

BOARD OF DIRECTORS MEETING MINUTES

July 27, 2023

LOCATION: Headquarters/Video Call

TIME: 9:30 a.m.

DIRECTORS PRESENT: Shelley Heller, Chair
Judge Frederic Smalkin, Secretary
Brendon Baatz, Treasurer
Robert Witt, II (video)
Moalie Jose, P.E.
Dereck Davis, State Treasurer (video)
Charles Glass, Ph.D., P.E.

DIRECTORS ABSENT: One position currently vacant

OTHERS PRESENT: Joanna Kille, State Treasurer's Designee (video)
Sean L. Coleman, Esq. (video) (portion of the meeting)
Priscilla Carroll, Esq.
Tim Barr, Managing Director, Water/Wastewater
Shannon Bettleyon, Acting Chief, Human Resources
Hattie Crosby, Chief, Procurement
Marnie Dolinar, Managing Director, Environmental
Dredging & Restoration
Tim Ford, Managing Director, Environmental Operations
Kayla Hammer, Acting Chief, Administration
Hament Patel, Deputy Treasurer
Melissa Slatnick, Managing Director, Technical &
Environmental Services
Jeff Tosi, Director, Government Affairs
Pamela Fuller, Board Clerk
Casey Powers (IT) (video)

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:40 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.

The Board welcomed new members Moalie Jose and Brendon Baatz.

ORGANIZATIONAL MEETING

In accordance with the Board Bylaws, this meeting is the annual “organizational meeting” of the Board.

Election of Board Officers

The first order of business for was the election of the Board officers. Judge Smalkin did not wish to continue as Board Chair. Dr. Glass nominated Ms. Heller to serve as Chair. Judge Smalkin made a motion to approve Ms. Heller as Board Chair; Mr. Witt seconded. No members were opposed. The motion passed unanimously, except for Ms. Heller who abstained. At this point, Ms. Heller assumed the role of Board Chair. She thanked Judge Smalkin for his leadership over the last few years.

Dr. Glass nominated Judge Smalkin for the position of Board Secretary. Mr. Witt made a motion to approve Judge Smalkin to serve as Board Secretary; Ms. Jose seconded. No members were opposed. The motion passed unanimously, except for Judge Smalkin who abstained.

Dr. Glass nominated Mr. Baatz for the position of Treasurer. Ms. Jose made a motion to approve Mr. Baatz to serve as Board Treasurer; Judge Smalkin seconded. No members were opposed. The motion passed unanimously, except for Mr. Baatz who abstained.

Dr. Glass nominated Ms. Fuller to continue as Board Clerk. Judge Smalkin made a motion to approve Ms. Fuller as Board Clerk; Mr. Baatz seconded. No members were opposed. The motion passed unanimously.

Committee Assignments

Ms. Heller recommended Mr. Witt to serve as Human Resources (HR) Committee Chair. Judge Smalkin recommended Ms. Jose to serve as Audit Committee

Chair. It was further recommended that State Treasurer Davis and Board Treasurer Baatz serve on the Audit Committee and Judge Smalkin serve on the HR Committee. Ms. Heller, as Board Chair, and Dr. Glass, as Executive Director, would serve on both committees as needed. Treasurer Davis made a motion to approve the assignments as presented. Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

Meeting Schedules

The 2023 meeting schedule and the draft 2024 meeting schedule were presented. Judge Smalkin made a motion to approve both; Mr. Baatz seconded. No members were opposed. The motion passed unanimously.

Board Training Requirements

Ms. Heller summarized the annual Board training required by the MES Reform Act. It has been scheduled for September 15, 2023. Treasurer Davis inquired if the training he has already completed for his other various boards would satisfy this requirement. Mr. Coleman will review this issue.

Ms. Heller also summarized the Closed Meeting training required by the Open Meetings Act. Ms. Heller and Ms. Jose have completed the training. She recommended all members complete the training and provide the certification to the Clerk.

MINUTES

Ms. Heller requested discussion or a motion for the approval of the minutes of the Board meeting on June 22, 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 Reform Act requires any expense over \$500 to be reported to the Board. For full transparency, Dr. Glass has been reporting all expenses.

Dr. Glass reviewed several recent client engagements. The FY25 Capital Budget meeting with the Department of Budget and Management was held July 26, 2023. Some capital projects may be delayed or reduced.

Recruitment events have slowed over the summer but will pick up again in the fall. The summer intern program has been going well. Many of the interns will be invited

back for the fall or winter. The Frederick Keys baseball game is scheduled for July 28, 2023.

Mr. Barr has been appointed to the Baltimore Regional Water Governance Task Force. This task force will prepare a report for the General Assembly on the best options for Baltimore-region water and wastewater services.

The new MES booth was unveiled at the Maryland Municipal League (MML) event. The Strategic Advance team held their fourth meeting and will prepare a year-end report shortly. The meeting was held at the Durable Medical Equipment (DME) facility and included a tour of the facility.

Dr. Glass presented a chart of Performance Based Compensation (PBC) distribution across grades which was prepared by Ms. Short, one of the summer interns, in response to a question posed by Ms. Hwang at the last meeting. This analysis shows a fair distribution of raises across all grade levels within the Agency.

Dr. Glass expressed condolences to the family of MES employee Owen O'Hare, Jr., who passed away unexpectedly on July 16, 2023. Mr. O'Hare worked at the Montgomery County Grinding Operation for 14 years.

NEW BUSINESS REPORT - AGENCY ACTIVITY REPORT

Ms. Heller presented the New Business Report (formerly known as the Agency Activity Report) and asked if there were any questions.

FINANCIAL REPORT

Mr. Patel reported that FY23 ended on June 30, 2023. The year-end reports are currently being finalized but look good. Overall, the Agency did better than projected. Labor sales were 12.37% higher than FY22. This was due to more billable hours, a lower vacancy rate, and more projects across all groups. The overhead recovery was \$473,000 more than budgeted. The overhead expenses were \$275,000 less than budgeted. This increased net earnings.

There was unexpected interest income this year. There had been almost no interest income over the last three years. This unexpected interest income will be put to good use. A proposal will be brought to the Board once the year-end reports are finalized. Options for usage include increasing the contingency fund, provide funding for research and development, increasing the number of charging stations and electric fleet vehicles, and increases to the BEST and BEST Plus pools.

Revenues were 17.87% higher than last year. Much of this is passed through to private entities. Overall, the Agency is solvent and performing very well.

HUMAN RESOURCES REPORT

Ms. Bettleyon presented the Human Resources (HR) report. As of today, the Agency vacancy rate is 4.5%. The rate varies daily. There are 740 active positions. Many new hires are scheduled for August. The Inspire Award committee is scheduled to meet next week to review submissions.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is a change order with EARN Contractors, Inc. for \$325,000. It is for labor services provided to the Montgomery County Grinding Operation and the Yard Trim Compost Facility. There is a 30% Minority Business Enterprise (MBE) goal. The contractor is currently achieving 25% and is an MBE prime. Treasurer Davis inquired how this impacts the goal. Ms. Crosby explained that the MBE prime can self-perform 50% of the work, and 30% is required to be performed by subcontractors. The MES MBE performance will reflect 100% achievement. Judge Smalkin made the motion to approve the item; Mr. Witt seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 2. The procurement is a contract renewal with Colossal Contractors, Inc. for \$2,640,080.40. It is for labor services provided to the Montgomery County Recycling Center. There is a 30% MBE goal. The contractor is currently achieving 27.6% and is an MBE prime. Treasurer Davis made the motion to approve the item; Mr. Baatz seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is a contract renewal with Shore Waste, LLC for \$131,784. It is for the third option year to transport dewatered sludge from the Cambridge Wastewater Treatment Plant (WWTP) to the Dorchester Landfill. There is a 0% MBE goal. Treasurer Davis made the motion to approve the item; Mr. Witt seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is for compliance monitoring reporting at the Sandy Hill Landfill. Arcadis, U.S., Inc. will provide the services at a cost of \$454,074. There is a 30.6% MBE goal. Mr. Witt made the motion to approve the item; Treasurer Davis seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is a contract renewal with J.D. Lawn Services, Inc. for \$80,020. It is for the first renewal period for ground cover maintenance at the Harford County Landfills. There is a 0% MBE goal due to the specialized nature of the equipment and work. Treasurer Davis made the motion to approve the item; Judge Smalkin seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 6. The procurement is for groundwater and surface water monitoring at the Brown Station Landfill. SCS Engineers will provide the services at a cost of \$224,883. There is a 25% MBE goal. Mr. Baatz asked how many contractors are on the A/E Shortlist. Ms. Crosby indicated there are about 15-20 contractors per category. The A/E Shortlist is re-bid every 5 years and is scheduled to be rebid later this year. Mr. Witt made the motion to approve the item; Treasurer Davis seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 7. The procurement is for landfill gas and air emissions monitoring at the Brown Station Landfill. SCS Engineers will provide the services at a cost of \$476,871. There is a 20% MBE goal. Mr. Baatz 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 for landfill gas operations and maintenance, and air emissions monitoring and reporting at the Sandy Hill Landfill. SCS Engineers will provide the services at a cost of \$476,988. There is a 10% MBE goal. Mr. Witt made the motion to approve the item; Mr. Baatz seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 9. The procurement is for dredging of Arrowhead Cove in Deep Creek Lake. Byco Enterprises, Inc. will provide the services at an estimated cost of \$1,677,147. There is a 10% MBE goal. Ms. Dolinar explained that this project was presented to and approved by the Board at \$1.4M. Only one bid was received on the initial process, and it was over the budget. Garret County has secured additional funds, and the MBE has been reduced from 14% to 10% due to limited MBE opportunities in the area. This allowed the bidder to reduce its cost proposal. Mr. Witt will abstain from the discussion, consideration, and vote. The Board temporarily deferred action on this item until later in the meeting. Following the discussion of Old and New Business, Judge Smalkin made the motion to approve the item; Mr. Baatz seconded. The motion passed unanimously with the exception that Mr. Witt abstained.

Ms. Crosby presented Item 10. The procurement is for two, twelve-inch dewatering pumps and one, six-inch dewatering pump for the Cox Creek Dredged Material Containment Facility (DMCF). Xylem Dewater Solutions, Inc. will provide the equipment at a cost of \$248,438.16. There is a 0% MBE goal. Mr. Witt made the motion to approve the item; Mr. Baatz seconded. No members were opposed. The motion passed unanimously.

Ms. Crosby presented Item 11. The procurement is for the purchase of a 30-ton hydraulic excavator for the Poplar Island DMCF. The contractor, once chosen from the Intergovernmental Cooperative (Sourcewell contract), will provide the equipment at a cost not to exceed \$340,000. There is a 0% MBE goal. Judge Smalkin made the motion to approve the item; Mr. Baatz 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

Ms. Carroll reported that a dispute over a bid protest has been resolved. The petitioner dismissed its litigation, and the project is moving forward.

OLD/NEW BUSINESS

The next meeting of the Board is Thursday, August 24, 2023, at 9:30 a.m.

ADJOURNMENT

The meeting adjourned at 10:57 a.m.

Frederic N. Smalkin

**HONORABLE FREDERIC SMALKIN
SECRETARY**

Shelley Heller

**SHELLEY HELLER
CHAIR**