeting of the Board is Thursday, November 18^h at 9:30 a.m.

CLOSED SESSION

At 11:25 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1) and (8) Judge Smalkin stated that the Board intended to enter closed session to approve the minutes of a prior closed meeting session, to consult with counsel on an open litigation matter, and to discuss the performance of an individual employee of the Service. Judge Smalkin asked if anyone objected to the Board entering closed session, and no objections were heard. He also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Secretary Neall then made a motion that the Board enter closed session for the reasons stated above. Mr. Tanner seconded the motion, all members voted in favor of closing the meeting. Judge Smalkin announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 11:26 am. The online Board members were then transferred to a secure conference video line, and the in-person members, Mr. Coleman, Ms. Carroll, Mr. Ford and Ms. Fuller remained in the main conference room. All other attendees left the meeting.

Judge Smalkin called the meeting of the closed session of the Board to order at 11:26 a.m. Present during the closed session of the Board were Board members Smalkin, Heller, Kopp, Hwang, Neall, Witt, Tanner, and Glass, Assistant Attorneys General Coleman and Carroll, Mr. Ford and Ms. Fuller.

At the start of the closed session Judge Smalkin requested approval of the minutes of the closed session from the meeting of August 26, 2021. One minor correction was noted. The minutes were unanimously approved.

Counsel updated the Board on ongoing litigation. Following the update Mr. Ford and Ms. Carroll left the meeting. The Board then reviewed and discussed modifying the salary for the Deputy Director. After discussion, the Board unanimously approved an annual salary of \$209,765 for the Deputy Director, retroactive to July 1st, 2021.

ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 12:20 p.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR