



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

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

BOARD OF DIRECTORS MEETING MINUTES

MEETING 1-22

January 27, 2022

LOCATION: Conference/Video Call

TIME: 9:30 a.m.

DIRECTORS PRESENT: Judge Frederic Smalkin, Chair
Robert Witt, II, Secretary
Robert Neall, Treasurer
Honorable Dereck Davis, Treasurer of Maryland
Shelley Heller
Marian Hwang, Esq.
Hiram Tanner

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

DIRECTORS ABSENT: None

OTHERS PRESENT:

Sean Coleman, Esq.
Ellen Frketic
Tim Barr
Hattie Crosby
Marni Dolinar
Tim Ford
Pamela Fuller
Hament Patel

Melissa Slatnick
Jewel White
Casey Powers
Jana Leech
Priscilla Carroll, Esq.
Eric Hartlaub, Esq.
Christy Fisher, Esq.
Carla Loving

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:33 a.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

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Judge Smalkin extended his welcome to new Board member, Dereck Davis who was just sworn in as State Treasurer, replacing retiring State Treasurer Nancy Kopp.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of December 16, 2021. No corrections or objections were noted. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. Dr. Glass's credit card statement included hotel stays for himself and Mr. Tosi for their trip to Western Maryland. Deputy Director Frketic had no expenses last month.

In appreciation of their dedication and hard work, and taking into consideration rising costs nationwide, Dr. Glass recommended bonuses and salary increases for agency employees who were hired prior to January 1, 2022. He recommended a \$1,500 bonus payment and a general 3% salary increase, similar to what the State recently granted to State employees. The salary increase will be effective February 9, 2022, which is the start of the first full pay period following the Board meeting. The bonus will be paid from contingency funds and will not impact the FY22 net operating income. Secretary Neall made a motion to approve the recommendation, Mr. Davis seconded. The motion passed unanimously.

The Operator in Training (OIT) program is a 3-year program to train employees to become licensed operators of water and wastewater facilities. It has been several years since this program has been modified. Step one will be to examine the wages offered, as compared to other water and wastewater operators in the State, to help hire and maintain current OITs. A new workgroup has also been formed to help recruit new applicants. The group is reaching out to high schools, technical programs, job fairs, and veteran's associations. Last year, out of 200 applicants, only 14 accepted the position.

The 2022 Legislative session has kicked off. The Governor's FY2023 budget has been released and included all of MES' requested funds in operating and capital projects. In addition, \$6 million was included to further study and implement a dredging program with beneficial and innovated reuse of Conowingo sediment. A \$7.2 million item was included for the ECI Co-Generation plant conversion to natural gas.

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The agency budget hearings are scheduled for February 9 and 10 for the State reimbursable operating budget, and February 22 and 23 for the State capital budget.

The Covid state of emergency has again prevented site visits over the last month. Dr. Glass did have a busy month of meetings with clients and potential clients, and several engineering firms.

A workgroup has been formed between the Executive Office and IT to create an HR Dashboard that gives real-time data on the state of the Human Resources Group. The Group Administrators have been trained and the data in Workday is being kept up to date. Training of Hiring Managers is planned for the end of the week.

The quarterly All-Teams meeting was held on Tuesday. The themes of the Strategic Plan were presented, and a SWOT (Strength, Weakness, Opportunity, Threat) analysis has begun with a questionnaire to all MES employees.

Russell Brown, Senior Manager, Operations for the Prince George's County Materials Recycling Facility has retired after more than 30 years. Mr. Brown is an example of who the agency needs to recruit now. He started at the agency in 1988 as a heavy equipment operator, and through training and education, progressed to the position of Senior Project Manager. He will receive a Governor's Citation and the Executive Director's Citation.

AGENCY ACTIVITY REPORT

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

FINANCIAL REPORT

The December financial statements were included in the Board packet. Labor sales have remained steady over the last six months. They are about \$900,000 lower than FY21 at this same point. While the agency has not lost any projects or clients, the scope of work on many projects has been reduced or altered. Billable labor has been lower than expected, but expenses have also been lower. The change in net assets is an increase of \$2.6 million, like last year. The total net assets by the end of the year are typically a 50/50 mix of invested capital assets and unrestricted net assets. This amount fluctuates throughout the year, but usually is near 50/50 at year end. Any increase in net assets at the end of the year can be used for BEST payments or investments in capital assets. The 2022 Financial plan provides the details for the Budget v. Actual report.

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

HUMAN RESOURCES REPORT

Ms. White presented the newly revised Human Resources Report. The agency has 727 active positions. The vacancy rate is 8.78%. Now that the position control system has been activated in Workday, a snapshot report will be generated every pay day. The vacancy trends report continues to climb. It is hoped new recruitment efforts will help reduce this trend.

RESOLUTION 22-01-1R

Ms. White presented Resolution 22-01-1R to provide two hours of Covid-19 vaccine booster leave to eligible employees of the Service. This resolution is the same as the practice followed by the State. Employees must provide evidence of their vaccination status to the agency before they can be credited with the leave. Ms. Heller made the motion to approve the Resolution, Ms. Hwang seconded. The motion passed unanimously.

GROUP UPDATES: **ENVIRONMENTAL DREDGING AND RESTORATION**

Ms. Marni Dolinar, Managing Director of the Environmental Dredging and Restoration Group presented an overview of the Group and several of its major projects. The team consists of 125 people across six units. She summarized the major service areas covered by the Group, including a major role supporting projects for the MDOT MPA. Ms. Dolinar then summarized current activities at:

- Cox Creek DMCF – the facility is preparing for Corps inflow of dredged material, recently completed pilot testing of the floating weir, and is preparing for +60-dike construction.
- Masonville DMCF – new permits were finalized, a breeding eagle pair is back, dike construction continues.
- Poplar Island DMCF – sand recovery is underway for future dike raisings, no permit non-compliances have occurred, snowy owls have been spotted onsite.
- Hart-Miller Island DMCF – trench maintenance continues, Blue Heron crew boat was taken to contractor to install new diesel engines.
- Dundalk Marine Terminal – groundwater treatment plant upgrades underway.
- Hawkins Point Hazardous Waste Landfill – new permits being prepared.

- Conowingo Pilot Dredging Project – project began in September 2021, trucking to processing facility completed in October 2021.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is a change order with HRI Construction LLC/M2 Construction for \$259,000. It is for UV oxidation system installation at the Cunningham Falls State Park Water Treatment Plant. There is a 10% MBE goal, contractor is currently achieving 9.7%. Mr. Witt made the motion to approve the item, Treasurer Davis seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 2. The procurement is a pre-solicitation approval for \$260,000 for purchase of a road grader for the Poplar Island environmental restoration project. There is no MBE goal. Mr. Tanner made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is a change order with Delval Equipment Corporation for \$613,541.46. It is to furnish new dual burners, economizers, fuel trains, and controls for the ECI Co-Gen fuel conversion upgrade. There is a 0% MBE goal. Treasurer Davis made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is a change order with ReliaStar Life Insurance Company for \$1,021,947.36. It is for year two of a two-year contract for short term disability, long term disability, and life insurance provided to eligible employees of the Service. There is no MBE goal. Treasurer Davis made the motion to approve the item, Mr. Witt 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 announced the agency is bringing back the Supervisor/Manager training program offered through the Anne Arundel Community College. It is a five-month training program. Candidates have already been selected.

Judge Smalkin welcomed Treasurer Davis to the MES Board. Treasurer Davis served in the General Assembly for 27 years. The State Treasurer is a member of 27

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Boards and Commissions. He thanked everyone for their welcome and looks forward to learning more about the agency.

The next meeting of the Board is Thursday, February 24, 2022, at 9:30 a.m.

CLOSED SESSION

At 10:35 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1), (7) 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 open litigation matters, 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. Ms. Heller 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 10:35 a.m. The online Board members were then transferred to a secure conference video line.

Judge Smalkin called the meeting of the closed session of the Board to order at 10:39 a.m. Present during the closed session of the Board were Board members Smalkin, Davis, Heller, Hwang, Neall, Witt, Tanner, and Glass. They were joined by Mr. Coleman, Ms. Frketic, Ms. Carroll, Mr. Hartlaub, Ms. Fisher, Mr. Ford, Ms. Loving, and Ms. Fuller. All other attendees left the meeting.

At the start of the closed session Judge Smalkin requested approval of the minutes of the closed session from the meeting of October 28, 2021. Mr. Witt made a motion to approve the minutes, Ms. Heller seconded. The minutes were unanimously approved.

Counsel updated the Board on the status of several pending litigation matters. Following the update Mr. Ford, Mr. Hartlaub, Ms. Fisher, and Ms. Frketic left the meeting.

Ms. Loving then briefed the Board on a discrimination complaint submitted by a former employee and the subsequent investigation. Ms. Loving, Ms. Carroll, and Dr. Glass then left the meeting.

The Board then reviewed and discussed modifying the salary for the Executive Director and Deputy Director. After discussion, the Board approved a salary increase of

3% and a bonus payment of \$1,500 for the Executive Director and the Deputy Director. The salary increase will be effective February 9, 2022.

ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 11:34 a.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR