

**BOARD OF DIRECTORS**  
**MARYLAND ENVIRONMENTAL SERVICE**  
**RESOLUTION**  
**(21-03-1R)**

**A RESOLUTION** modifying

MES Resolutions 99-10-6R, 99-10-7R, 20-04-2R and 20-11-1R by ending the suspension of certain activities of the Service, authorizing implementation of certain incentive programs for Fiscal year 2020, and generally relating to the payment of compensation to certain employees of the Service.

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

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the power to establish a personnel system that is based on merit and compensates employees based on performance.

Pursuant to the Act, the Service has adopted MES Resolution No. 99-10-6R creating the Building Excellence and Success Together ("BEST") incentive program, which includes a BEST Plus component. The Service has also adopted MES Resolution No. 99-10-7R creating an Executive Employee Incentive Plan ("Executive Incentive") for certain designated employees of the Service. Both the BEST program and the Executive Incentive Plan authorize the Service to make additional payments to employees if the agency meets or exceeds BEST goals for each fiscal year. Under the BEST Plus component, the Service may make an additional payment to certain employees of the Service who make extraordinary contributions towards achieving the BEST goals. Pursuant to the two resolutions creating and authorizing the BEST program and the Executive Incentive, the Service is required to make the additional payments to employees by November 30 of each year.

On April 30, 2020, the Board adopted MES Resolution No. 20-04-2R. In that Resolution the Board determined that the Service had met the FY 2020 BEST Goals and authorized that a BEST payment be made to eligible employees in June and July 2020 from funds designated by the Board. The Board did not authorize the early payment of either the Executive Incentive or the BEST Plus component.

On November 19, 2020, the Board adopted MES Resolution No. 20-11-1R. Pursuant to that Resolution the Service temporarily suspended implementation of Resolutions 99-10-6R, 99-10-7R, and 20-04-2R for FY 2020.

As a result of the collective dedication, exceptional performance and personal sacrifice of the Service's employees during the State of Emergency that has existed for more than a year, the Service continues to successfully implement and manage numerous projects for the citizens of Maryland, while also achieving its financial goals for Fiscal Year 2020. The Service has now determined to implement the resolutions that were previously suspended.

The Service considers the adoption of this Resolution to be in furtherance of the purposes of the Act and the Service.

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

1. The suspension of MES Resolutions 99-10-6R, 99-10-7R, and 20-04-2R for Fiscal year 2020 is hereby rescinded.
2. The Service shall make BEST, BEST Plus and Executive Incentive payments to eligible employees in accordance with the "FY20 BEST Proposal" which is attached to this Resolution. Only individuals who are both employed by the Service on the date this Resolution is adopted, and who had successfully completed their probation by June 30, 2020, shall be eligible for such payments.
3. The Service shall have no obligation or liability to make any payment to any current or former employee of the Service under MES Resolution 99-10-6R, 99-10-7R, and 20-04-2R except as expressly provided in this Resolution.

**ADOPTED, this 25<sup>th</sup> day of March 2021.**

SEAL

MARYLAND ENVIRONMENTAL SERVICE

BY: *Charles Glass*  
CHARLES GLASS, PhD., DIRECTOR

BY: *Frederic N. Smalkin*  
FREDERICK N. SMALKIN, SECRETARY

## **FY20 BEST Proposal**

### *Building Excellence and Success Together*

The Service has developed a Building Excellence & Success Together (BEST) incentive program. The Board has recognized that incentives are only to be paid to employees if the Service is successful in achieving or exceeding defined performance goals.

In April 2020, the Board determined the Service was projected to meet the FY20 BEST Goals and authorized that a BEST payment be made to eligible employees. This was done in recognition of the considerable efforts and personal sacrifice that the Service's employees had undertaken to carry out their duties and maintain the critical mission activities of the Service during the State of Emergency and to provide a financial boost right as the COVID-19 pandemic began impacting the economy. The Board did not authorize the early payment of either the BEST Plus or Executive Incentive.

At this time, it is recommended that the Board authorize an additional BEST payment, BEST Plus, and the Executive Incentive.

#### *Distribution of BEST*

FY2020 BEST Pool is \$3,223,385.

In April 2020, \$2,103,000 was paid to 701 eligible employees for BEST. (65.24%)

In June 2020, an Executive Incentive payment was made in the amount of \$41,953. (1.30%)

Balance Remaining after these payments is \$1,078,432.

It is suggested to pay the following amount from BEST Pool:

\$210,300 for additional BEST payment (additional 6.52%)

\$789,480.21 for BEST Plus incentive (24.49%)

\$78,652.47 for Executive Incentive payment (10% of salary - (2.44%))

#### *BEST*

Award the remaining \$210,300 for FY20 BEST payment in the amount of \$300 per eligible employee.

### *BEST Plus*

Distribute the BEST Pool funds in the amount of \$789,480 to Managing Directors to reward individual employees who have made extraordinary contributions to achieving the FY20 BEST Goals and for outstanding performance.

The BEST Plus pool amount will be distributed to each Group based on their billable labor and to Overhead/Administrative Departments based on their non-billable labor.

Each Managing Director will be allotted an amount for their Group to award employees as an additional incentive in their Group.

The Group Managing Directors will provide written recommendations and justifications to the Director for employees recommended for BEST Plus awards.

BEST and BEST Plus payments combined should not be greater than 10% of an employee's salary. Exceptions will be granted for lower salary employees.

The Director will establish fair and equitable criteria for determining which employees may be eligible for a BEST Plus payment.

### *Executive Incentive Payments*

Award Executive Incentive payments in the amount of \$78,652. The amount paid to each executive is 10 % of their base pay.

**MARYLAND ENVIRONMENTAL SERVICE**

**BOARD OF DIRECTORS**

**RESOLUTION NO. 21-03-2R**

**A RESOLUTION**

reaffirming the creation of the Darlington Water Supply Service District; adopting the Eighth Biennial Update to the Five-Year plan for the Service District; and generally relating to the updating and revising of the Five-Year Plan for the Service District.

**RECITALS**

The Service is authorized under its enabling legislation, Sections 3-101 through 3-130 of the Natural Resources Article of the Annotated Code of Maryland, as amended to date (the "Act"), to, among other things, establish service districts for the provision of services, facilities or property used or useful in connection with the supply of water.

**Eighth Biennial Update**

In accordance with the Act, on October 23, 1997, this Board approved Resolution No. 97-10-1R. Resolution 97-10-1R provided for the creation of the Darlington Water Supply Service District (the "Service District"), the adoption of a Five-Year Plan, the acquisition, operation and maintenance of the Darlington Water System (the "System"), and the imposition upon each parcel of real property in the Service District of a charge to recover all costs incurred by the Service related to the Service District and the System (the "Charges"). On October 28, 1999, this Board approved Resolution No. 99-10-1R, which, among other things, reauthorized the assessment of Charges against certain real property in the service District, established the amount of such Charges for calendar years 2000 and 2001, and authorized and directed the Service to place Environmental Service Liens on any real property in the Service district for which a Charge is not paid when due, or to take any other action as is necessary to collect any moneys due to the Service related to the Service District. On August 25, 2011 this Board approved Resolution 11-08A-1R, which among other things, reauthorized the assessment of Charges against certain real property in the Service District, established the amount of such Charges for calendar years 2012 through 2016, and directed the Service to impose and collect reasonable fees for disconnecting, reconnecting, or servicing a water line to a lot or parcel located in the Service District.

Pursuant to section 3-106(i) of the Act, the Service is required to review, update, and readopt the Five-Year Plan for the Service District biennially after review by the municipalities and persons concerned. The Five-Year Plan may be updated and readopted by the Service only after at least one public hearing in each of the counties affected. The Service has previously adopted seven biennial updates. In accordance with the Act, the Service drafted the Eighth Biennial Update to the Five-Year Plan for the Service District (the "Eighth Biennial Update") attached hereto as Exhibit A. On March 10, 2021, the Service conducted a public information hearing in the community of Darlington in Harford

County via a “Teams” virtual hearing on the proposed Eighth Biennial Update. There were no citizen attendees at the hearing, and one comment/question was received from the public prior to the hearing. MES has provided a response to that question. The Service also sent the Eighth Biennial Update to the Harford County Department of Public Works, the Harford County Council, the Maryland Department of the Environment, the Maryland Department of Natural Resources, and the Maryland Office of Planning for review and comment. None of these agencies commented on the content of the Eighth Biennial Update.

The Service considers the adoption of the Eighth Biennial Update, to be in furtherance of the public purposes of the Act and the Service, and to be consistent with the Five-Year Plan.

**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 creation of the Service District is hereby reaffirmed. The boundaries of the Service District shall remain the same as those set forth in the Five-Year Plan as is delineated in Attachment D of the First Biennial Update. The Service may permit a property within the boundaries of the Service District that is not currently connected to the System to connect to the System.

3. The Eighth Biennial Update in substantially the form presented to this meeting is hereby approved, and the Director of the Service shall be, and hereby is, authorized to execute and deliver such Eighth Biennial Update substantially in the form approved hereby 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 actions authorized and approved by this Resolution. The Service is hereby directed to file such Eighth Biennial Update among the permanent records of the Service.

4. In accordance with the provisions of the Eighth Biennial Update, the Service District is hereby updated, revised, and adopted. The Director shall be, and hereby is, authorized to take any and all such actions as are necessary to implement the provisions of the Eighth Biennial Update.

5. The Director and other officers and employees 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 to implement the provisions of the Eighth Biennial Update, to continue to manage the Service’s activities with respect to the Service District, and to accomplish all other matters contemplated by this Resolution.

6. The execution by the Director of the Service of any document authorized herein to be executed by the Director shall constitute conclusive evidence of approval by the

Service of such document, and any and all changes thereto from the form presented to the Board herewith, by the Service.

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

8. The provisions of this Resolution are severable, and if any provision, sentence, clause, section or part hereof is held or determined to be illegal, invalid, unconstitutional or inapplicable to any person, property or circumstances, such illegality, invalidity, unconstitutionality, or inapplicability shall not affect or impair any of the remaining provisions, sentences, clauses, sections or parts of this Resolution or their application to other persons, property or circumstances. It is hereby declared to be the intent of the Board of Directors of the Maryland Environmental Service that this Resolution would have been passed if such illegal, invalid, unconstitutional or inapplicable provision, sentence, clause, section or part had not been included herein, and as if the person, property or circumstances to which this Resolution or any part hereof are inapplicable had been specifically exempted.

**ADOPTED THIS 25<sup>h</sup> DAY OF MARCH 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY: *Charles Glass*  
**CHARLES C. GLASS, PhD., P.E., DIRECTOR**

BY: *Frederic N. Smalkin*  
**JUDGE FREDERIC SMALKIN, SECRETARY**

Attest: *Frederic N. Smalkin*  
**Judge Frederic Smalkin, Secretary**



**THE EIGHTH BIENNIAL UPDATE TO THE FIVE-YEAR PLAN  
For  
THE DARLINGTON WATER SUPPLY SERVICE DISTRICT  
HARFORD COUNTY, MARYLAND**

**Prepared by  
MARYLAND ENVIRONMENTAL SERVICE**

**November 2020**

**I. BACKGROUND**

**A. The Darlington Water System**

The Darlington Water Supply System (the System) serves the community of Darlington, located in northeastern Harford County, Maryland. The System consists of a water treatment plant and distribution system. The system was upgraded in 2003 to replace an outdated system that had been operating since the early 1950's. The system provides potable water to the Darlington community that were serviced by the old system as well as new users. In 1997, the Company's owners, at the request of Harford County, approached the Maryland Environmental Service (MES), and asked MES to form a Service District to provide continuing operation of the System. In 1997 MES formed the Darlington Water Supply Service District (the Service District). The Service District is discussed below in Section II.

The System presently has 105 customer connections including residential units, a school, churches, businesses, fire department, and a post office. The System's main infrastructure includes two wells; one pump house, one hydropneumatic tank, several thousand linear feet of pipe, and water meters for each connection.

The System is described in the Harford County Water and Sewerage Master Plan (the Master Plan) as a community water system lying outside of the Harford County Development Envelope. As such, the Master Plan states that the Darlington water system is "expected to maintain economically viable and physically reliable resources to serve the existing customers," and that "extensive expansion of these systems is not encouraged; however, minor additions to the customer base may be logical and appropriate." The Master Plan also notes that the System does not provide fire flow protection.

## B. The Maryland Environmental Service

The Maryland Environmental Service (MES) is an Independent State agency created by the Maryland General Assembly to provide, among other things, dependable, effective, and efficient water supply services to public and private instrumentalities in compliance with State laws, regulations, and policies governing air, land, and water pollution. The Act giving MES its powers is set forth in the Annotated Code of Maryland, Natural Resources Article, Section 3-101, and subsequent sections.

## **II. THE SERVICE DISTRICT**

On October 23, 1997, MES created the Service District pursuant to its legal authority set forth in the Annotated Code of Maryland, Natural Resources Article, Section 3-106 (see Attachment A) and MES Board of Directors Resolution No. 97-10-1R (see Attachment B). Pursuant to its authority and the Resolution, MES purchased the assets of the Darlington Water Company.

The physical boundaries of the Service District include all properties that were served by the original water system and any individual piece of property, which is within 50 feet of an existing water main. The Service District may over time be modified and enlarged with the appropriate review and approval, but no alteration to the Service District may diminish the level of service rendered to the Service District. MES' goal in establishing the Service District was to maintain the current distribution system configuration and make necessary improvements to allow providing reliable water service to the system customers.

## **III. THE FIVE-YEAR PLAN**

Integral to the establishment of the Service District was the preparation of a Five-Year Plan. The original Five-Year Plan prepared in September 1997 is available for review at the Darlington branch of the Harford County Library and at MES headquarters in Millersville, Maryland. MES is required to review, update, and readopt the Five-Year Plan for the Service District biennially. The Five-Year Plan may be updated and readopted by MES only after at least one public hearing, at which time MES shall take the actions necessary to implement the revised Plan.

This document is the Eighth Biennial Revision of the Five-Year Plan (the Revised Plan) for the Service District. The Revised Plan describes current status along with any proposed changes needed to continue providing potable water within the Service District while maintaining consistency with Harford County's Water and Sewer Master Plan.

Specifically, the Present Plan updates the current financial status of System and reiterates the proposed user fee and special assessment, the Capital Improvement Reserve Fund, and the connection fee for new customers.

## IV. IMPROVEMENTS

### A. Completed Improvements to the System

Upon establishment of the Service District in 1997, MES commenced necessary capital improvements to the System as outlined in the original Five-Year Plan. The initial improvements that were completed in 1998 and 1999 increased overall reliability and performance of the system and included, but not limited to, the following items:

1. The elimination of confined-space entryways at two well houses to allow safe access to subsurface confined areas.
2. The installation of an emergency alarm system for 24-hour notification to reduce operator response time.
3. Installation of mechanical and electrical equipment, such as an emergency generator, compressors, motors, pressure switches, and flow meters.
4. The relocation of a curbside shut-off valve that was located in an abandoned pit.

In addition to making needed repairs, the routine operation and maintenance of the System involves servicing equipment, checking the System components, keeping records and field logs, sampling and analyzing the water, and generating reports for submission to the Maryland Department of the Environment (MDE).

### B. Distribution System Replacement

The water system was originally constructed in the 1950's and as a result experienced frequent water main breaks and equipment malfunctions. Utilizing funding from the Maryland Department of the Environment, the entire water system was replaced with new pipes, valves, and other appurtenances in 2003.

The new distribution system provides improved water pressure and supply and eliminated the problem of "red water" stains caused by deteriorated old distribution system piping. Control and flushing valves were installed to allow isolating sections during flushing operations or when repairs have to be made. Air-relief and pressure-reducing valves were also installed to better regulate the pressure throughout the System.

A hydropneumatic tank was installed that holds a full day supply of water along with an emergency generator to provide backup power during outages. Each customer has a water meter and curb-stop valve.

The total capital cost for the 2003 water treatment plant and distribution system improvements was \$1.5 million.

## V. EXPENDITURES, REVENUES, AND CHARGES

The Maryland Environmental Service (MES) purchased the assets of the Darlington Water Company in 1997. The system was established as a separate enterprise fund of the Service, with the acquisition cost being funded through a loan of \$74,500 from other MES resources. The loan was to be repaid in semi-annual installments over a twenty-year period at an interest rate of 6.85%. The revenues from the project were insufficient to repay the loan and as a result, by December 31, 2010 the principal balance of the loan remained at \$74,500 with over \$50,000 in accrued interest.

In addition to the original loan debt, the Darlington Water System operated at a loss for several years after its acquisition by MES in 1997. The revenue from user fees was insufficient to pay for operating expenses. Despite MES' best efforts, the cumulative cash loss had grown and was projected to reach \$220,000 by the end of June 2011. Combining the cumulative cash debt of \$220,000 plus the original \$74,500 loan brought the total debt amount to \$295,000. As part of a special assessment, a rate increase was needed to pay for these debts. The total debt amount was reduced to \$150,000 as a result of MES forgiving the original loan of \$74,500 and through a Harford County Community Development Block Grant of \$75,000. This is shown in Table I.

TABLE I  
Summary of Outstanding Debt and Proposed Actions

Item	Amount	Proposed Action
1. Original Purchase Debt	\$ 74,500	MES to forgive \$74,500 debt
2. Cumulative Operating Loss (recovered via a Special Assessment)	\$220,500	\$75,000 paid by Harford Co.
3. Depreciation Charges	NA	Payments to start in year 2025
<b>Total</b>	<b>\$295,000</b>	
<b>Less</b>	<b>\$ 74,500</b>	
<b>Less</b>	<b>\$ 75,000</b>	
<b>Reduced Total</b>	<b>\$150,000 (rounded)</b>	

In 2011 MES revised the rate structure for the customers of the Darlington water system. These new rates were introduced in the last update of this document. These new rates took effect in 2012. Since the new rates were put in place the system is no longer operating at a loss and as of June 30, 2020 the debt has been reduced by \$82,500.

The total invoice billed to the customer each quarter also includes \$2.00 for the Sinking Fund reserve which pays for needed repairs or replacement of equipment, wells, water lines, and meters. The fund is not intended to be used

for larger capital improvement projects. As of June 30, 2020, there was \$12,288.00 in the Sinking Fund reserve account.

A separate fee of \$15.00 is charged quarterly for the Bay Restoration Fund. The Bay Restoration Fund fee is a mandatory State imposed fee paid by all Maryland residents that are connected to a sewer system or served by a septic system. The fee was raised by the state of Maryland from \$7.50 to \$15.00 in July 2012.

The rate increase put in place by MES in 2011 should pay off the \$150,000 debt in 15 years. This increase or special assessment was phased in at \$6 per quarter (\$24 each year). The increase continued until 2016, bringing the fixed amount to \$80.10 per quarter per user. The new rate will continue to pay for the annual operating costs and should retire the debt in 2026. The 15-year debt retirement schedule and payment plan out to year 2026 is shown in Table II.

The rate increase was applied to the “Fixed Base” component of the user rate and is paid by all users. However, the user fee also has a variable charge component which is the amount charged per 1000 gallons of water used. Table II shows the estimated user fee amount based on an “average” amount of water used. Those users that use less water will see user fees lower than what is shown in Table II. This is illustrated in Tables IIIA and IIIB which show the user fees for customers with minimum water use and for those with an average amount of use, respectively. As shown in the tables, customers with minimal water use saw their monthly bill increase from \$22 up to \$32 in five years. The customers that use an average amount of water had their monthly bill go from \$35 to \$45 in five years. It should be noted that the \$ amounts used in Table II for future years are estimates. Dollar amounts have been inserted into the table for years past, where MES has actual data.

**TABLE II**  
**Darlington Water System**

**Debt Retirement Plan with Five Year Phase In and Reduced Debt**

Year	Year (1)	Actual and Estimated Net Debt Amount at end of Year (2)**	No. of Users	Total Debt Payment per Year	Debt Payment per User per Year	Debt Payment per User per Quarter	Total User Fee per Quarter (3)	Actual and Estimated Total Annual Revenue**
0	2011	\$150,000	105	0	\$0	\$0	<b>\$107</b>	\$46,400
1	2012	\$147,500	105	\$2,500	\$24	\$6	<b>\$113</b>	\$46,000
2	2013	\$145,000	105	\$2,500	\$24	\$6	<b>\$113</b>	\$48,500
3	2014	\$140,000	105	\$5,000	\$48	\$12	<b>\$119</b>	\$50,400
4	2015	\$127,000	105	\$10,000	\$95	\$24	<b>\$131</b>	\$54,000
5	2016	\$117,500	105	\$12,500	\$119	\$30	<b>\$137</b>	\$50,256
6	2017	\$105,000	105	\$12,500	\$119	\$30	<b>\$137</b>	\$54,488
7	2018	\$92,500	105	\$12,500	\$119	\$30	<b>\$137</b>	\$55,934
8	2019	\$80,000	105	\$12,500	\$119	\$30	<b>\$137</b>	\$53,632
9	2020	\$67,500	105	\$12,500	\$119	\$30	<b>\$137</b>	\$50,465
10	2021	\$55,000	105	\$12,500	\$119	\$30	<b>\$137</b>	\$57,500
11	2022	\$42,500	105	\$12,500	\$119	\$30	<b>\$137</b>	\$57,500
12	2023	\$30,000	105	\$12,500	\$119	\$30	<b>\$137</b>	\$57,500
13	2024	\$17,500	105	\$12,500	\$119	\$30	<b>\$137</b>	\$57,500
14	2025	\$5,000	105	\$12,500	\$119	\$30	<b>\$137</b>	\$57,500
15	2026	\$0	105	\$5,000	\$48	\$12	<b>\$119</b>	\$50,000
(see note 4)								
	TOTAL			\$150,000				

\* The increase in user fee will be applied to the Quarterly Fixed Charge. This analysis assumes the debt is reduced as per notes below.

\*\*Years 2011 through 2020 are based on actual revenues / expenses. 2021 through 2026 are estimates

Notes:

1. Debt retirement period is based on paying off the debt in 15 years.
2. Total debt amount equals the June 2011 projected \$220,500 cash loss plus the \$74,500 used to purchase the water system for a total debt of \$300,000 less \$150,000 contributions from MES and Harford County to bring the net amount of debt to retire to **\$150,000**. This amount does not include the additional debt incurred due to uncollected system depreciation charges.
3. Current average quarterly user fee is obtained by taking average annual revenues of \$45,000 and dividing by 105 users and 4 to express as per quarter which equals = \$107
4. After the \$150,000 debt is fully retired, the debt payments will be put into an escrow account and used to recover the depreciation costs and fund the CIP Reserve Fund.  
This amount ( \$12,500 per year) after 20 years (year 2045) will amount to \$250,000 which is still far less than the actual amount needed for system replacement but is sufficient for significant repairs

**Table III A- 2011 to 2016 Phased Increase User Fee - Minimum Use**

Assumes \$150,000 in Reduced Debt - Showing **Minimum** Use Amount

Bill Component (Amounts per Quarter)	Initial Year	Five Year Phase in Period				
		Year 1	Year 2	Year 3	Year 4	Year 5
	2011	2012	2013	2014	2015	2016
Fixed Base Amount	\$50.10	\$56.10	\$62.10	\$68.10	\$74.10	\$80.10
Minimum User Variable Charge Amount (1000 gallons) <sup>1</sup>	\$6.78	\$6.78	\$6.78	\$6.78	\$6.78	\$6.78
Sinking Fund	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Bay Restoration Fee <sup>2</sup>	\$7.50	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Quarterly Total	\$66.38	\$79.88	\$85.88	\$91.88	\$97.88	\$103.88
Monthly Amount	\$22.13	\$26.63	\$28.63	\$30.63	\$32.63	\$34.63
Annual % Increase	-	20.3%	7.5%	7.0%	6.5%	6.1%

**Table III B- 2011 to 2016 Phased Increase User Fee - Average Use**

Assumes \$150,000 in Reduced Debt - Showing **Average** Use Amount

Bill Component (Amounts per Quarter)	Initial Year	Five Year Phase in Period				
		Year 1	Year 2	Year 3	Year 4	Year 5
	2011	2012	2013	2014	2015	2016
Fixed Base Amount	\$50.10	\$56.10	\$62.10	\$68.10	\$74.10	\$80.10
Average User Variable Charge Amount (per 1000 gallons) <sup>3</sup>	\$47.10	\$47.10	\$47.10	\$47.10	\$47.10	\$47.10
Sinking Fund	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Bay Restoration Fee <sup>2</sup>	\$7.50	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Quarterly Total	\$106.70	\$120.20	\$126.20	\$132.20	\$138.20	\$144.20
Monthly Amount	\$35.57	\$40.07	\$42.07	\$44.07	\$46.07	\$48.07
Annual % Increase	-	12.7%	5.0%	4.8%	4.5%	4.3%

After the cash debt is paid off in year 15 (see Table II), the increased fee amount of \$30 per quarter will be placed into a Capital Improvement Reserve Fund. This reserve fund will be used to pay for major capital improvements that will be needed in the next 20 to 50 years. The cost to replace the existing system is estimated to be \$1.5 to \$2 million. By applying the \$30 per user per quarter fee, it will accrue \$12,500 per year, \$250,000 in 20 years, and \$625,000 in 50 years. This amount is still inadequate to allow complete replacement of the System in 50 years but should allow all or partial replacement of the most critical System components.

The previously described user rate increase was instituted to pay off the current debt. However, the largest part of the user rate is the “base amount” which pays for the annual operations and maintenance costs. Since these costs increase over time due to inflation and consumer price increases, it was also proposed that the user rate be adjusted annually to account for such increases. The rate will be increased each July in accordance with the change in the Consumer Price Index (CPI)\* from July of the previous year to July of the current year. For example, in the last 10 years the CPI has increased annually from 0.2% to 4.5%. The increase will be applied to the “Fixed Base Amount” component of the user rate.

Table III C shows the adjustment in the fixed based amount based on the CPI from 2016 to 2021.

**Table III C- 2016 to 2021 Consumer Price Index Adjusted User Fee- Average Use**  
Showing **Average** Use Amount

Year	2016	2017	2018	2019	2020	2021
Fixed Base Amount	\$85.12	\$86.93	\$87.96	\$90.16	\$90.16	\$91.97
Average User Variable Charge Amount (per 1000 gallons) <sup>3</sup>	\$47.10	\$47.10	\$47.10	\$47.10	\$47.10	\$47.10
Sinking Fund	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00	\$2.00
Bay Restoration Fee <sup>2</sup>	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00	\$15.00
Quarterly Total	\$149.22	\$151.03	\$152.06	\$154.26	\$154.26	\$156.07
Monthly Amount	\$49.74	\$50.34	\$50.69	\$51.42	\$51.42	\$52.02
Annual % Increase	-	1.2%	0.7%	1.4%	0.0%	1.2%

<sup>1</sup> This is the minimal amount of usage of 1000 gallons per quarter

<sup>2</sup> This is a fee assessed by the State of Maryland and not under MES control.

<sup>3</sup> This amount is an average across all users. The amount is estimated by taking taking 2010's total revenues of \$46,279 and dividing by 105 users and then 4 to express as per quarter. This gives \$107 per user per quarter. Subtracted from this figure is \$59.60 (sum of base amounts 50.10+2.00+7.50) which gives the average variable charge per user per quarter of \$47.40

## VI. ADDITIONAL CONSIDERATIONS

### A. Fire Suppression Service

The existing System does not include enough storage or large enough pipes to provide for fire protection.



## B. Responsibilities of the Customer

The System customers receive quarterly invoices based on water usage. Each customer is responsible for remittance of invoice payment within 30 calendar days of the invoice date. Late payment charges will be assessed in accordance with Maryland Law. It should also be noted that failure to pay water bills could result in service being shut off to the delinquent account, pending receipt of the payment. As stated in the Annotated Code of Maryland, Natural Resources Article, Section 3-108, if a customer has not paid an invoice in full within 60 days of the due date of the invoice, the unpaid bill becomes a lien against the property served. Each customer is responsible for maintenance of the lateral water line serving his or her property. This lateral line includes the length of pipe immediately following the water meter vault up to, and entering, the property being served.

## C. New Service Connections

All requested and proposed, connections to the System must be approved by MES. If a property owner wishes to be connected to the System, the owner will be responsible for paying, (1) purchase and installation of a lateral line, shut-off (curb stop) valve, all appurtenances necessary for connection to the main line including a water meter vault and meter, (2) the cost of having a MES Construction Inspector present during the installation of the lateral line and the actual connection to the water system, and (3) a service connection fee for each connection.

MES has increased the connection charge to \$2,000. This connection fee is in line with current service connection fees charged by other county and municipal jurisdictions. The connection fee will be used to pay off existing debt and/or to pay into the sinking fund.

Requests for connections will be reviewed based on the location of the property with respect to the System, the additional demand on the System, and the ability of the System (piping size and capacity) to deliver the requested amount of water.

A request for connection to the Water System may be made by submission of a written request to MES at the following address:

Water and Wastewater Group  
Maryland Environmental Service  
259 Najoles Road  
Millersville, Maryland 21108

Attn: Northern Regional Engineer, Harford County

## Darlington Water System connection request

### D. Water Quality

The plant continues to produce water that complies with all State and Federal water quality regulations. In 2009 in response to customer complaints related to water hardness, MES installed a chemical feed system to add ortho - polyphosphate to the water to prevent scaling and related problems associated with hardness. This has alleviated most of the complaints. A more effective strategy could be implemented but it was determined that the costs were too great. It is important to note that since the Darlington Water System only has 105 customers, it does not allow spreading the cost of improvements over a large customer base. Therefore, as a result MES is trying to be more aggressive with future planning and generating revenue to cover needed improvements before the systems break down.

### E. Water Audit

The MES performed a rudimentary water audit for calendar 2014 to verify the integrity of the new distribution system. A water audit simply compares the amount of water produced at the plant to the amount of water used as recorded by the individual water meters that are located at each customer connection. The results of the audit indicated that there was one major leak, at one specific address, which didn't cause any problems at the water plant. This leak has since been repaired by the customer. When the very high meter readings from the leaking service connection were omitted from the audit calculation it was determined that there was little leaking in the rest of the Darlington water distribution system.

### F. Setting Customer Rates and the Appeal Process

The current user rates were adopted in 2011. Sections 3-108 and 3-128 of the Annotated Code of Maryland, Natural Resources Article, outlines the procedure for setting customer rates and the opportunity for appeal. Section 3-108 (a) specifically discusses the determination of charges and costs, and states that before establishing or adjusting charges in a service district, MES shall publish a notice of the proposed charges and hold a public hearing on the proposed charges. Therefore, customers will receive advance notice of the proposed rate increase and an opportunity to voice their opinions and concerns.

Section 3-128 describes the appeal process which entails arbitration provided by the Public Service Commission.

**BOARD OF DIRECTORS**  
**MARYLAND ENVIRONMENTAL SERVICE**  
**RESOLUTION**  
**21-07-1R**

**A RESOLUTION**

**CONFIRMING THE AUTHORITY OF THE EXECUTIVE DIRECTOR OF THE MARYLAND ENVIRONMENTAL SERVICE (“SERVICE”) TO CLOSE CERTAIN OFFICES AND FACILITIES OF THE SERVICE ON FRIDAY, JUNE 18, 2021; AUTHORIZING THAT JUNETEENTH NATIONAL INDEPENDENCE DAY (“JUNETEENTH”) WILL BE AN OFFICIAL HOLIDAY OF THE SERVICE; 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**, June 19<sup>th</sup>, as Juneteenth National Independence Day, has been designated a Federal and State Holiday; and

**WHEREAS**, by law, the offices of most Federal and State agencies were closed on Friday, June 18, 2021 in honor of Juneteenth.

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

1. The Executive Director was authorized to close most of the Service’s offices and facilities

**Resolution No. 21-07-1R**  
**Authorization to Close MES Offices on Juneteenth**  
**Page 2**

on June 18, 2021.

2. The Executive Director shall close the offices and facilities of the Service on Juneteenth, 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.
3. All employees of the Service shall be granted paid leave for the Juneteenth holiday, in the same manner as if that day were a Holiday under COMAR 14.27.02.15.A.

**ADOPTED, this 15<sup>th</sup> day of July 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

*Frederic N. Smalkin*

**BY:** \_\_\_\_\_  
**HONORABLE FREDERIC N. SMALKIN**  
**CHAIR**

*Robert L. Witt, II*

**BY:** \_\_\_\_\_  
**ROBERT L. WITT, II**  
**SECRETARY**

**BOARD OF DIRECTORS**  
**MARYLAND ENVIRONMENTAL SERVICE**  
**RESOLUTION**  
**21-09-1R**

**A RESOLUTION**

**AUTHORIZING THE EXECUTIVE DIRECTOR OF THE MARYLAND ENVIRONMENTAL SERVICE (“SERVICE”) TO CLOSE CERTAIN OFFICES AND FACILITIES OF THE SERVICE ON FRIDAY, NOVEMBER 26, 2021, 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 26, 2021.

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

1. The Executive Director may close the offices and facilities of the Service on Friday, November 26, 2021, 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 26, 2021, in the same manner as if that day were a Holiday under COMAR 14.27.02.15.A.

**Resolution No. 21-09-1R**  
**Authorization to Close MES Offices on 11/26/21**  
**Page 2**

**ADOPTED, this 23<sup>rd</sup> day of September 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

*Frederic N. Smalkin*

**BY: \_\_\_\_\_**  
**HONORABLE FREDERIC N. SMALKIN**  
**CHAIR**

*Robert Witt*

**BY: \_\_\_\_\_**  
**ROBERT WITT**  
**SECRETARY**

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 21-11-1R**

**A RESOLUTION**

**AUTHORIZING THE SERVICE TO TEMPORARILY PROVIDE  
ADDITIONAL PAID LEAVE FOR CERTAIN EMPLOYEES OF THE  
SERVICE, AND GENERALLY RELATING TO THE EMPLOYMENT  
BENEFITS OF EMPLOYEES OF THE SERVICE.**

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

Pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland (“Authorizing Statute”), the Maryland Environmental Service (“Service”) is directed and authorized to establish a personnel system. The Service, in accordance with the Authorizing Statute, has adopted regulations at COMAR 14.27.02 which establishes the Human Resources System of the Service (“HR Regulations”). Certain employees of the Service are provided various types of paid leave under the HR Regulations, including paid sick leave.

The United States of America, and in particular the State of Maryland, have been significantly impacted by the onset of a severe respiratory disease known as COVID-19. In order to prevent individuals from becoming sick with COVID-19 various vaccines have been made available, at no charge, to most of the population in Maryland, including employees of the Service. There is agreement among health care professionals that individuals who have received a COVID-19 vaccine may still test positive for COVID-19. There are also individuals who are exempt from receiving a COVID-19 vaccine.

Pursuant to State law the Governor of Maryland has authorized an additional leave benefit (“COVID-19 Leave”) for employees in the State Personnel Management System and employees of the Maryland Department of Transportation who meet certain criteria with respect to the COVID-19 vaccine and still test positive for COVID-19. The purpose of this Resolution is to authorize the

Service to provide the same COVID-19 Leave for Service employees.

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

1. In addition to the sick leave benefits provided pursuant to the HR Regulations, the Service shall also provide up to eighty (80) hours of paid COVID-19 Leave to eligible employees of the Service.
2. To be eligible for COVID-19 Leave an employee must:
  - A. Be fully vaccinated prior to usage of COVID-19 Leave, including having received any required boosters;
  - B. Provide proof of vaccination or proof of vaccine exemption to the Service's Human Resources Division;
  - C. Provide a positive PCR, non-rapid test result to the Service's Human Resources Division;
  - D. Submit all required documentation to the Service's Human Resources Division by the end of the pay period that follows the pay period for which the employee is requesting COVID-19 Leave.
3. An employee must utilize COVID-19 Leave consecutively and in full-day blocks of time but is not required to utilize the full 80 hours.
4. The Service may not reimburse an employee for unused COVID-19 Leave, and COVID-19 Leave shall not be included in the Service's leave buy-back program. An employee who utilizes COVID-19 Leave shall not be deemed to have utilized sick leave for purposes of determining sick leave usage.
5. In implementing this Resolution, the staff of the Service may rely on guidance issued by the Maryland Department of Budget and Management ("DBM") and may utilize forms prepared by



DBM.

6. Notwithstanding the date this Resolution is adopted, COVID-19 Leave shall be available to the Service's employees from November 3, 2021, through December 31, 2021. If the Governor of Maryland extends COVID-19 Leave for employees in the State Personnel Management System beyond December 31, 2021, then this Resolution shall continue in effect for the same period of time without further action by the Board.

7. Except as expressly set forth herein, this Resolution does not create any rights, vested or contingent.

**ADOPTED, this 18<sup>th</sup> day of November 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

*Frederic N. Smalkin*

**BY: \_\_\_\_\_**  
**HONORABLE FREDERIC N. SMALKIN, CHAIR**

*Robert L. Witt, II*

**BY: \_\_\_\_\_**  
**ROBERT L. WITT, II, SECRETARY**

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 21-12-1R**

**A RESOLUTION**

**CREATING A CERTAIN PROJECT RESERVE FUND, AUTHORIZING  
THE TRANSFER OF FUNDS TO THAT PROJECT RESERVE FUND, AND  
AUTHORIZING THE USE OF SUCH FUNDS BY THE SERVICE.**

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

The Service was created by, exists under, and exercises the powers contained in Sections 3-101 to 3-130, inclusive, of the Natural Resources Article of the Annotated Code of Maryland (the "Act") including (among others) the powers (i) to acquire, construct, reconstruct, rehabilitate, improve, maintain, and operate water, wastewater, solid waste and energy projects within or without the State; (ii) to create and establish project reserve funds, and (iii) to pay into such project reserve funds moneys appropriated and made available by the State for the purposes of such funds, and any other moneys which may be received or otherwise made available to the Service from any other source or sources which the Service has designated for deposit into such funds.

By virtue of Executive Order 01.01.1971.11, and policy of the Board of Public Works of Maryland, the Service has been directed to operate and maintain solid waste, water and wastewater facilities owned by the State of Maryland. The Service is also authorized under the Act to operate energy projects. Pursuant to such authority the Service operates the Eastern Correctional Institution ("ECI") Cogeneration Facility. The Service is reimbursed by the State, through the Department of Management and Budget, for the costs the Service incurs in providing its services ("Reimbursable Revenue"). Due to efficiencies and savings implemented by the Service in Fiscal Year 2021, the Service underspent the Reimbursable Revenue made available to it by the State by the approximate amount of \$1,659,000.

The ECI Cogeneration Facility currently burns wood chips to produce electricity, steam and hot water required at the ECI complex. The Service has been authorized to arrange for the delivery of natural gas as a fuel source to replace the wood chips. The Service has also been authorized to make modifications to the existing ECI infrastructure so that the ECI Cogeneration Facility can cease utilizing wood chips and instead accept and utilize natural gas ("Energy Upgrade Project").

Funds to design and construct the Energy Upgrade Project have been made available to the Service by the State. Due to the current high demand for construction services, particularly in the energy production area, the Service does not believe that the funds available to it will be sufficient to fully implement the Energy Upgrade Project. The Service intends, with the approval of the Secretary of Budget and Management, to utilize the unspent Reimbursable Revenue for the additional costs it incurs in implementing the Energy Upgrade Project. The Service intends that only unexpended monies that have previously been appropriated by the General Assembly and made available to the Service for the operation and maintenance of State-owned water, wastewater and energy facilities shall be deposited into the project reserve fund created by this Resolution. The Service considers the use of unearned Reimbursable Revenue to implement the Energy Upgrade Project to be in furtherance of the purposes of the Act and the Service.

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

1. There is an ECI Energy Upgrade Project Reserve Fund ("Fund"). The Fund shall be a project reserve fund, as permitted pursuant to Section 3-103(h) of the Act.
2. Subject to the approval of the Secretary of Budget and Management, the Service shall transfer \$1,659,203.50 from FY 2021 State unearned Reimbursable Revenue to the Fund. In subsequent fiscal years the Service may, with the approval of the Secretary of Budget and Management, transfer State unearned Reimbursable Revenue to the Fund. The total amount of the Fund may not exceed \$2,000,000 at any time.
3. Monies in the Fund may only be expended for the Energy Upgrade Project. Monies in the Fund may not be expended without the prior approval of (a) the Board of Directors of the Service and (b) the Secretary of Budget and Management. Any monies in the Fund not spent by June 30, 2024, shall be remitted to the State, and the Fund shall cease to exist as of that date.

4. In accordance with Section 3-103(h)(4), the Service shall expend monies in the Fund in accordance with the provisions of the Act.
5. This Resolution shall take effect immediately.

**ADOPTED, this 16<sup>th</sup> day of December, 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY:   
**HONORABLE FREDERIC N. SMALKIN, CHAIR**

BY:   
**ROBERT L. WITT, II, SECRETARY**

**BOARD OF DIRECTORS**  
**MARYLAND ENVIRONMENTAL SERVICE**  
**RESOLUTION**  
**21-12-2R**

**A RESOLUTION**

**APPROVING A 401(k) RETIREMENT PLAN ADOPTION AGREEMENT WITH THE VANGUARD GROUP, APPROVING A TRUST AGREEMENT WITH VANGUARD FIDUCIARY TRUST COMPANY, AUTHORIZING CERTAIN OFFICERS AND EMPLOYEES TO EXECUTE THE AGREEMENTS, DESIGNATING THE DEPUTY TREASURER TO SERVE AS DIRECTING FIDUCIARY UNDER THE TRUST 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**, since 1985, the Board of Directors of the Service (“Board”) has from time to time approved various adoption agreements, amendments, and other agreements with the Vanguard Group establishing a 401(k) Savings Plan (“Plan”) for Service employees; and

**WHEREAS**, the Board desires to approve an updated Adoption Agreement (“2021 Adoption Agreement”) with the Vanguard Group, and a Trust Agreement (“2021 Trust Agreement”) with the Vanguard Fiduciary Trust Company.

**Resolution No. 21-12-2R**  
**401(k) Plan – Adoption and Trust Agreement**  
**Page 2**

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

1. The Nonstandardized Profit Sharing/401(k) Plan Adoption Agreement which is attached as Exhibit “A” is hereby approved.
2. The Trust Agreement which is attached as Exhibit “B” is hereby approved.
3. The Executive Director of the Service is hereby authorized to execute, acknowledge and deliver the 2021 Adoption Agreement and the 2021 Trust Agreement, with any changes, insertions and omissions therein as may be approved by the Executive Director, such approval to be conclusively evidenced by execution and delivery of such documents. The Executive Director and the other officers of the Service are each hereby authorized to affix the official seal of the Service to the 2021 Adoption Agreement and the 2021 Trust Agreement and attest the same.
4. The Executive Director, the Deputy 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, 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.
5. The Deputy Treasurer is hereby designated the Directing Fiduciary under the 2021 Trust Agreement.
6. Pursuant to Section 6 of the Adoption Agreement, the Service will make discretionary Employer Contributions (as defined in the 2021 Adoption Agreement) to the Plan on behalf of Plan Participants (as defined in the 2021 Adoption Agreement). The amount of each Employer Contribution will be a percentage of a Plan Participant’s Plan Compensation (as defined in the 2021 Adoption Agreement), not to exceed 6 percent. The percentage amount applied to a Plan Participant’s Plan Compensation will be based on the amount the Plan Participant contributes to the Plan, as listed below:

**Resolution No. 21-12-2R**  
**401(k) Plan – Adoption and Trust Agreement**  
**Page 3**

Employee Contribution	Employer Matching Contribution
0 %	3 %
1 %	3.5 %
2 %	4 %
3 %	4.5 %
4 %	5 %
5 %	5.5 %
6 %	6 %

7. This Resolution shall be effective immediately.

**ADOPTED this 16<sup>th</sup> day of December 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY:   
**HONORABLE FREDERIC N. SMALKIN, CHAIR**

BY:   
**ROBERT L. WITT, II, SECRETARY**

**BOARD OF DIRECTORS  
MARYLAND ENVIRONMENTAL SERVICE  
RESOLUTION 21-12-3R**

**A RESOLUTION**

**AUTHORIZING THE SERVICE TO MAKE A COVID VACCINATION INCENTIVE PAYMENT TO EMPLOYEES; AND GENERALLY RELATING TO THE PAYMENT OF COMPENSATION TO CERTAIN EMPLOYEES OF THE SERVICE.**

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

Pursuant to §3-103.1(b) of the Natural Resources Article of the Annotated Code of Maryland (“Authorizing Statute”), the Maryland Environmental Service (“Service”) is directed and authorized to establish a personnel system. The Service, in accordance with the Authorizing Statute, may the compensation it pays to employees of the Service

The United States of America, and in particular the State of Maryland, have been significantly impacted by the onset of a severe respiratory disease known as COVID-19. In order to prevent individuals from becoming sick with COVID-19 various vaccines have been made available, at no charge, to most of the population in Maryland, including employees of the Service. Persons who are fully vaccinated are at a reduced risk of contracting COVID-19, are at reduced risk of transmitting the virus that causes COVID-19 and have less severe symptoms if they do contract COVID-19 after being fully vaccinated.

Pursuant to State law, and in order to encourage individuals to obtain a COVID-19 vaccine, the Governor of Maryland has authorized a cash payment (“COVID-19 Incentive”) for employees in the State Personnel Management System and employees of the Maryland Department of Transportation. The Board of Directors supports the Governor’s efforts to reduce the impacts of COVID-19 on the State. The purpose of this Resolution is to authorize the Service to provide the same COVID-19 Incentive for Service employees who become fully vaccinated.



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

1. The Service shall make a one-time COVID-19 Incentive payment of \$100 to each employee who provides proof of full vaccination and agrees to receive any subsequent booster shots that may be required within a period of 12-months from the date of full vaccination.
2. All employees of the Service, including temporary and part-time employees, and Assistant Attorneys General assigned to the Service, are eligible for the COVID-19 Incentive.
3. An employee who has a documented medical or religious reason that prohibits the employee from receiving the COVID-19 vaccine will be eligible for the COVID-19 Incentive but may be subject to increased health monitoring and testing requirements.
4. To receive the COVID-19 Incentive, an employee must present the original or a copy of the employee's vaccination card or MDH certificate to the Service's Human Resources Division, or the requisite exemption documentation and sign an acknowledgment that the employee is agreeing to remain fully vaccinated for a period of 12 months or will repay the COVID-19 Incentive. The COVID-19 Incentive will be paid by the Service within thirty days from the date that the employee has submitted all required documentation to the Service's Human Resources Division.
5. In implementing this Resolution, the staff of the Service may rely on guidance issued by the Maryland Department of Budget and Management ("DBM") and may utilize forms prepared by DBM for the State's COVID-19 Incentive.
6. Except as expressly set forth herein, this Resolution does not create any rights, vested or contingent.

7. Notwithstanding the date this Resolution is adopted, any employee who was employed by the Service on the date the employee became fully vaccinated is eligible for the COVID-19 Incentive.

**ADOPTED, this 16<sup>th</sup> day of December 2021.**

**SEAL**

**MARYLAND ENVIRONMENTAL SERVICE**

BY:   
**HONORABLE FREDERIC N. SMALKIN, CHAIR**

BY:   
**ROBERT L. WITT, II, SECRETARY**