



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

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

BOARD OF DIRECTORS MEETING MINUTES

MEETING 10-22

October 20, 2022

LOCATION: Headquarters/Video Call

TIME: 9:30 a.m.

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

DIRECTORS ABSENT:

OTHERS PRESENT:

Sean Coleman, Esq.
Ellen Frketic (video)
Tim Barr
Steven Barzal
Hattie Crosby
Marni Dolinar
Tim Ford
Pamela Fuller

Hament Patel
Melissa Slatnick
Steven King
Jana Leech (video)
Casey Powers (video)
Valerie Colimon, RSM (video)
Philip King, RSM (video)

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:30 a.m. Some Board members and staff were present at Maryland Environmental Service (MES) Headquarters, and other Board members and staff participated via Zoom video call. The meeting was streamed live to the public on YouTube.

INSPIRE AWARDS

Marni Dolinar presented the Extraordinary Service Inspire Award to Mary Chiarella, Matias Orrego, Elana Kellner, Emily Sperling and Laura Baker. During the COVID-19 pandemic when in-person outreach proved to be difficult, the Environmental Education E-Learning (E3) Portal – www.portofbaltimoreeducation.org - was developed by the MES Environmental Education Team for the Port of Baltimore as a platform to make lessons, programs, and activities more accessible. The E-3 Portal recently received the Award of Overall Communications Excellence, the highest award in its category, from the American Association of Port Authorities (AAPA). The Maryland Port Administration (MPA) was invited to receive the award at the AAPA Annual Convention in Orlando Florida next month. Ms. Dolinar read a prepared statement from Katrina Jones, MDOT MPA Program Manager for Education and Stakeholder Engagement.

All Inspire awardees left the meeting after the awards were distributed.

RSM – FY22 PRELIMINARY FINANCIAL AUDIT

Valerie Colimon and Philip King from RSM presented a summary of the FY22 Preliminary Financial audit to the Board. A full briefing was delivered to the Audit Committee earlier today. They expect to issue a clean, unmodified opinion pending completion of several items. The final components include new GASBE 87 requirements, OPEB liability analysis and external quality review. There were no issues encountered with management during the audit process.

Mr. Patel thanked the entire RSM team for their diligence.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the Board meetings on October 10, 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 credit card charges. Both he and Ms. Frketic had expenses for attending the Maryland Association of Counties and Tri-Association Conferences. Hotel expenses were paid under the Communications budget along with the other staff members who attended each conference.

Dr. Glass then presented his list of external engagements. He maintains weekly contact with most of the major clients. The MES 101 presentation was given to officials of the Maryland Transportation Authority (MTA). The Town of Eagle Harbor called to request a proposal for water sampling. Dr. Glass toured the Prince George's County Composting Facility with representatives from Environmental Protection Agency Region III, and Poplar Island with the Critical Area Commission.

Ms. Hwang joined the meeting at 9:53 am

Dr. Glass' focus has remained on compensation and classification issues this month. The MGT Class and Compensation study recommendations have now been fully implemented. Changes will be ongoing to ensure policies are up to date and managed properly.

The vacancy rate continues to drop with more employees joining and less leaving. The onboarding process continues to be streamlined. Finding qualified mechanics, electricians, CDL drivers, and equipment operators remains a challenge. A new Process Improvement Team has been formed to examine these classifications.

AGENCY ACTIVITY REPORT

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

FINANCIAL REPORT

Mr. Patel presented the preliminary Financial Statements for September 2022. Labor sales are similar to last year. Comparing FY23 to FY22 at the same point – labor sales are higher, overhead recovery is better, overhead expenses are higher. Attempting to lower overhead expense further is unrealistic. The increase in net assets will even out over the course of the fiscal year.

AUDIT COMMITTEE REPORT

Ms. Heller thanked RSM for their preliminary audit report. In addition, Ms. Condra presented her Internal Audit report to the committee. The Internal Audit division now has two employees as of yesterday. Ms. Condra is nearing completion on her audit of the Harford County site management. She will be starting an audit of the Minority Business Enterprise (MBE) and Small Business Reserve (SBR) waiver process. There were three calls to the Fraud Hotline since her last report. Two were reported to the Office of Legislative Audits (OLA) and 1 to the STAR Commission. Each has been

investigated with no findings. She also conducted a special investigation into employee salary grade compliance that will be covered by the Human Resources Committee.

HUMAN RESOURCES REPORT

Mr. Barzal presented the Human Resources Report. The vacancy rate is currently 6.84%, which is lower than the vacancy rate reported during the previous month's Board of Directors meeting. The agency is on target to achieve a 5% or lower goal.

HUMAN RESOURCES REPORT

Ms. Hwang reported that the Human Resources Committee met earlier this week to discuss several matters.

An update to the Sexual Harassment Policy (HR 11.02) was presented. The proposed revision incorporates the updated definition of sexual harassment enacted by SB 450 (2022). The committee recommends approval of the updated policy. Mr. Witt made a motion to approve the revised policy, Secretary Neall seconded. The motion passed unanimously.

Mr. Patel summarized the agency's proposal to implement a 4.5% cost-of-living adjustment (COLA) for most MES employees, like the one announced by Governor Hogan for State employees. The MES increase would be effective November 2, due to billing issues in Workday. Employees who are currently at, or above their salary grade maximum will only receive a salary increase that brings them to the maximum salary for their grade. The increase is not applicable to the Executive Director or Deputy Director. The Human Resources Committee is recommending this COLA increase of 4.5%. Secretary Neall made a motion to approve the action, Judge Smalkin seconded. The motion passed unanimously.

Dr. Glass presented the updated MES Salary Card, which details the minimum, midpoint, and maximum salaries for each grade. The State Salary scale gets updated every time a COLA is issued. The current MES card had not been updated since 2017. As such, many employees were at or above the maximum salary for their grade. The updated card includes a 10% increase across all categories, which is the amount it would have been increased if it had been done yearly. Secretary Neall made a motion to approve the updated card, Judge Smalkin seconded. The motion passed unanimously.

Dr. Glass then discussed the salary card compliance issue that was recently uncovered. When it was observed that numerous employees' salaries were not in compliance with the salary card, Ms. Condra was asked to conduct an internal audit.

She discovered that 66 employees exceeded their grade's salary range, and 44 employees were not provided a grade. This was most likely the result of a potential lack of segregation of duties within Workday and the salary change process. Multiple actions have been taken to alleviate this issue, including implementation of adjustments to job classifications recommended by the MGT study and adjustments to the Salary Card. With those adjustments, only 20 employees remain above their grade maximum, and a few were below the minimum. Adjustments continue to be made to re-classify or adjust employees' class and grade to ensure everyone is placed appropriately. There may be some positions that do not allow advancement unless positions become vacant. Management has accepted the Internal Auditor's recommendations and will work to implement them and will report back next month.

GROUP UPDATES

Ms. Dolinar discussed the Mid-Bay Island Ecosystem Restoration Project. The project includes restoration of over 2,000 acres of Barren Island and James Island in western Dorchester County. It is being funded by United States Army Corps of Engineers (USACE) and MDOT MPA. MES provides pre-construction design phase services under a \$7.87 million MOU with MDOT MPA.

Ms. Slatnick discussed the lead abatement project at Seneca Creek State Park in Montgomery County for the Department of Natural Resources (DNR). The property is the former home of the National Capital Area Skeet and Trap Club. MES will assist DNR in evaluating eight remediation alternatives proposed by the Maryland Department of the Environment's Environmental Management Plan.

Mr. Ford discussed organics composting projects in Prince George's and Montgomery Counties. MES has operated the Prince George's County Composting Facility since 1991. A pilot food composting operation is being expanded to include residential food scraps in 2022. Montgomery County launched a Food Scraps Pilot Recycling Program in 2020 for county businesses. MES manages the collection of the food scraps which are processed at the Prince George's facility.

Mr. Barr discussed the recent wastewater treatment plant Enhanced Nutrient Removal (ENR) upgrade at the Victor Cullen Juvenile Center. The construction started in August 2021 and is about 80% complete. The plant will have a capacity of 50,000 gallons per day.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is for 25% and 50% Sodium Hydroxide for the Dundalk Marine Terminal. Maryland Chemical Company, Inc. will provide the goods at a cost not to exceed \$210,600. There is no MBE goal. Judge Smalkin 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 a change order with Murphy Transport, Inc. for \$120,000. It is for leachate hauling services provided to Midshore II. There is a 0% MBE goal. Ms. Hwang made the motion to approve the item; Mr. Witt seconded. No members were opposed. The motion passed unanimously. Ms. Heller abstained from the discussion, consideration, and vote.

Ms. Crosby presented Item 3. The procurement is a pre-solicitation approval for \$6 million for engineering and environmental services in support of MDOT MPA's Dredged Material Management Program (DMMP). Up to five successful offerors will be awarded contracts to provide services contingent on the work assigned by MES. There is a 29% MBE goal. Ms. Heller made the motion to approve the item; Ms. Hwang seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is a change order with Kalyani Environmental Solutions, LLC for \$1,800,000. It is for increased funds for hauling and disposal of Aqueous Film Forming Foam (AFFF) from BWI Airport to Buckeye Brine in Ohio. There is a 6.5% MBE goal. The MBE goal is low due to the hazardous nature of the hauling. The MBE portion is being satisfied through the fuel purchases. Secretary Neall made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously. Ms. Hwang abstained from the discussion, consideration, and vote.

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 annual training to the Board after the meeting on Standard of Care for Board members. This training is an administrative function of the Board.

OLD/NEW BUSINESS

Dr. Glass updated the board on a Key Performance Indicator (KPI). Management can generate staff utilization reports. The report tracks and measures billability. The first quarter report revealed only nine exceptions to the model. Those nine exceptions will now be assessed. Dr. Glass commended the Managing Directors and employees on their efforts to improve this measure, in particular Ms. Slatnick's TES Group which had no exceptions.

Ms. Fuller presented the draft 2023 meeting schedule and asked for any comments or revisions. The schedule considers having committee meetings a week to a few days before the Board meetings.

The next meeting of the Board is Thursday, November 17, 2022, at 9:30 a.m.

ADJOURNMENT

The meeting adjourned at 11:20 a.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR