



Wes Moore GOVERNOR

Aruna Miller LT. GOVERNOR

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 5-23
May 25, 2023**

LOCATION: Headquarters/Video Call

TIME: 9:30 a.m.

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

DIRECTORS ABSENT: Shelley Heller
One position currently vacant

OTHERS PRESENT:

Joanne Kille
Sean L. Coleman, Esq.
Tim Barr
Linda Brent
Hattie Crosby
Marni Dolinar
Tim Ford
Kayla Hammer
Hament Patel
Melissa Slatnick

Pamela Fuller
Jana Leech (video)
Casey Powers (video)
Al Razik
Winsome Condra (video)
Valerie Colimon (RSM, out at 9:46 a.m.)
Philip King (RSM, out at 9:46 a.m.)

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:31 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

Mr. Ford presented the Extraordinary Service Inspire Award to Kelsey Pearce. In January 2023, MES' only CADD technician retired, leaving MES with the possibility of needing to outsource this work and raising concerns about how that would affect cost and work continuity. Ms. Pearce, a Lead Environmental Specialist in the EO Environmental Monitoring and Reporting section, volunteered to add CADD work to her existing responsibilities. Among her other skillsets, Ms. Pearce has a background in CADD and familiarity with the complex AutoCAD software system. Thanks to her willingness to take on new roles and projects, MES remains able to ensure our clients receive the same high quality of reporting with no increased costs or untimely deliverables.

Mr. Ford also presented the Extraordinary Service Inspire Award to Paul Towers, Logan Milby, Eric Frase, Sarah Schunick-Baney, Mike Wilson, Domingo Llanes, Michael Stivers, Dakota Towers, Gavin Miller, and Kerry Davis, teammates at the Midshore II Landfill. In the early hours of the morning, the Midshore II personnel observed a fire in a wooded area near the western corner of the property, which fortunately was not on the landfill or within any facility improvements. They reacted rapidly by calling the fire department, which responded with brush trucks and a tanker. The MES team then assisted by using dozers and an excavator to cut fire breaks and pull out/bury burning materials. While the fire department left shortly to respond to another emergency, the Midshore II team provided a continuous watch for a 24-hour period, monitoring the site overnight and putting out reignited areas as needed.

RSM AUDIT PLAN

Valerie Colimon and Philip King of RSM US LLP presented the FY23 financial audit plan. A detailed presentation was given to the Audit Committee last week. The audit will begin in mid-July, with field work concluding in August. They do not anticipate any substantial changes to the process. If the Board has any concerns or requests for additional information, they are welcome to contact RSM at any time during the process.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the Board meeting on April 27, 2023. No substantive 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. The only expenses were for Dr. Glass' travel to Atlanta to accept the Sustainable Materials Management Award at the Solid Waste Association of North America's (SWANA) Sustainability, Operations, Action, and Resources (SOAR) Conference.

Dr. Glass reviewed several recent client engagements. The Agency recently received the State Employee Risk Management Administration (SERMA) Injury Reduction Award for its 30% reduction in claims over the last year. Dr. Glass attended the grand opening of the new Durable Medical Equipment (DME) collection site at the Montgomery County Materials Recycling Facility (MRF). Staff continue to attend various recruitment fairs around the State. The twelve summer interns are scheduled to start next week and will begin with a "lunch and learn" event.

Dr. Glass announced he recently completed the Johns Hopkins University Fellowship Program. He now is a member of their Environmental Health and Engineering Department Advisory Board. Dr. Glass has been a speaker at various events over the last month, including: the Chesapeake Bay TMDL Symposium; National Governor's Association Infrastructure Coordinators Quarterly Workshop; and the Chesapeake Bay Scientific and Technology Advisory Committee Biochar Workshop, where he is presently.

The Mid-Atlantic SWANA Road-E-O was held earlier this month. Nine MES employees from Harford County and the Midshore landfills competed and did very well. Logan Milby placed first in the compactor competition and second in the off-road truck competition. He now qualifies to compete at the national level.

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 April 2023. Labor sales are now 12.48% higher than last year—and higher than projected—across all Groups. This has been consistent over the last several months. Overall, this is due to new projects and lower vacancies.

Overhead variance is looking better than projected. Invested cash is continuing to earn higher interest than was anticipated when the budget was created. This will continue throughout FY23. Finance is exploring possibilities for the unexpected income, including adding it to the contingency fund. Mr. Patel intends to ask the Board to approve placing an additional \$500,000 in the retiree health benefits program to increase the reserves. Mr. Neall expressed his approval for the use of these funds.

Mr. Patel has reviewed the accounts over 90 days report with Mr. Neall. Of the overdue accounts at that time, over half has already been collected. Overall, about 95% of outstanding balances are from government clients, and will be paid. Mr. Patel also explained the role of General Construction Loans (“GCL”) for State projects.

AUDIT COMMITTEE REPORT

Mr. Neall presented the Audit Committee report on behalf of Ms. Heller. The Committee met last week with RSM—who presented their FY23 audit plan—and with Ms. Condra, the Agency Internal Auditor (IA). Ms. Condra completed a review of the Minority Business Enterprise (MBE)/Small Business Reserve (SBR) waiver process. Two issues were identified: lack of oversight controls and undocumented processes. Both issues are currently being corrected. IA is currently working on a segregation of duties review and will be starting a review of the Eastern Shore Forest Products time and materials contract in the coming months.

Mr. Patel also reported that RSM had recently completed the annual FY22 Executive Expenses audit of policies and procedures as required by the MES Reform Act. They randomly sampled from over 1,000 expense reports and found two transactions outside of the policy. Both were valid authorized expenses but were submitted more than 30 days after the expense was incurred.

HUMAN RESOURCES REPORT

Ms. Brent presented the Human Resources report. As of today, the Agency vacancy rate is 3.2%. The rate varies daily. Twelve interns have been selected and have already started or have start dates set.

PROCUREMENT ITEMS

Judge Smalkin asked if any members would need to abstain from voting on any item. Ms. Hwang indicated she would need to abstain from the discussion, consideration and vote on Items 1 and 6. Since only four other Board members were in attendance, those items will be deferred until a sufficient number of members are present and available to vote on them.

Ms. Crosby presented Item 2. The procurement is for replacement of the wastewater treatment plant at the Elk Neck State Park. Allan Myers MD, Inc. will provide the services at a cost of \$13,183,555. There is a 18.03% MBE goal. The low bidder requested an MBE waiver that was denied. The bidder protested that decision, and then appealed through the Agency administrative process. At each stage, the action of the Agency was upheld. The bidder recently petitioned for a writ of administrative mandamus in Circuit Court. Ms. Hwang made the motion to approve the item; Judge Smalkin seconded. No members were opposed, and the motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is for development of a preliminary engineering report for the Dorsey Run Wastewater Treatment Plant (WWTP) upgrade. Rummel, Klepper & Kahl, LLP will provide the services at a cost of \$257,248.48. There is a 29% MBE goal. Mr. Neall made the motion to approve the item; Mr. Witt seconded. No members were opposed, and the motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is a change order with W.K. Merriman, Inc. for \$112,543.20. It is for the purchase of ferric chloride solution for the Cambridge WWTP. There is a 0% MBE goal. Mr. Witt made the motion to approve the item; Ms. Hwang seconded. No members were opposed, and the motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is for the purchase of Dell VxRail S670 Datacenter hardware at the Headquarters office. Dell Marketing Limited Partnership (aka Dell Marketing, L.P.) will provide the hardware at a cost of \$338,090.44. There is a 0% MBE goal. Ms. Hwang made the motion to approve the item; Judge Smalkin seconded. No members were opposed, and the motion passed unanimously.

Ms. Crosby presented Item 7. The procurement is a change order with GMH and Associates of America for \$37,705.50. It is connected to the rebuild of the center drive that was damaged when the primary settlement tank was flooded at the Back River WWTP. There is a 15% MBE goal. The contractor is currently achieving 12.19%. GMH is working diligently to meet the MBE goal. However, the unforeseen changes to the scope

of work and the flooding event will likely cause them to come up short. It is estimated the final actual MBE participation will be around 12.5%. Judge Smalkin made the motion to approve the item; Mr. Witt seconded. No members were opposed, and the motion passed unanimously.

Ms. Crosby presented Item 8. The procurement is a change order with CMT Services for \$2,319,826.07. It is for labor services provided to the Prince George's County Materials Recycling Facility. There is a 25% MBE goal. The contractor is currently achieving 18.59%. A corrective action plan has been requested. The contractor is hiring an additional MBE firm to increase participation. Mr. Neall made the motion to approve the item; Ms. Hwang seconded. No members were opposed, and the motion passed unanimously.

Ms. Crosby presented Item 9. The procurement is a pre-solicitation approval for \$450,000 for supply, installation, protection, and maintenance of tidal wetland low- and high-marsh plants for Masonville Cove. There is a 29% MBE goal. Ms. Hwang made the motion to approve the item; Judge Smalkin seconded. No members were opposed, and 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 presented the revised draft Bylaws. There were no substantive changes. Ms. Hwang made a motion to approve and adopt the Bylaws; Mr. Neall seconded. No members opposed, and the motion passed unanimously. The Bylaws will be effective as of July 1, 2023.

GROUP UPDATES

Ms. Slatnick presented an overview of the Maryland Roadside Historical Marker Program. This is a partnership with Maryland Department of Transportation (MDOT) The Secretary's Office (TSO), MDOT State Highway Administration (SHA), and the Maryland Historical Trust (MHT). Two Agency archeologists support the program.

Ms. Dolinar presented updates covering the Deep Creek Lake Arrowhead Cove dredging project in Garrett County. Alternative analysis, permitting, and design have been completed. Dredging is expected to begin in the fall of 2023 and conclude in early 2024.

Mr. Razik presented an overview of how biosolid material is currently handled. He then went on to describe Per- and polyfluoroalkyl substances (PFAS) and how they might impact biosolid options in the future. There are no federal regulations currently pertaining to PFAS, but several states have made moves to ban or regulate their treatment and placement.

Mr. Ford presented reviews of the Montgomery County Bus Stop Trash Collection Project, Blue Bin Distribution Project, and the Commercial Food Scraps Recycling Project.

OLD/NEW BUSINESS

The Board made arrangements to continue this meeting tomorrow, May 26, 2023, at 9am, when a quorum of members will be available to discuss two procurement items.

Ms. Hwang reported that the Human Resources (HR) Committee met earlier in the day to discuss the timing of the Executive Director's (ED) performance evaluation. The current timeline indicates that the process should be completed after the final audited financial report is prepared. Last year, that final report was not available until December. In addition, Ms. Hwang and Mr. Neall's Board appointment terms are due to expire on June 30, 2023. To allow for completion of the ED's performance evaluation with the full input of all current Board members, the committee proposes that the process be completed prior to issuance of the final audit report, and prior to the departure of the two outgoing Board members. If necessary, the Board can revise their evaluation after the issuance of the final audited statements.

Ms. Hwang suggested adding the following to the ED Evaluation process:

“In the event that Board members, who evaluated the ED in any given year, will complete their terms prior to the issuance of the MES annual financial audit, then the Board may complete the ED's evaluation prior to the issuance of the MES annual financial audit. The Board may revise the ED's evaluation, as appropriate, following the issuance of the MES annual financial audit.”

Judge Smalkin made a motion to approve the suggested changes; Mr. Witt seconded. No members were opposed, and the motion passed unanimously. The evaluation will now be completed prior to the June meeting.

The next meeting of the Board is Thursday, June 22, 2023, at 9:30 a.m. The HR committee will meet on Thursday, June 15, 2023, at 3:00 p.m.

ADJOURNMENT

The meeting adjourned at 11:30 a.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR

BOARD OF DIRECTORS MEETING MINUTES

MEETING 5-23b May 26, 2023

LOCATION: Video Call

TIME: 9:00 a.m.

DIRECTORS PRESENT: Judge Frederic Smalkin, Chair
Robert Witt, II, Secretary
Robert Neall, Treasurer
Shelley Heller
Derek Davis, State Treasurer
Charles Glass, Ph.D., P.E.

DIRECTORS ABSENT: Marian Hwang, Esq.
One position currently vacant

OTHERS PRESENT:

Joanne Kille	Pamela Fuller
Sean L. Coleman, Esq.	Jana Leech (video)
Tim Barr	Casey Powers (video)
Matt Lapinski	

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:00 a.m. All Board members and staff participated via Zoom video call. The meeting was streamed live to the public on YouTube.

PROCUREMENT REPORT

Mr. Barr presented Item 1. The procurement is for replacement of the booster pump station at the wastewater treatment plant (WWTP) at Camp Fretterd. Johnston

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Construction Company will provide the services at a cost of \$866,146.00. There is a 54% MBE goal. Ms. Heller made the motion to approve the item; Treasurer Davis seconded. No members were opposed, and the motion passed unanimously.

Mr. Barr presented Item 6. The procurement is a change order with Synagro Central, LLC for \$251,875.00. It is for additional disposal of materials from digestors 1 and 4 at the Back River WWTP. There is a 12% MBE goal, and the contractor is currently achieving 15.66%. Mr. Neall made the motion to approve the item; Ms. Heller seconded. No members were opposed, and the motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 9:05 a.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR