



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

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

**BOARD OF DIRECTORS
MEETING MINUTES
MEETING 5-22
May 26, 2022**

LOCATION: Conference/Video Call

TIME: 9:30 a.m.

DIRECTORS PRESENT: Judge Frederic Smalkin, Chair
Robert Witt, II, Secretary (video)
Robert Neall, Treasurer
Honorable Dereck Davis (video)
Joanna Kille (Treasurer's Designee) (video)
Shelley Heller (video)
Marian Hwang, Esq. (video)
Hiram Tanner, Jr., P.E.
Charles Glass, Ph.D., P.E.

DIRECTORS ABSENT: None

OTHERS PRESENT:

Sean Coleman, Esq.	Melissa Slatnick
Priscilla Carroll, Esq. (video)	Steven King
Ellen Frketic	Casey Powers (video)
Tim Barr	Jana Leech (video)
Hattie Crosby	Winsome Condra
Marni Dolinar	Gary Lasako (out at 9:40 a.m.)
Tim Ford	Martin Goeller (out at 9:40 a.m.)
Pamela Fuller	Valerie Colimon, RSM (out at 10:15 a.m.)
Hament Patel	

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:34 a.m. Some Board members and staff were present at Maryland Environmental Service (MES) Headquarters, and other Board members and staff participated via Zoom videocall. The meeting was streamed live to the public on YouTube.

INSPIRE AWARDS

Ms. Slatnick presented an Extraordinary Service Inspire Award to Martin Goeller, a Senior Mechanic in the TES Group. Mr. Goeller received this award for finding an effective and cost-saving solution for the in-house commercial driver's license (CDL) training program at BWI.

Mr. Ford presented the Extraordinary Service Inspire Award to Gary Lasako, a Senior Project Manager in the Environmental Operations Group. Mr. Lasako received this award for his efforts coordinating a rapid response to the recent H5N1 avian influenza outbreak on behalf of the Maryland Department of Agriculture (MDA).

RSM FY22 AUDIT PLAN

Ms. Colimon from RSM presented an overview of the fiscal year (FY) 2022 audit plan. A detailed presentation was given to the Audit Committee earlier in the day (May 26, 2022). She summarized the engagement team and timeline; engagement objectives; management responsibilities; auditor's responsibilities and area of audit focus; and required communications.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of April 28, 2022. No corrections or objections were noted, and the minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense reports for the last month. There were no expenses.

Dr. Glass presented a list of external engagements which included site visits to Freedom WWTP and Dorsey Run WWTP. A second Health and Wellness event was live-streamed on May 17, 2022. The first event was a Yoga class recorded last month, and the recent class was High Intensity Interval Training (HIIT). The MES Quarterly All-Staff meeting was presented on May 10, 2022.

Dr. Glass announced that the EPA Water Environment Coalition recognized three MES facilities for their efforts. The facilities that achieved Platinum recognition were Rocky Gap Wastewater Treatment Plant (WWTP), Freedom WWTP, and Dorsey Run WWTP.

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The updated FY2023-2027 Strategic Plan was distributed to the Board members during the week of May 23-27, 2022. This version incorporated feedback and comments provided by the Board since April. The plan is based on the “3 Pillars” of Safety, Level of Service, and Education & Training. The report also contains the results of the MES Employee Engagement and MES Client survey conducted in 2022. He also reviewed the results of the strengths, weaknesses, opportunities, and threat (SWOT) analysis. The strategic goals for the Agency are Safety, Improving Employee Morale, and Business Growth.

The strategic goal of Business Growth was added to the updated version of the Strategic Plan at the suggestion of Secretary Neall. MES' revenue is primarily generated by charging its clients fees for services the Agency provides ("labor sales") and by managing capital projects. Both sources are dependent on the clients' specific needs and current budgets and are thus difficult to project. Approximately 80% of Agency revenues are generated from capital projects performed for State agencies and County governments. MES provides the engineering and project management for these projects; however, the bulk of the revenues that MES collects on those projects are passed through to contractors for supplies and services. The Agency is tentatively estimating a 4% increase in billable labor over the next 5 years.

Any comments to the draft Strategic Plan are welcome. Dr. Glass hopes to present the final plan to the Board at the June meeting for final approval.

AGENCY ACTIVITY REPORT

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

FINANCIAL REPORT

The April financial statements were included in the Board packet. Labor sales are about 5% lower this fiscal year than last fiscal year. While labor sales are lower than in previous year, overhead has also been lower. An increase of 4% is expected by next year. The change in net assets is less than last year but should meet the year-end target. The total net assets by the end of the year are typically a 50/50 mix of invested capital assets and unrestricted net assets. The 2022 Financial Plan provides the details for the Budget v. Actual report. The Back River WWTP project has had no impact on labor sales at this point, as existing employees are being used to staff the project.

AUDIT COMMITTEE REPORT

Ms. Heller reported that the Audit Committee met earlier today (May 26, 2022). In addition to the FY22 audit plan presented by RSM, they also considered two other items of business. RMS presented the Independent Report of Agency Expenses. No significant exemptions were noted. Ms. Condra, the Agency Internal Auditor, also presented the FY23 and FY24 Risk Assessment and Internal Audit Plan.

HUMAN RESOURCES REPORT

Mr. King presented the Human Resources Report. The vacancy rate is 9.1%, which is the same as it was last month. Separations and new hires appear balanced. A number of new positions have been added for new projects.

FY22 BEST UPDATE

Ms. Frketic presented a status update for FY22 BEST goals. Most goals have been completed or are on track to be completed by the end of the fiscal year.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is a pre-solicitation approval for \$673,500 for baler tying wire for the Prince George's and Montgomery County Materials Recycling Facilities (MRFs). There is a 0% MBE goal. Secretary Neall made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 2. The procurement is for a 2023 CAT 973K waste handling Loader for the Midshore II Regional Landfill. Carter Machinery Company will provide the Loader at a cost of \$683,057. 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 3. The procurement is for engineering design services for the Eastern Correction Institution (ECI) propane fuel conversion project. HDR Engineering, Inc. will provide the services at a cost of \$484,649. There is a 15% MBE goal. Secretary Neall made the motion to approve the item; Mr. Tanner seconded. No members were opposed. The motion passed unanimously.

Item number 4 was withdrawn prior to the meeting.

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Ms. Crosby presented Item 5. The procurement is a change order with HGS, LLC (dba Angler Environmental) for \$550,000. It is for stormwater management and remediation services for Central Maryland provided to the Maryland Department of Transportation, State Highway Administration (MDOT SHA). There is a 19% MBE goal. Judge Smalkin made the motion to approve the item; Secretary Neall seconded. No members were opposed. The motion passed unanimously, with the exception of Ms. Hwang who abstained.

Ms. Crosby presented Item 6. The procurement is for traffic monitoring system support and asset management professional services (Phase 2) for the MDOT SHA. Synergy Systems & Services, Inc. will provide the services at a cost of \$449,466.09. There is a 33.2% MBE goal. Ms. Hwang made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 7. The procurement is for side slope repairs at the St. Andrews Landfill. The American Asphalt Paving Company, LLC will provide the services at a cost of \$448,702.16. There is a 5% MBE goal. Mr. Witt made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 8. The procurement is a change order with CMT Services for \$2,188,515.16. It is for the third of four 1-year contract renewals for temporary labor provided to the Prince George's County MRF. There is a 25% MBE goal. Ms. Hwang made the motion to approve the item; Ms. Heller seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 9. The procurement is for preliminary engineering design work for the Masonville Urban Wildlife Refuge Partnership Shared Use Path. Rummer, Klepper & Kahl (RK&K) will provide the services at a cost of \$475,000. There is a 34% MBE goal. Secretary Neall made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 10. The procurement is a pre-solicitation approval for \$500,000 for 10 trucks for various projects. There is a 0% MBE goal. Mr. Tanner made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

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

LEGAL REPORT

Mr. Coleman will present his legal report in closed session.

OLD/NEW BUSINESS

The next meeting of the Board is Thursday, June 30, 2022, at 9:30 a.m. The Human Resources committee will also meet on June 30 at 8:30 a.m.

CLOSED SESSION

At 10:50 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(8) Judge Smalkin stated that the Board intended to enter closed session to approve the minutes of a prior closed-meeting session, and to consult with staff, consultants, or other individuals about pending or potential litigation. Judge Smalkin asked if anyone objected to the Board entering closed session; 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, and 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 ended at 10:50 a.m. The online Board members were then transferred to a secure conference-video line. Staff members who were not required for the closed session left the meeting room.

Judge Smalkin called the meeting of the closed session of the Board to order at 10:55 a.m. Present during the closed session of the Board were Board members Smalkin, Heller, Hwang, Neall, Witt, Tanner, Kille, and Glass. They were joined by Mr. Coleman, Ms. Frketic, Ms. Carroll, Mr. Patel, and Ms. Fuller.

Judge Smalkin requested approval of the minutes of the closed session from the March 31, 2021, meeting. Dr. Glass suggested one minor change. Judge Smalkin made a motion to approve the minutes as revised. The minutes were unanimously approved.

Counsel updated the Board on a matter of potential litigation. No official action was taken.

ADJOURNMENT

Upon motion by Judge Smalkin, the closed session and the meeting adjourned at 11:24 a.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR