

BOARD OF DIRECTORS MEETING MINUTES

October 30, 2025

LOCATION: Headquarters/Video Call

TIME: 9:30 a.m.

DIRECTORS PRESENT: Shelley Heller, Chair
Sean L. Coleman, Esq., Secretary
James H. Johnson Jr., Ph.D., P.E.
Moalie Jose, P.E. (remote)
Odessa Phillip, P.E. (remote)
Andrew Kelson, Designee for Secretary, Dept. of Planning (remote)
Rebecca Flora (remote, portion of meeting)
Charles Glass, Ph.D., P.E.

DIRECTORS ABSENT: Brendon Baatz, Treasurer

OTHERS PRESENT:

Sandy Hertz, Deputy Director

Eric Hartlaub, Esq.

Pamela Fuller, Board Clerk

Winsome Condra, Procurement

Aimee Warner, Env. Dredging &
Restoration (EDR)

Tim Ford, Environmental Operations (EO)

Matt Lapinsky, Water/Wastewater

Hament Patel, Finance

Melissa Slatnick, Technical &

Environmental Services (TES)

Kanishk Sharma, Administration

Casey Powers, IT (video)

Jeff Tosi (Strategy & Gov. Affairs)

Casey Hanna (TES)

Emily Martinazzi (WWW)

Monique Booker (SB & Company)

CALL TO ORDER

Ms. Heller called the meeting to order at 9:35 a.m. Some Board members and staff were present at Maryland Environmental Service (MES) Headquarters, and other Board members participated via Zoom video call. The meeting was streamed live to the public on YouTube.

INSPIRE AWARDS

Mr. Lapinsky presented an Inspire Award to Joseph Wright, who received the Water Environment Federation's (WEF) William D. Hatfield Award last month for his exceptional commitment and service within the water and wastewater field, including his advocacy for student licensing reforms.

Mr. Lapinsky presented an Inspire Award to Heather Fritz for her work to improve MES' biosolids entry at the WEF conference. Her effort and creativity earned MES the "Best in Presentation Overall" award.

FY25 AUDIT REPORT

Ms. Monique Booker presented an executive summary of SB & Company's FY25 Financial Audit to the Board. A full briefing was delivered to the Audit Committee on October 23, 2025. SB & Company has issued a clean, unmodified opinion on the MES, Midshore, and other postemployment benefits (OPEB) financial statements. The single-audit and indirect costs testing is still in progress, but there are no areas of concern. No material weaknesses were noted. Though this was a risk-based audit, not a fraud audit, no instances of fraud were detected.

New Governmental Accounting Standards Board (GASB) sick leave reporting requirements were included in the audit. FY24 numbers were adjusted for comparison purposes.

Mr. Patel welcomed SB & Company back and thanked them for their diligence. He also thanked the entire Finance staff and agency staff who assisted with all of the testing and document requests.

MINUTES

Ms. Heller requested a discussion or motion to approve the minutes of the Board meeting on September 25, 2025. There were no comments or corrections. Dr. Johnson made a motion to approve the minutes; Mr. Coleman seconded. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass reported his expenses for the last month. He had expenses for registration and transportation to attend the Water Environment Federation's Technical Exhibition and Conference (WEFTEC) in Chicago. Deputy Hertz incurred expenses for registration and lodging at the Maryland Association of Counties (MACo) conference and for new safety boots.

Dr. Glass also reported on several engagements with governmental and private entities over the last month. Deputy Hertz likewise reported on some of her engagements over the last month.

The MES Water/Wastewater operations challenge team, Motley Poo, did very well at WEFTEC, improving from fourteenth place last year to finish in sixth place among Division 3 teams.

Congratulations to Dr. Johnson, who was honored by the Board of Trustees of Anne Arundel Community College as a Trustee Emeritus.

Dr. Glass announced new titles for Jeff Tosi and Shannon Bettleyon, reflecting their new duties in strategic planning as well as governmental affairs.

The quarterly strategic advance meeting was held on October 17, 2025. Ms. Liliana Maldonado was the keynote speaker. Dr. Glass highlighted several key performance indicators (KPIs). The first quarter of FY26 showed improvement in purchase order (PO) payment processing. The average, billable labor percentage also continues to grow.

Dr. Glass also reviewed his list of long-term projects.

2026 LEGISLATIVE SESSION

Mr. Tosi reviewed the proposed changes to MES' statute being considered for the 2026 General Assembly session. The current draft bill includes provisions for the delegation of duties to the Deputy Treasurer, increases to the small procurement threshold, and updates to the service district rate-change notification procedures. Once the language is finalized in November or December, the agency would like to request a letter of support from the Board.

NEW BUSINESS REPORT

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

AUDIT COMMITTEE REPORT

Ms. Jose reported that the Audit Committee met on October 23, 2025. It received an in-depth report from SB & Company on the FY25 audit. It also received an Internal Audit report from Ms. Condra. The committee will meet again in May 2026.

FINANCIAL REPORT

Mr. Patel summarized the agency's preliminary financial performance as of September 2025. The first three months indicate total labor sales to be better than FY25 actual and FY26 budgeted. However, these figures are a bit skewed since there have been three pay periods in September so far this year, compared to two pay periods at this point last year. The figures will even out by next month. The Budget vs. Actual figures look good. Some overhead positions have been generating revenue, and the lower vacancy rate has helped.

Mr. Patel also advised that the agency is currently preparing the tenth biennial update to the Darlington Service District Five-Year plan. The debt for rebuilding the plant thirty years ago has not been retired. A new loan and grants are being sought to upgrade the facility to accommodate per- and polyfluoroalkyl substances (PFAS) and perfluorooctanoic acid (PFOA) treatment and testing. There will be a rate increase for residents to cover this new loan and operating costs and to provide adequate funds for the future plant replacement. The final report will be presented to the Board and residents in the coming months.

BEST FY25 – FINAL

Last month, Ms. Hertz presented the FY25 Building Excellence and Success Together (BEST) Goals final report. The goals were 99% completed.

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, the equipment fund, and interest income. The total BEST pool for FY25 is \$8,224,305. MES is proposing to allocate \$1,226,000 of the pool to contingency funds and the remaining \$6,998,305 to the BEST payout. The agency proposes allocating 59.89% (\$3,735,200) of this pool to the BEST payout, which would result in a \$5,600 payment to eligible employees. Eligible employees must have completed probation. Of the current 789 employees, 667 are currently eligible. The agency is further proposing to allocate 36.96% (\$2,305,428) of the pool to the BEST Plus incentive and 3.15% (\$196,165) to the Executive Incentive. BEST payments would be made on November 24. BEST Plus and Executive Incentive payments would be made November 25. Mr. Patel explained how amounts were determined.

Ms. Heller asked for a motion to approve the FY25 BEST proposal as presented. Dr. Johnson made a motion to approve the proposal; Ms. Phillip seconded. The motion passed unanimously, with the exception of Mr. Coleman who abstained from the discussion, consideration, and vote.

HUMAN RESOURCES REPORT

Mr. Sharma presented the Human Resources (HR) report. The agency ended September with a vacancy rate of 3.92%. As of October 22, 2025, when the report was prepared, the vacancy rate was 3.55%. Many fall recruitment events are currently underway.

PROCUREMENT ITEMS

Ms. Condra presented Item 1. The procurement is renewal #1 with MXI Environmental Services, LLC for \$930,000. It is for household hazardous waste collection services at various projects. There is a 20% minority business enterprise (MBE) goal, and the contractor is currently achieving 20%. Mr. Coleman made a motion to approve the item; Dr. Johnson seconded. The motion passed unanimously.

Ms. Condra presented Item 2. The procurement is for the culvert bridge replacement at Swallow Falls State Park. Carl Belt, Inc. will provide the services at a cost of \$556,140. There is

a 10% MBE goal. Ms. Jose made a motion to approve the item; Dr. Johnson seconded. The motion passed unanimously.

Ms. Condra presented Item 3. The procurement is a contract renewal with Valleywood Industries, Inc. for \$200,000. It is for the supply and delivery of pallets to the Montgomery County Yard Trim Compost Facility. There is no MBE goal. Ms. Phillip made a motion to approve the item; Mr. Coleman seconded. The motion passed unanimously.

Ms. Condra presented Item 4. The procurement is to purchase ten Ford F-150 or equivalent replacement vehicles for the MES fleet. The trucks will be purchased from the State of Maryland contract from Apple Ford, Sport Chevrolet, or Ourisman. There is no MBE goal. Dr. Johnson made a motion to approve the item; Mr. Coleman seconded. The motion passed unanimously.

Ms. Condra presented Item 5. The procurement is for power distribution system upgrades at Point Lookout State Park. Design Teams, Inc. dba Hartwell Engineering, a Division of McCrone, will provide the services at a cost of \$230,341.53. There is a 0% MBE goal. Mr. Coleman made a motion to approve the item; Mr. Kelson seconded. The motion passed unanimously.

Ms. Condra presented Item 6. The procurement is change order #4 with Stormwater Management Solutions, LLC for \$427,870.61. It is for water and sewer system improvements at Point Lookout State Park. There is a 26% MBE goal, and the contractor is currently achieving 25.47%. Dr. Johnson made a motion to approve the item; Ms. Phillip seconded. The motion passed unanimously.

Ms. Condra presented Item 8. The procurement is for pond maintenance at the Brown Station Road Landfill. Highway & Safety Services, LLC will provide the services at a cost of \$876,480. There is a 12% MBE goal. Mr. Coleman made a motion to approve the item; Ms. Phillip seconded. The motion passed unanimously.

The Board notifications for contracts, purchase orders, amendments, and change orders between \$25,000 and \$200,000 were reviewed.

Ms. Condra presented the agency's plan to improve small business participation in FY26.

LEGAL REPORT

Mr. Hartlaub reported that interviews for the vacant Assistant Attorney General position have concluded and a recommendation has been sent to the Attorney General, who will make the final decision.

GROUP UPDATES

Mr. Hanna (Technical and Environmental Services) and Ms. Martinazzi (Water/Wastewater) discussed the asset management maintenance tracking system. The system will allow for work order management, asset management, predictive maintenance, preventative

maintenance, inventory management, mobile computerized maintenance management system (CMMS) access, and reporting and analytics across all water and wastewater projects.

Ms. Warner discussed the Colgate Creek dredging and geotube dewatering project. Dredged material from the Dundalk and Seagirt Marine Terminals will be processed at the Cox Creek facility.

Mr. Ford presented on the tipping floor concrete restoration project at the Prince George's County Materials Recycling Facility. The restoration was completed on time and under budget.

OLD/NEW BUSINESS

Ms. Heller asked if there was any old or new business to discuss.

ADJOURNMENT

The next meeting of the Board is Thursday, November 20, 2025, at 9:30 a.m.

The meeting adjourned at 11:42 a.m.



SEAN L. COLEMAN, ESQ.
SECRETARY



SHELLEY HELLER
CHAIR