



Wes Moore GOVERNOR

Aruna Miller LT. GOVERNOR

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

BOARD OF DIRECTORS MEETING MINUTES

October 26, 2023

LOCATION: Headquarters/Video Call

TIME: 9:30 a.m.

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

DIRECTORS ABSENT: None

OTHERS PRESENT:

Joanna Kille, State Treasurer's Designee (video)	Hament Patel, Finance
Sean L. Coleman, Esq.	Kanishk Sharma, Administration
Ellen Frketic, Deputy Director	Melissa Slatnick, Technical & Environmental Services
Tim Barr, Water/Wastewater	Pamela Fuller, Board Clerk
Shannon Bettleyon, Human Resources	Kevin Eckhart, IT (video)
William Kessell, Procurement	Jana Leech, Executive
Aimee Warner, Environmental Dredging & Restoration	Winsome Condra, Internal Audit
Tim Ford, Environmental Operations	Valerie Colimon (RMS)
	Logan Milby (portion of mtg.)
	Eric Frase (portion of mtg.)
	Inspire Recipients (portion of mtg.)

CALL TO ORDER

Ms. Heller called the meeting to order at 9:33 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

Ms. Warner presented the Extraordinary Service Inspire Award to Chelsie Bateman, Robert Natarian, Joe Drescher, Harry Grafton, Marshall Friend, Rene Robidoux, and Shaquerra Musser for their exceptional service to the Cox Creek Sediment Technology and Reuse Facility (STAR Facility) on behalf of the Maryland Port Administration. For over seven months, the staff managed immediate-needs projects and emergencies at the STAR facility, all the while continuing to meet their responsibilities at the adjacent Cox Creek Dredged Material Containment Facility (DMCF).

MINUTES

Ms. Heller requested discussion or a motion for the approval of the minutes from the Board meeting on September 26, 2023. No substantive corrections or objections were noted, and the minutes were unanimously approved.

RSM FY23 AUDIT REPORT

Valerie Colimon (RSM) presented a summary of the FY23 Preliminary Financial Audit to the Board. A full briefing was delivered to the Audit Committee on October 19, 2023. RSM expects to issue a clean, unmodified opinion pending completion of several review items. The audit included the newly adopted Governmental Accounting Standards Board (GASB) Statement 96 – Subscription Information Technology Arrangements. There were no identified weaknesses in the internal controls over financial reporting during the audit period. There were no issues encountered with management during the audit process.

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

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense reports for the last month. Dr. Glass and Ms. Frketic attended the Water Environment Federation's Technical Exhibition and Conference (WEFTEC) in Chicago in early October. Ms. Frketic was asked to give a presentation at the member association leader's forum on the innovative math class MES developed to help Operators pass their

certification exams. Dr. Glass also attended the second annual Blacks in Water breakfast.

Dr. Glass reported on several external engagements over the last month with governmental and private entities. Dr. Glass served as a moderator on a panel at the Maryland Clean Energy Center conference. Over the past month, the Agency engaged with 27 college and career fairs, and three Minority Business Enterprise (MBE) outreach events. The Agency hosted the Anne Arundel County Workforce Development Corporation Career Fair on October 18, 2023, at MES Headquarters. Since the events, many job candidates have submitted resumes.

A draft Memorandum of Understanding (MOU) partnership agreement has been received from the Maryland Hispanic Chamber of Commerce.

Dr. Glass has been asked to serve as a mentor for four Glen Burnie High School students for their Climate Change Mitigation project.

The Agency congratulated Senior Operations Manager Logan Milby, who won first place in this year's International Solid Waste Association of North America (SWANA) Road-E-O in Denver, Colorado. Mr. Milby, who works at the Midshore II landfill, placed first in the regional Mid-Atlantic Road-E-O earlier this year. At the International Road-E-O, Mr. Milby also had the distinction of earning the highest score out of all landfill events this year. The Mid-Atlantic regional Road-E-O competition will be held at the Midshore II landfill next year.

The final Strategic Advance meeting of the year was held October 13, 2023. Among other topics, Dr. Glass focused on leadership. The Whistleblower and Equal Employment Opportunity (EEO) policies were also reviewed with staff, as well as the hotline numbers available to register complaints. Senator Lam and several other senators recently received an anonymous complaint. The senators asked Dr. Glass about the policies in place to address complaints. MES has supplied all the information requested, and so far there have been no further follow-up questions.

NEW BUSINESS REPORT

Ms. Heller presented the New Business Report and asked if there were any questions.

FINANCIAL REPORT

Mr. Patel reported on the Agency's financial performance as of September 30, 2023. Labor sales for FY24 are on track. Labor sales are 14.82% higher than FY23 actuals. Labor sales will increase in part due to annual salary increases. Billable hours have also increased by 8.18% due to increased projects and scopes of work.

Additional revenues are being credited to a research and development fund, and the Agency is investing in assets and the fleet.

AUDIT COMMITTEE REPORT

Ms. Jose reported that the Audit Committee met on October 19, 2023, during which time they received a full report from RSM on the FY23 Audit and an Internal Audit (IA) report from Ms. Condra. Ms. Condra reviewed two FY23 audits that should be completed soon and reviewed the planned FY24 audits with the Committee. In addition, IA has completed a billable audit for the Technical and Environmental Services (TES) Group for the Maryland Department of Emergency Management (MDEM) Covid Close-out project. They will also be assisting the Maryland Port Administration (MPA) with an audit in spring 2024.

HUMAN RESOURCES REPORT

Ms. Bettleyon presented the Human Resources (HR) report. As of October 26, 2023, the Agency vacancy rate is 4.1%. There are 757 active positions and 33 vacancies. For comparison, the vacancy rate in October 2022 was 6.99%.

BEST FY23 FINAL RESULTS

Mr. Patel reminded the Board that Ms. Frketic reviewed the FY23 year-end Building Excellence and Success Together (BEST) program performance at the last meeting. Overall, the Agency met all its goals. Only Goal 5 was not at 100% due to circumstances beyond the Agency's control.

Mr. Patel reviewed the components of the BEST program funding. Funding for the BEST incentives comes from fringe variance, overhead variance, project variance, working capital, equipment fund, and interest income. The total BEST pool for FY23 is \$5,036,303. The Agency is proposing to allocate 60.89% (\$2,700,203) of the pool to the BEST payout. This would result in a \$4,200 payment to every eligible employee. The Agency is further proposing to allocate 34.19% (\$1,516,203) of the pool to the BEST Plus incentive, and 4.92% (\$218,162) to the Executive Incentive. BEST payments would be made on November 20. BEST Plus and Executive Incentive payments would be made November 21.

About 40-50% of employees will receive a BEST Plus payment. The exact amount will vary depending on group and contribution. Ms. Frketic and Dr. Glass review all BEST Plus recommendations. Mr. Baatz inquired if the BEST and BEST Plus caps (maximum of 15% of salary) would negatively impact anyone. Mr. Patel and Dr. Glass explained they did not think that would be the case but would review individual cases and adjust if necessary.

Ms. Heller asked for a motion to approve the FY23 BEST proposal as presented. Treasurer Davis made a motion to approve the proposal; Dr. Johnson seconded. The motion passed unanimously.

PROCUREMENT ITEMS

Mr. Kessel presented Item 1. The procurement is for pavement of five sections of the Harford County Solid Waste Management Services facility. The American Asphalt Company, LLC will provide the services at a cost of \$438,690.19. There is a 10% Minority Business Enterprise (MBE) goal. The work is being procured through a cooperative contract with Harford County Government. The 10% MBE goal is what was in their original procurement. The contract includes supply, installation, and transportation of concrete. The transportation portion is predominantly where the MBE will be achieved. Mr. Baatz made the motion to approve the item; Mr. Witt seconded. No members were opposed. The motion passed unanimously except for Treasurer Davis who abstained from the vote.

Mr. Kessel presented Item 2. The procurement is a pre-solicitation approval for \$1,600,000 for general labor for the Prince George's County Materials Recycling Facility (MRF). There is a 30% MBE goal. Treasurer Davis made the motion to approve the item; Mr. Baatz seconded. No members were opposed. The motion passed unanimously.

Mr. Kessel presented Item 3. The procurement is for the purchase of a CBI 6800 Horizontal Grinder. Groff Tractor Mid Atlantic, LLC will provide the grinder at a cost of \$716,757.00. There is a 0% MBE goal. Treasurer Davis made the motion to approve the item; Dr. Johnson seconded. No members were opposed. The motion passed unanimously.

Mr. Kessel presented Item 4. The procurement is a change order with Bradley Technologies, Inc. for \$166,550.28. It is for the first renewal period for security services provided to the Montgomery County Yard Trim Composting Facility. There is a 17% MBE goal, and the contractor is currently achieving 8.5%. BTI is an MBE firm but can only self-perform 50% of the MBE goal. The Agency is in negotiations with the contractor to ensure compliance. Treasurer Davis 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

Mr. Coleman reported it had been an extremely busy month and advised the Agency on various procurement and personnel matters.

GROUP UPDATES

Ms. Slatnick presented on the Resilient Maryland Revolving Loan Fund program. Two Agency employees support the Maryland Department of Emergency Management (MDEM) to oversee administration of funds. The purpose of the fund is to provide loans for resilience projects that address mitigation of all hazards, including natural hazards.

Ms. Warner presented on the Port of Baltimore Diesel Equipment Upgrade Program administered by the Agency on behalf of the Maryland Port Administration (MPA). Participants in the program receive funds to retrofit, repower, or replace older vehicles and equipment with more emission-efficient engines or technologies.

Mr. Barr presented on “Team Innovation.” This is a new initiative within the Water/Wastewater Group to investigate and aid in the development of emerging technologies in the water/wastewater sector. The group has also been in contact with colleges and universities for possible collaborations.

OLD/NEW BUSINESS

Some of the Board members took a tour of the Prince George’s County Materials Recycling Facility following this meeting. No official business was conducted, and the tour was not an open meeting under Maryland’s Open Meetings Act.

The next meeting of the Board is Thursday, November 16, 2023, at 9:30 a.m.

ADJOURNMENT

The meeting was adjourned at 11:11 a.m.

Frederic N. Smalkin

Shelley Heller

HONORABLE FREDERIC SMALKIN
SECRETARY

SHELLEY HELLER
CHAIR