



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

Charles Glass, Ph.D., P.E. **ACTING DIRECTOR**

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 01a-21
January 26, 2021**

LOCATION: **Conference/Video Call**

TIME: **3:30 p.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean L. Coleman, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Tammy Banta (video)
Jason Gillespie (video)
Steve Tomczewski (video)
Vishal Bhatia (video)
Dan Faoro (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 3:30 p.m. Board members and staff participated via Teams video. The meeting was broadcast live to the public on YouTube. Dr. Glass thanked everyone for assembling to approve two procurement items that are scheduled to be heard by the Board of Public Works on Wednesday, January 27th.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for the construction of the new wastewater treatment plant to replace the existing plant at the Woodstock Job Corps Center by M2 Construction, LLC. Mr. Snee inquired about the legal authority of the named bidder (M2 Construction) to be doing business as another LLC (HRI Construction). Mr. Coleman indicated that the corporate status of the bidder would be thoroughly reviewed before any contract is signed. Mr. Snee made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is to purchase new dual fuel boiler burners and flow economizers from Delval Equipment Corporation for the ECI Co-Gen facility. The Somerset gas pipeline is scheduled to be completed by September 2021. The reason for the sole source, is that Delval Equipment Corp is the original manufacturer of the equipment. Mr. Smith made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

ADJOURNMENT

The meeting adjourned at 3:44 p.m.

Frederic N. Smalkin

**HONORABLE FREDERIC SMALKIN
SECRETARY**

Charles Glass

**CHARLES GLASS, Ph.D.
ACTING DIRECTOR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

Charles Glass, Ph.D., P.E. **ACTING DIRECTOR**

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 01-21
January 28, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean L. Coleman, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Tammy Banta (video)
Jason Gillespie (video)
Steve Tomczewski (video)
Vishal Bhatia (video)
Dan Faoro (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:40 a.m. Board members and staff participated via Teams video. The meeting was broadcast live to the public on YouTube.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of December 17, 2020. Mr. Hall made a motion to approve the minutes, and Mr. Smith seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be made in the past month, and he continues to refrain from travelling or incurring business expenses.

On Sunday, January 10, 2021, long-serving staff member Carl Washington passed away. Mr. Washington was with MES for over 17 years. He started out as a Laborer and Maintenance Aide. His wide range of knowledge and know-how resulted in a promotion to Senior Mechanic for the Environmental Services Group. His positions enabled him to travel the state and be acquainted with many teammates. He also met his wife Mrs. Samantha Washington at MES over 13 years ago. Beloved by many, he will be remembered for his infectious smile, hearty laugh, and his caring nature. When work led him to the HQ office, Carl did not depart before checking in with many colleagues to ask about them and their family members. He took his work seriously and was recognized by clients and supervisors alike.

Dr. Glass wished a long and relaxing retirement to two teammates who will be retiring this month. Mr. Donald “Don” Nichols retired from MES yesterday on January 26, 2021 after 29 years of service. He worked as a Lead Equipment Operator at Harford County Solid Waste. Previously, he worked for many years for MES at the Central Acceptance Facility in Baltimore County. Mr. Ronald “Ron” Caudle will be retiring from MES on January 31, 2021, after over 14 years of service (14 years, 7 months). He works as a Statewide Senior Electrical/Electronic Control Technician in the Maintenance Department in Environmental Monitoring.

Dr. Glass expressed his, and the Boards thanks to MES team members Terry Norman, Fred Kolberg and Joanna Freeman who are working as Regional Administrators for the State’s COVID response. They report to Captain Lance Burgess who is leading the Congregate Care Facility Response Team. Captain Burgess was thanked by Governor Hogan for the data compilation that he and the MES team have been able to provide. Captain Burgess conveyed his thanks to them for their hard work meeting the goals he has established.

Board of Directors Meeting
January 28, 2021
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The actions of the Water Wastewater Team on Christmas day are another shining example of the great work that the dedicated MES team members perform every day. Even on holidays! A major water main break occurred in the community of Crellin, in extreme western Garrett County. The water plant was down until repairs could be completed. Two hours later, the water main was repaired, the plant was up and running and charged, and follow-up samples were scheduled.

The Army Corp of Engineers notified the project team that construction of the lateral expansion of Poplar Island was completed on January 20th. This momentous day was many years in the making. Trevor Cyran, the Project Manager from the Army Corp expressed his appreciation for entire team.

Bill Schuman, the Director of Facilities for the Annapolis Area Christian School sent an email to Joe Wright expressing his praise for MES teammate Jarvis Brooks. Mr. Brooks was “one of the most polite and respectful young men” he had met.

The Board of Public Works met yesterday morning. The 5 MES items were approved with no comment, and the Tidal Wetlands Permit for the Chesapeake Utilities pipeline was also unanimously approved.

Since the last Board meeting most of Dr. Glass’ external meetings have been with Senators on the Nominations Committee and those with an acknowledged interest in Senate Bill 2 – The Maryland Environmental Service Reform Act of 2021, sponsored by Senator Cory McCray. The Senate Budget and Taxation Committee conducted a hearing on the bill yesterday. Dr. Glass testified and received no questions during the hearing. MES supports the reforms of the bill, with the suggestion that pre-approval of all expenditures over \$25,000 be changed. A group of senior leaders supported Mr. Tosi and Mr. Patel in developing the Financial Impact for Senate Bill 2.

Dr. Glass also stated the hope that consideration would be given to the State Transparency and Accountability Reform (STAR) commission that will be led by former Senator Serafini, before imposing drastic reforms. The Governor’s Office presented a bill proposing reforms to MES yesterday as well, introduced as SB575 and HB741. MES senior leadership will continue to monitor all legislative activities.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. Mr. Snee asked if there was any change in status to the Brown Station Landfill project since last month. Mr. Tomczewski indicated the multi-year IGA may be

on hold due to changes in management at the County. However, the scope has not changed, and will most likely be awarded by the County as single year contracts.

FINANCIAL REPORT

Mr. Patel presented the December 2020 Financial report. Labor sales are following the same trend as the last six months. Labor sales continue to remain lower than at the same period last year, due to the 1 less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the net financial position. All agency employees have been diligently following up with new opportunities and he remains confident the agency will remain on track through June 30th.

The agency will meet its budgeted increase in net assets for FY2021 of approximately \$3 million. A number of vacant overhead positions are currently being filled. The agency is currently not investing in any major net assets. Staff are currently looking at the fleet vehicles. It is projected that labor sales will not meet goals. The overhead variance will start to trend back down as overhead positions are filled. The fringe amounts will be better than budgeted in part because of the lack of snow-days involved with teleworking.

Mr. Patel also discussed the Accounts over 90 days report. Finance staff and project managers are working diligently on collections. The list has grown long, but all available staff are working on collections and the list will improve. Many of the projects on this list are State agencies, counties and smaller municipalities. Many of the State projects are delayed due to staff shortages at those agencies processing payments. Payment is expected from Frederick County and Old Line Environmental soon. Carroll County has already paid. Issues are being resolved with Harvest Resources, Ritchie Land Reclamation and Horn Point. The Town of Sudlersville finally submitted a payment of \$40,000.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 851 current positions. The vacancy rate will be 4.51% once pending new hires are brought on board. Remote hiring and orientation are ongoing.

GROUP UPDATES

Ms. Banta updated the Board on the progress of the Colgate Creek Dredging & Innovative Reuse project. The project calls for the widening and deepening of the

Colgate Creek navigation channel and the creation of a tug shelf which will allow larger vessels into the Port of Baltimore. Phase 1 includes the dredging, transport, and placement in Cox Creek DMCF to accommodate the DMT Berth 3 reconstruction schedule, to be completed by December 2021. Phase 2 will include dredging, transport, and direct placement for upland dewatering and innovative reuse at a property or facility to be determined. Phase 2 is estimated to be completed by late summer 2023. Funding is being provided through the Energy Transfer Ports agreement with MDOT MPA.

Mr. Gillespie highlighted a project instrumental in the State's efforts to take proactive steps toward climate change. GES staff developed the Climate Ready Action Boundary (CRAB) for use in planning and reviewing structures. This tool will help in policy decisions going forward. The maps will soon be updated and developed into an interactive GIS tool that will serve the community.

Mr. Tomczewski highlighted the Montgomery County leaf hauling operations at the Derwood grinding lot and the Silver Spring depot. This annual leaf collection event occurs from early November to late December. Over 850,000 cubic yards of leaves were transported in 2020. Those leaves will be ground and composted into Leafgro® at the Dickerson facility.

PROCUREMENT ITEMS

Procurement Items 1 and 2 were reviewed and approved at the Board meeting on January 26, 2021, prior to their submission to the Board of Public Works on January 27, 2021.

Ms. Crosby introduced Item 3. The procurement is for Verizon wireless cellular and data service and equipment for the agency. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is to purchase a new high-track landfill dozer for the Midshore II Regional Landfill. The old dozer will be returned to the equipment manufacturer. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously, except that Ms. Heller abstained from the discussion and the vote.

Ms. Crosby introduced Item 5. The procurement is for hazardous and non-hazardous waste transportation and disposal provided by Envirite of Pennsylvania. This

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is 1 of 2 contracts being awarded for this work. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is for hazardous and non-hazardous waste transportation and disposal provided by ACV Environmental Services. This is the second of 2 contracts being awarded for this work. Mr. Smith made the motion to approve the item, Mr. Snee seconded. The motion passed unanimously.

Ms. Crosby introduced Item 7. The procurement is for Johnston Construction to install a new gravity sewer to replace the pump station and force main at the Central Correctional Facility. Mr. Snee made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 8. The procurement is for the rehabilitation of the sanitary sewer system by BA Construction at Cheltenham. The system was originally constructed after the Civil War. BA Construction is a 100% MBE firm. Mrs. Heller made the motion to approve the motion. Mr. Smith seconded. The motion passed unanimously.

The Board Notifications were reviewed.

LEGAL REPORT

Mr. Coleman advised that his office has been very busy with multiple projects, ongoing litigation, and several procurement matters. He is reviewing the multiple bills that have been introduced that would alter the organization of the agency.

Mr. Snee offered additional information on the business entity names for Procurement Item 1 – considered by the Board at its meeting on January 26th. The contract was awarded to M2 Construction LLC (DBA HRI Construction LLC). Both entities are listed as foreign corporations in Maryland. Mr. Coleman stated that the procurement office and his office will review and confirm all corporate status' prior to contract award.

OLD/NEW BUSINESS

The next meeting of the Board is scheduled for February 25, 2021 at 9:30 a.m.

ADJOURNMENT

The meeting adjourned at 10:40 a.m.

Frederic N. Smalkin

HONORABLE FREDERIC SMALKIN
SECRETARY

Charles Glass

CHARLES GLASS, Ph.D.
ACTING DIRECTOR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

Charles Glass, Ph.D., P.E. **ACTING DIRECTOR**

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 02-21
February 25, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean L. Coleman, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Tammy Banta (video)
Jason Gillespie (video)
Steve Tomczewski (video)
Vishal Bhatia (video)
Dan Faoro (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:33 a.m. Board members and staff participated via Teams video. The meeting was broadcast live to the public on YouTube.

INSPIRE

Mr. Gillespie presented an Inspire award for Extraordinary Service to James Kenner, Ronnie Welch, Michael Harvey, and Randall Broadwater. These Garrett County team members rose to the task of fixing an on-site water leak that occurred in the community of Crellin on Christmas Day, 2020. The team found and isolated the leak, stayed on-site for the completion of the repair, obtained and delivered water samples to the lab, and restored the client's facility to normal operations as quickly as possible. Misters Kenner, Welch, Harvey and Broadwater were present via Teams video link.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of January 26, 2021. Mr. Snee made a motion to approve the minutes, and Mr. Smith seconded. The minutes were unanimously approved.

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of January 28, 2021. Mr. Smith made a motion to approve the minutes, and Mr. Hall seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be made in the past month, and he continues to refrain from travelling or incurring business expenses.

Dr. Glass and Mr. Tosi reviewed the Maryland Environmental Service Reform Act (SB2) which received a favorable vote last week. An identical bill has been introduced in the House (HB2). Senate Bill 2 has been amended and now includes many of the provisions of the Governor's bills (HB741/SB575). The amended bill would make structural changes to Board composition, qualifying criteria, duties and responsibilities; limit the compensation package an MES executive may receive upon termination of employment; modify MES hiring practices, Board governance and ethics; require Board approval of certain expenses; and make other changes. Dr. Glass summarized other proposed provisions of the bill. The bill is being put forth as an emergency bill that would require 3/5ths approval of each house of the General Assembly and become effective immediately upon approval by the Governor. MES would then need to implement many of the changes by July 1st.

Board of Directors Meeting
February 25, 2021
Page 3

The State Transparency and Accountability Reform (STAR) Commission met on Friday, January 29th and Monday, February 15th. On February 15th, after welcoming Delegate Barron and Senator Lam to give a presentation on the work of the Joint Committee of Fair Practices and State Personnel Oversight, the primary focus was to develop questions the Commission would be submitting to the independent state agencies under review. The questions focus on Financial practices, Board/Governance, Compensation/Performance, and Accountability. Even though the agency has not received the official list of questions, Ms. Cooper has begun collecting preliminary responses. Senator Serafini stated that the agencies would be invited to be interviewed by the commission.

On February 11, 2021 Dr. Glass served on a review panel with UMCES President Goodwin, Sea Grant Director Frederika Moser, and Assistant Secretary of MDE Suzanne Dorsey to interview candidates for three 1-year fellowships. Through the process it was agreed that Dr. Khursid Jahan would be the best fit to join MES for one year. Dr. Jahan is finishing her doctorate at the University of Rhode Island focused on best management practices in stormwater treatment for the removal of nitrogen, phosphorus, sediment, and heavy metals along the highways in Rhode Island for the state DOT. Dr. Glass is now waiting to find out if Dr. Jahan will accept the offer from Sea Grant to work with MES. There is a provision in the MES reform bill to report to the General Assembly on the Service's efforts to reduce greenhouse gas emissions. Dr. Glass anticipates that she will be responsible for leading this effort.

The Lt. Governor, Department of Budget and Management, Department of General Services, and Department of Environment are all evaluating space utilization and the benefits of teleworking to the bottom line of the state, both financially and environmentally. MES has found that the full time telework model has led to lowered expenses and the vast majority of headquarters employees prefer enhanced teleworking. The agency will not renew the lease for 255 Najoles Road when it expires in late 2022. Minor reorganization will need to take place in 259 Najoles, but the benefits will be lower greenhouse gas emissions, money saved on lease space, and a high-quality work life balance for MES employees.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. Mr. Snee inquired into the \$2.5 million item for MEMA. Mr. Gillespie advised that this project will not be coming through MES. DBM has decided to go another route. MES will be working on a \$500,000 task order for outreach support

with water and wastewater projects and critical infrastructure. Mr. Snee asked if there was any change in status to the Brown Station Landfill project since last month. Mr. Tomczewski indicated the five-year agreement is moving forward. The County is working to align their capital budgets with MES' proposal.

FINANCIAL REPORT

Mr. Patel presented the January 2020 Financial report. Labor sales are following the same trend as the last six months. Labor sales continue to remain lower than at the same period last year, due to the 1 less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the net financial position.

The agency will meet its budgeted increase in net assets for FY2021. Fringe costs are higher than last month as expected due to the holidays and snow days. They are expected to still do better than budgeted. The total net assets are approximately half capital assets and half unrestricted net assets. Staff are looking at replacing fleet vehicles and adding to the fleet. The budget v. actual is about \$370,000 less than last month due to the holidays. There will be snow emergency days in next month's figures. Fringe variance is high now, but is expected to even out. As Administrative positions are filled, the overhead variance will decrease.

Mr. Patel also discussed the Accounts over 90 days report. Finance staff and project managers are working diligently on collections. The list has grown long, but all available staff are working on collections and the list will improve. Many of the projects on this list are State agencies, counties and smaller municipalities. It is most likely that all of these payments will be received before June 30 2021. Collection efforts continue with the private customers as well. Finance will be taking over product billing soon.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 852 current positions. The vacancy rate will be 3.75% once pending new hires are brought on board. Remote hiring and orientation are ongoing.

Mr. Snee inquired about the retention of Operators and OITs (Operators in Training). Mr. Gillespie replied that retention continues to be a challenge. Many OITs in the Southern and Northern Region get certified, then leave to go to other employers. The Eastern and Western regions are bit more stable. They are putting together a plan to review the OIT program. Dr. Glass indicated the OIT program has not been adjusted

in four years. Other agencies and companies have cut back on their training budgets, then hire MES operators once they are trained. The Singer Survey will be reviewing these positions.

Mr. Hall inquired about Covid screening and testing before employees start. Ms. White indicated MES is using the same protocols as the State.

GROUP UPDATES

Ms. Banta highlighted the Port of Baltimore Clean Diesel Program that MES administers for the MDOT MPA. The program upgrades dray trucks, cargo handling equipment and marine vessels with cleaner burning diesel engines, equipment or technologies resulting in reduced emissions. Since 2009, MES had administered over \$13M in funding.

Mr. Gillespie highlighted the environmental and maintenance support MES provides to MAA and private vendors at BWI-Marshall Airport. There have been 8 deicing events this fiscal year. The average number of deicing events is 10 per year. The high concentration glycol gets collected and transported to Dulles Airport where it is recycled into antifreeze. MES does not spray the aircraft, but it does retrieve the sprayed glycol from the tarmac. MES also records the official snowfall accumulation for the State at the airport.

Mr. Tomczewski highlighted the Midshore II wetland mitigation and stream restoration projects. The mitigation efforts have created 7.9 acres of non-tidal wetland and restored 800 linear feet of stream bank to offset the wetland loss and stream impacts that were required for construction of the Midshore II landfill. The project consists of five Phases. Work on Phase IV is 92% complete, with full completion expected by June 2021.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is to purchase a large excavator for the Poplar Island Restoration project for \$430,000. Mr. Smith made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for the demolition and of the old salt shed, and construction of new salt shed for St. Mary's County at the St. Andrews Landfill for \$2,151,000. Judge Smalkin made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

**Board of Directors Meeting
February 25, 2021
Page 6**

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$250,000 were reviewed.

LEGAL REPORT

Mr. Coleman advised that his office has been very busy with multiple projects, ongoing litigation, and several procurement matters. There are several upcoming trials scheduled before the Anne Arundel County Circuit Court.

Mr. Coleman updated the status of the entity awarded the contract under Procurement Item 1 – considered by the Board at its meeting on January 26th. The contract was awarded to M2 Construction LLC (DBA HRI Construction LLC). HRI is the primary contractor, they are registered in Maryland and Pennsylvania. They changed their name to M2 Construction, but that name was already taken in Maryland.

The legal office also continues to work with Dr. Glass and Mr. Tosi on legislative matters and will support the agency on implementation of any changes in the coming months.

OLD/NEW BUSINESS

Dr. Glass reported that he and Mr. Tomczewski will be meeting with Adam Ortiz from the Montgomery County Department of Environmental Protection later today. They will be discussing increased composting and food waste composting, as well as the marketing of Leagfro® and Leafgro Gold ®. They will also be discussing an RFI for biochar. Biochar could also be marketed as a soil amendment.

The next meeting of the Board is scheduled for March 25, 2021 at 9:30 a.m. That day is also Maryland Day.

ADJOURNMENT

Upon motion by Mr. Smith, seconded by Mr. Snee, the meeting adjourned at 10:45 a.m.

Frederic N. Smalkin

**HONORABLE FREDERIC SMALKIN
SECRETARY**

Charles Glass

**CHARLES C. GLASS, Ph.D., P.E.
ACTING DIRECTOR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

**BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE
MEETING MINUTES**

March 24, 2021

LOCATION: **Conference/Video Call**

TIME: **2:00 p.m.**

COMMITTEE MEMBERS PRESENT:

Joseph Snee, Esq. (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)

OTHERS PRESENT:

Charles Glass, Chairman (video)
Shelley Heller (video)
Sean L. Coleman, Esq. (video)
Hament Patel (video)
Jewel White (video)
Tammy Banta (video)
Vishal Bhatia (video)
Dan Faoro (video)
Pamela Fuller (video)
Jana Leech (video)

CALL TO ORDER

Mr. Snee called the meeting to order at 2:05 p.m. Board members and staff participated via Teams video. The meeting was broadcast live to the public on YouTube.

MINUTES

Mr. Snee requested discussion or a motion for the approval of the minutes of the meeting of May 27th and 28th, 2020. Mr. Hall made a motion to approve the minutes, and Mr. Snee seconded. The minutes were unanimously approved, with the exception of Judge Smalkin, who abstained.

**Board of Directors Meeting
Human Resources Committee
March 24, 2021
Page 2**

Ms. Banta presented an overview of the BEST, BEST Plus, and Executive Incentive Programs at MES. In 1970, Governor Mandel signed Chapter 240, 1970 Acts of the General Assembly creating MES. MES began as an agency within DNR, funded through traditional State appropriations; however, in 1989, the MD General Assembly ceased direct appropriations to MES for operations. In 1993, the MD General Assembly approved legislation to: restructure MES, making it a self-supporting agency, separate it from DNR, exempted it from most State procurement regulations, and gave it the authority to set up an independent personnel system.

The legislation directed MES to establish a personnel system based on merit, to compensate employees based on performance, and to include fair and equitable procedures for the redress of grievances, and for the hiring, promotion and laying off of employees. Significant work was undertaken to transition the agency to independent status. Regulations implementing the new independent Human Resources System became effective Jan. 1, 1995.

Employee incentives and benefits were developed because MES recognized its most valuable resource was its employees. In 1995, the Board authorized use of Program Development Funds to create an employee bonus and incentive plan (Resolution 95-08-3R). In 1997, MES became the first State agency to adopt Performance Based Compensation rewarding employees for initiative and innovation and requiring a certain level of performance for continued employment. On June 24, 1999, the Board adopted Resolution 99-06-01R to establish an executive compensation program, adopt a statement of executive compensation philosophy, and direct the Director to review certain salaries; and develop an employee bonus plan, an executive incentive plan, and performance evaluation plan.

On Oct. 28, 1999, the Board adopted resolution 99-10-06R establishing an employee incentive program known as the BEST Program. Incentives are only paid to employees if MES is successful in achieving or exceeding defined performance goals that are approved by the Board prior to the fiscal year. The purpose of the BEST program was to recognize and reward all eligible employees for contributing to the continued growth and strength of MES, to pay employees an incentive for meeting and exceeding preset goals, to emphasize that all MES employees have an impact on the 'bottom line', and to link the importance of cooperation & teamwork to the growth and success of MES. The Board determines (a) the success of MES in meeting the goals established for the prior fiscal year, and (b) the total amount of funds available to the BEST Program. Each individual payment is determined by dividing the BEST Pool of Funds by the

number of eligible employees. The amount shall not be less than \$100 per eligible employee.

The program also established a BEST Plus payment, an additional payment to employees who have made extraordinary contributions to achieving the BEST goals of the Service or for extraordinary performance. On October 28, 1999, the Board adopted Resolution 99-10-07R establishing an Executive Incentive Plan. The goal was to attract and retain qualified and competent executives to provide innovative, responsive, and cost-effective environmental management services to Maryland's local governments, State and Federal agencies, and private entities.

In FY20, MES celebrated its 50th Anniversary with a record financial performance and historic economic impact on the State. MES had a record-setting revenue of \$182.2 million from state, county, municipal, and private sector client projects and services. Two-thirds of agency revenue flowed directly back into the private sector, including nearly 29% to Minority Business Enterprise partners. The FY20 revenue was a 13% increase (\$21.1M) over FY19 and was driven in part by significant environmental projects across the State. MES also had growth of \$1.28M in total billable labor in FY20.

At the April 30, 2020 meeting, the Board was provided a history of the BEST Program and a 2020 BEST progress update. The Board adopted MES Resolution No. 20-04-2R determining that MES had met the FY20 BEST Goals and authorized that a BEST payment be made to eligible employees. This was done in recognition of the considerable efforts and personal sacrifice that MES employees had undertaken to carry out their duties and maintain the critical mission activities of the Service during the State of Emergency and to provide a financial boost right as the COVID-19 pandemic began adversely impacting the economy. The Board did not authorize the early payment of either the BEST Plus component or Executive Incentive.

Since Aug. 2020, the MD General Assembly is reviewing certain actions taken by MES and the MES Reform Act of 2021 is currently moving through the Legislature. On Nov. 19, 2020, the MES Board adopted Resolution 20-11-1R suspending payment of any further FY20 BEST, BEST Plus, or Executive Incentive to MES employees until after the close of 2021 Legislative Session. The resolution further provided that between the close of the 2021 Legislative Session and before June 30, 2021, the Board shall consider whether to pay an additional BEST amount and pay BEST Plus and Executive Incentive for FY20 to MES employees. If the Board takes no action, no further FY20 payment will be made to MES Staff. If the Board takes action, only staff employed by MES on a date established by the Board will be eligible for a payment.

There are numerous differences in benefits allotted to State employees versus MES employees:

- MES employees can purchase health benefits similar to State employees, but other benefits were found to be significantly less overall than those of State agency employees
- State employees earn up to 34 days of leave per year, while MES employees earn up to 21 days (13 days less). This equates to an annual benefit (based on actual yearly salaries) of \$2,342,877 that MES employees do not receive
- The MES maximum retiree health benefit is ~\$2,000 to \$6,000 less annually (\$5,500 max. paid in the form of medical expense reimbursement) than the State minimum and requires more than 30 years of service with MES to be eligible
- State employees are credited with one month of pension service credit for every 22 days of accumulated unused sick leave when retiring, while MES employees lose all accumulated sick leave when they retire
- The State Retirement/Pension System provides a monthly lifetime retirement annuity. In contrast, MES provides a 401(k) plan for its employees
- The employee retirement benefit is based on an employee's tax-deferred savings along with a maximum 6% contribution match made by MES, while the employer's contribution rate for MES employees in the State Pension System is 20.71%
- Due to starting salaries, employer contributions are significantly lower for initial years of employment which greatly affects an employee's retirement fund balance
- Based on the salaries of MES staff employed at the time of analysis, MES would have contributed an additional \$6,127,487 in FY20 towards retirement of its employees if MES was part of the State Pension System

MES management acknowledges that our employees are our most valuable asset and that as an Agency we strive to attract and retain qualified and competent staff to provide innovative, responsive, and cost-effective environmental management services. The MES Performance Incentive Compensation plans help to offset some of the disparity between the benefits afforded to most State employees and the benefits of MES employees. When considered as part of the overall MES employee compensation plan,

this allows employees to receive additional compensation based on achievement of a defined set of goals while keeping the base rates charged to clients of MES low

Mr. Patel presented a summary of BEST payouts for the last five years. The agency is asking for \$3.2 million for the total incentive program, which represents 1.8% of total revenues. This would break down to \$2.3 million for BEST payments, \$789,480 for BEST Plus, and \$120,605 for Executive Incentive. The BEST payment consists of \$3,000 which was paid in April, and another \$300 to be paid this spring. The additional payment would only be made to current MES employees at the time of distribution. The BEST payments comprise 71.77% of the Incentive funds, BEST Plus 24.49% and Executive Incentive 3.74%.

The Committee discussed motions to make recommendations to the full Board on these BEST Program payouts.

The first motion is to recommend the Board approve the remaining FY20 BEST payout of \$300 per employee. Judge Smalkin made the motion to authorize the recommendation, Mr. Hall seconded. The motion passed unanimously.

The second motion was to recommend the Board approve the distribution of FY 20 BEST Plus payments. Judge Smalkin made the motion, Mr. Hall seconded. The motion passed unanimously.

The third motion was to recommend the payment of Executive Incentive payments from the pool of designated funds. The payments would not be more than 10% of an executive's salary. The Deputy Director's payment was already paid out before her departure. Judge Smalkin made the motion, Mr. Hall seconded. The motion passed unanimously.

The Committee will propose a Resolution at the full Board meeting that will adopt this motions and revoke the previous Resolution. Employees need to be employed as of March 25th and have to have completed their probation before June 30, 2020. Any new hires since June 30th are not eligible, as these payments are for the FY20 BEST program. This is consistent with past BEST payments.

Mr. Snee remarked that former Board member Larry Shubnell helped develop this program, and it has been wildly successful.

Finally, the committee recommended the FY21 goals be the same as the FY20 goals. Those goals are:

- Improve the environment through MES projects and programs

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Human Resources Committee
March 24, 2021
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- Maximize employee development, including recognition, education, and training; improve facilities and enhance employee amenities and benefits
- Retain existing partners and develop new ones, consistent with our vision and mission statements
- Improve environmental compliance, and provide a safe work environment for our employees, partners, and public citizens
- Increase the efficiency of administrative procedures, processes, and policies (in collaboration with the MES Board of Directors)
- Support and enhance the MBE Program
- Reduce non-labor overhead expenses as a percentage of total labor revenues
- Benefit our partners and the citizens of Maryland through community service

OLD/NEW BUSINESS

Mr. Hall inquired if an analysis of Executive salaries had been conducted. Dr. Glass suggested that be an item for a future meeting.

ADJOURNMENT

Upon motion by Mr. Snee the meeting adjourned at 2:47 p.m.

Marian C. Hwang

**Marian Hwang
Chair, Human Resource Committee**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 03-21
March 25, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean L. Coleman, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Tammy Banta (video)
Jason Gillespie (video)
Steve Tomczewski (video)
Vishal Bhatia (video)
Dan Faoro (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:35 a.m. Board members and staff participated via Teams video. The meeting was broadcast live to the public on YouTube.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of February 25, 2021. Mr. Smith made a motion to approve the minutes, and Mr. Snee seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass was sad to report that staff member Roger Myers, Jr. passed away unexpectedly on Saturday, March 20th. Mr. Myers was a Field Operations Supervisor at the Montgomery County Yard Trim Composting Facility in Dickerson, MD. He managed the Leafgro® bagging line and crew at the site and was a stalwart force that produced the 650,000 bags of Leafgro® each year like clockwork. He was a valuable member of the MES Dickerson family and will be deeply missed.

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be incurred on his behalf in the past month, and he continues to refrain from travelling or incurring business expenses.

Dr. Glass also announced the retirement of long-serving team member Karen Fields. Ms. Fields was hired as an Environmental Systems Operator Apprentice in 1987 at the Crownsville Water plant. She progressed to an ESOI and then switched to the Environmental Specialist series where she held positions of increased responsibility. Her final position was Senior Lead Environmental Specialist in the Environmental Monitoring department. She will be presented with a Director's Citation for her 30+ years of service, and with a Governor's Citation. Dr. Glass will be reinstating retirement gifts for staff members who retire or have retired in the last few years with 30+ years of service.

The MES Reform Act bills continue to progress through the Legislature. SB2 has now crossed over to the House of Delegates. No hearings are scheduled, but a vote is expected to occur before the end of the session.

The State Transparency and Accountability Reform (STAR) Commission met for the third time last week. The presentations given at the meeting inspired Dr. Glass to locate and post the MES Strategic Plan for 2017 to 2022 on the website. A group is being formed to evaluate how well the agency has met the goals of this plan and begin efforts to update the plan for the next five years.

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March 25, 2021
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Dr. Jahan has accepted the Sea Grant offer to join MES. Dr. Jahan will focus on compiling the operations information and drafting a report on greenhouse gas emissions that will be presented to the General Assembly. She will also work with Mr. Kluga in the Grants office on new proposals with agency partners on innovative technologies.

Dr. Glass emphasized his commitment to training and educational opportunities for agency employees. The supervisor and management training program will be re-implemented with a focus on supporting and encouraging all employees to stay, thrive and grow with the agency. No matter where a person starts in the agency, they should be encouraged to keep learning and preparing for the next job within the agency. Dr. Glass has begun discussions with UMBC about their certificate and Master's degree program in Environmental Engineering and Project Management. He will also reach out to other universities that have flexible online programs that are conducive to working adults.

Dr. Glass was happy to report that equipment from the Maryland Department of Aging Durable Medical Equipment program was being used at Covid vaccination clinics. His grandmother was able to use one while waiting in line for her vaccination.

There is a new inspiring video on Poplar Island that was posted on LinkedIn.

An RFI was issued to gauge industry capabilities to produce Biochar from organic wastes. Mr. Razik and Mr. Ford are reviewing the responses received. Anne Arundel County and WSSC are interested in teaming on project with MES. The EPA has identified a new pollutant, PFAS. The Biochar gasifier/pyrolysis reactor is one of the few technologies capable of destroying PFAS.

The Governor recently announced that a \$1,000 bonus payment will be made to all State employees. Dr. Glass asked the Board to reward MES employees for their sacrifices over the last year, by granting them a similar \$1,000 payment. Mr. Snee moved to authorize the \$1,000 payment to all MES employees, Ms. Heller seconded the motion. The motion passed unanimously.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. Mr. Snee asked if there was any change in status to the Brown Station Landfill project since last month. Mr. Tomczewski indicated that the five-year agreement is moving forward. The County recently added about \$10 million to the

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proposed contract. The FY22 proposed budget is \$12.4 million, which is close to the FY21 budget. The work continues.

FINANCIAL REPORT

Mr. Patel presented the February 2021 Financial report. Labor sales are following the same trend as the last six months. Labor sales continue to remain lower than at the same period last year, due to there being 1 less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the net financial position.

The agency will meet its budgeted increase in net assets for FY2021. The total net assets are approximately evenly divided, with about half being capital assets and half unrestricted net assets. Staff are looking at replacing fleet vehicles and adding about 10 vehicles to the fleet this year, something which has not been done in the last 2 years. Another 10 vehicles will be added the following year. The actual increase in net assets should wind up being about what was budgeted. Fringe variance is high now but is expected to even out. As Administrative positions are filled, the overhead variance will decrease.

Mr. Patel also discussed the Accounts over 90 days report. The report will now be updated a few days before each meeting, rather than at the end of the preceding month, for a more accurate snapshot. Finance staff and project managers are working diligently on collections. All available staff are working on collections and the list will improve. Mr. Snee congratulated Mr. Patel and his staff on the progress they have made in reducing accounts receivable.

AUDIT COMMITTEE REPORT

Ms. Heller advised that the Audit Committee met earlier today and received reports from Ms. Condra and Mr. Patel. The committee approved the Internal Audit Charter and Plan. These documents summarize the internal auditor's findings and recommendations. Mr. Snee inquired if there were any concerns with the hotline item. Ms. Condra advised that controls are in place, and it appears that most of the individuals involved no longer work at MES. They are looking at ways to prevent any future problems.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 851 current positions. The vacancy rate will be 3.86% once pending new hires are brought on board. Remote hiring and

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orientation are ongoing, with 91 new employees being brought on board since Covid restrictions were enacted.

HUMAN RESOURCES COMMITTEE REPORT

Mr. Snee advised that the Human Resources and Compensation Committee met yesterday. The Committee consists of Mr. Hall, Judge Smalkin and Mr. Snee. They approved the minutes of the HR Committee meeting held in May 2020. An overview of the BEST program was presented. The MES enabling statute required it to promulgate regulations and create an independent personnel system. That personnel system requires compensation to be based on merit and performance. In 1999, the BEST program was adopted, and has worked well for 22 years. The program established goals for the agency, and if those goals are met, additional payments are made to agency employees. In April 2020, as the agency was projected to meet its goals, and to enhance moral as the Covid epidemic accelerated, the Board approved the early disbursement of FY 2020 BEST payments. The Board did not authorize the payment of BEST Plus or Executive Incentive at that time. In June 2020 \$3,000 payments were made to every eligible employee. In November 2020, a pause was made on any additional payments. The HR Committee is now recommending that the Board remove that suspension. The Committee is recommending a total FY20 BEST payment of \$3,300 for all eligible employees. The \$3,000 was already paid, so an additional payment of \$300 would be paid at this time. In addition, the Committee is recommending BEST Plus funds be authorized in the amount of \$789,480, to be distributed by the Managing Directors. They Committee further recommends \$120,605 to be made available for Executive Incentive payments, which will be awarded at not more than 10% of an Executive's base pay.

RESOLUTION 2021-03-1R

Mr. Snee recommended approval of Resolution 2021-03-1R, which authorizes FY20 BEST, BEST Plus and Executive Incentive payments as detailed above by the HR Committee. Mr. Smith seconded the motion. The Motion passed unanimously.

GROUP UPDATES

Ms. Banta highlighted the Baltimore Harbor Anchorage and Channels modification of the Seagirt Loop Channel feasibility study. The project includes widening and deepening the Seagirt Loop Channel, re-design of an anchorage to allow larger vessels to standby in the Harbor, examine deepening the SLP Channel and

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turning basin, and evaluation of other structural/nonstructural measures to improve transportation efficiencies in the harbor.

Mr. Tomczewski highlighted the Durable Medical Equipment Refurbishment Program. The Facility was operated by three MES employees in FY21, with additional employees expected in FY22. To date, the program has collected over 2,000 pieces of equipment with over 90 refurbished wheelchairs being donated to mass vaccination centers. Collection agreements are in place with Anne Arundel, Harford, Kent, Talbot, Queen Anne's, Caroline, Prince George's Counties, and Baltimore City.

Mr. Gillespie highlighted the American Rescue Plan Act. MES, in consultation with DBM, has submitted a list of potential shovel ready projects that would be eligible for funding. The Act included provisions for funding water and wastewater critical infrastructure upgrades. The projects would need to be completed by December 2024.

RESOLUTION 2021-03-2R

Mr. Gillespie presented Resolution 2021-03-2R, reaffirming the Darlington Water Supply Service District and approving an update to the Five-year plan. The Service District was created in October 1997. MES acts as the utility and owner of this system, not just the operator. MES is required to review, update, and readopt the Five-Year plan for the Service District biennially. A public hearing was held on March 10, 2021. There is no rate increase at this time or contemplated for the foreseeable future. Mr. Snee moved to approve Resolution 2021-03-2R, Mr. Smith seconded. The resolution passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for the Microsoft licensing for the next three years, from SHI. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for design/build services for the Montgomery County Oaks Landfill Oil & Grit expansion. The County directed sole source for Barton & Logudice is based on their previous work at the landfill, and creation of the concept plan for the project. Mr. Hall made the motion to approve the item, Mr. Snee seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is for hydraulic modeling support services in Howard County for MDE, provided by Wood Environment &

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Infrastructure Solutions, Inc. Mr. Smith made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is for drainage management, remediation and maintenance support for MDOT SHA provided by Concrete General, Inc. Mr. Snee made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for additional work at the Eastern Pre-Release Unit Wastewater Treatment Plant expansion and upgrade provided by M2 Construction, LLC. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is for carbon pricing review and technical services for the Maryland Energy Administration (MEA) provided by McKinsey and Company. MEA vetted two other companies before selecting McKinsey & Company. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$250,000 were reviewed.

LEGAL REPORT

Mr. Coleman advised that his office has been very busy with multiple projects, ongoing litigation, and several procurement matters. There are several upcoming trials scheduled before the Anne Arundel County Circuit Court. The first is scheduled for a 9-day trial in April and related to the closure of the Midshore I landfill. The second arose from a bid dispute over a project at Cox Creek. A decision on a Temporary Restraining order is due on Monday.

Mr. Coleman also congratulated Ms. Fuller on her 25 years with the agency.

OLD/NEW BUSINESS

Dr. Glass advised that the position of Deputy Director was recently advertised. Many talented responses have already been received. The announcement will be open for another two weeks. He is hoping to fill the position by the end of the fiscal year.

The next meeting of the Board is scheduled for April 29, 2021 at 9:30 a.m.

ADJOURNMENT

Upon motion by Mr. Snee, seconded by Mr. Smith, the meeting adjourned at 10:52 a.m.

Frederic N. Smalkin

HONORABLE FREDERIC SMALKIN
SECRETARY

Charles Glass

CHARLES C. GLASS, Ph.D., P.E.
ACTING DIRECTOR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 04-21
April 29, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean L. Coleman, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Jason Gillespie (video)
Marni Dolinar (video)
Tim Ford (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Sharon Merkle (video)
Casey Powers (video)
Eric Hartlaub, Esq. (video)
Pamela Fuller (video)
Jana Leech (video)
Amanda Cooper (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:31 a.m. Board members and staff participated via Teams video. The meeting was streamed live to the public on YouTube.

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A technical difficulty with the YouTube audio was detected. No business was conducted until sound was restored for the public.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of March 25, 2021. Mr. Smith made a motion to approve the minutes, and Mr. Hall seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be incurred on his behalf in the past month, and he continues to refrain from travelling or incurring business expenses. He did direct staff to pay for a one-day course for his required Professional Engineering credits entitled "Water Environmental Association Effective Utility Management" virtual conference on April 28th. Dr. Glass stated he plans to begin visiting MES operating sites in May. He plans to bring snacks and drinks as he meets with MES team members.

Dr. Glass asked the Board to join him in thanking two long serving Managing Directors who have recently retired. After 34 years of dedicated service, Ms. Tammy Banta has retired from her position as Managing Director of Environmental Dredging and Restoration. Ms. Banta started her career with MES as an Environmental Specialist at Hart-Miller Island in March of 1987. She provided firsthand environmental and project management support to many projects and studies over the years including G-West, Site 92, Pearce Creek and Poplar Island. As Ms. Banta excelled at MES, her responsibilities and positions increased until she reached her most recent position of Managing Director of the Environmental Dredging and Restoration Group, guiding her team on challenging construction and environmental projects such as the expansions of Cox Creek and Masonville Dredged Material Containment Facilities and the Conowingo Pilot Dredging and Sediment Characterization Project. Ms. Banta fostered the development of a very talented and successful EDR Team through her strong leadership, work ethic and commitment to the projects, clients and MES employees.

Mr. Steven Tomczewski Managing Director of Environmental Operation announced his retirement on Friday, March 26 after 16 years of service. Mr. Tomczewski held the position of Managing Director throughout his entire term of service with MES, and in that time, oversaw considerable growth of the Environmental Operations Division of MES. Specifically, during Mr. Tomczewski's term, MES began the highly successful operation of the Prince Georges County Single Stream Facility, the

Board of Directors Meeting**April 29, 2021****Page 3**

operation of the Prince Georges County food waste composting operation, and the management of all the Harford County Department of Public Works Solid Waste Operations. On the engineering side, the Group completed the financing and construction of the Midshore II landfill, the closure of the Midshore I landfill, the construction of two transfer stations, five landfill closure caps, five new landfill cells, one single-stream recycling facility, and the renovation of two other recycling facilities. In addition, the group oversaw the construction and operation of the largest food waste composting operation in the United States. Mr. Tomczewski's operations have won several prestigious Solid Waste Association of North America excellence awards include gold medals for landfill operations and compost marketing.

On April 19th, Dr. Glass appeared in front of the STAR Commission (State Transparency and Accountability Reform), with support from Mr. Coleman and Mr. Tosi. After reviewing the Legislative intent and role of MES in the State, the focus of the presentation was the actions that have been taken to date which include; establishment of Internal Audit Office, execution of a Financial Compliance Audit of FY2020 with the external auditor, established an internal workgroup to review all agency policies, determine needs, and management protocols, and completed a review of MES compensation versus traditional State agencies. The commission would like Dr. Glass to return in late summer or early fall to update them on the progress of implementing the new law and enforcing the updated policies of the agency.

The MES Reform Act (SB2/HB2) passed on April 9th and was signed by the Governor on April 14th. The bill becomes effective on July 1st. The new statute makes structural changes to MES governance, requires specified actions by MES and the MES Board over the next eight months, and implements multiple transparency measures, among other things.

- Board Composition
 - Board must be reconstituted by July 1, 2021
 - Adds State Treasurer to the Board
 - Removes Deputy Director from Board
 - Board Member Term limits – 2 terms
 - Chair: selected from amongst Board members
 - Secretary & Treasurer: selected from amongst Board members and cannot be MES employees.
 - Board members must observe the same standard of care as outlined in Corporations and Associations Article § 2-405.1
- Policies to be Adopted/Readopted by Board

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- Conflict of Interest Policy (October 31, 2021)
- Other Policies (December 1, 2021)
 - Severance Packages
 - Bonuses, including a limit on bonuses for executives calculated as a percentage of salary
 - Tuition Reimbursement
 - Expense Reimbursement (incl. amount, timeframe, relevance)
 - Whistleblower Complaints
 - Travel
 - Use of fleet vehicles, laptops, cell phones, or other vehicles/devices owned by MES
- Required Training - Board members, Executive Director, Deputy Director shall receive annual training on: Ethics, Harassment, Diversity, Policies adopted/re-adopted by Board, and conflict-of-interest policy
- Executive Director
 - Expenses: required to present all expenses in aggregate exceeding \$500 at each regular Board meeting
 - Evaluated by Board annually
 - Board establishes criteria and procedures
 - Criteria and procedures must be published on MES website
- Audits: Independent Assessment (December 31, 2021). Board shall obtain an assessment of the Board's operations by an independent consultant/accountant
 - Structure of Board
 - Dynamics and functioning of the Board
 - Board's role in short-term and long-term strategy
 - Financial reporting process, internal audit, internal controls
 - Board's role in monitoring MES policies, strategies, systems
 - Board's role in supporting and advising MES
 - Role of the Chair of the Board
 - Any other issues relevant to the Board's operations
- Audits
 - Shall obtain audit that focuses on: unauthorized spending, misallocated expenses, lack of conformity with State law or Board policies, other accounting errors
 - Board shall review audit at Board meeting
 - Board shall provide audit (and any recommendations) to DBM
 - Board shall post audit on MES website
- Contracts

Board of Directors Meeting

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- Board shall approve all non-emergency expenses or procurement contracts above \$200,000
- MES Executive Director shall notify Board of all non-emergency procurement contracts above \$25,000.
- BPW approval required for any contract over \$250,000 where MES provide services to a non-governmental entity. Not required for services requested by state or local governments, or services for the federal government
- Hiring/Recruitment/Personnel
 - MES required to advertise, conduct search, conduct competitive interview process for all positions “not assigned to a project”
 - Diversity Officer: Executive Director shall appoint D.O. to
 - Coordinate the development and implementation of a diversity policy for MES
 - Assist employees with the resolution of grievances related to alleged violations of MES’s diversity policy and State/federal antidiscrimination laws
- Transparency – MES Board
 - Board shall make publicly available on MES website:
 - Meeting agenda 48 hours in advance or as soon as possible
 - Meeting minutes from each open session two days after they are approved by Board
 - Meetings held in open session must be live video streamed
 - Board shall maintain on MES website:
 - Complete and unedited archived video recording of each open meeting for which live streaming is available for a minimum of 1 year after the meeting date.
 - Meeting minutes for a minimum of 5 years after date of meeting
- Severance Package: Board may not award if executive accepts another position in State government within 1 year. If awarded, and recipient accepts another position in State government, must repay.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. The contract with Prince George’s County for the Brown Station Landfill construction project was signed this week. Mr. Ford explained that construction will begin to fill in a valley between cells on the existing landfill. This will add over 50 years of capacity to the site, which would otherwise run out of space by 2026. The contract

includes other projects at the landfill as well. MES has worked with the County to secure their capital project funding for a multitude of projects.

FINANCIAL REPORT

Mr. Patel presented the March 2021 Financial report. Labor sales are following the same trend as the last 6 months. Labor sales continue to remain lower than at the same period last year, due to there being 1 less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the budgeted net financial position. The agency has achieved 96.2% of its budgeted labor sales as of March 2021. Activity across multiple projects is picking up.

The agency will meet its budgeted increase in net assets for FY2021. The actual increase in net assets should wind up being about what was budgeted. Fringe variance is high now but is expected to even out. As Administrative positions are filled, the overhead variance will decrease. The total net assets are usually evenly divided, with about half being capital assets and half unrestricted net assets. The increase in net assets during the Fiscal Year will impact these balances, but it will return to 50/50 by the end of Fiscal Year.

The increase in net assets will be near \$3.7M largely due to vacant overhead positions. The FY21 Financial plan projected an increase of \$3.1M. The agency is slowly filling some of these vacant overhead positions. This will be taken into consideration when preparing the FY22 budget.

Mr. Patel also discussed the Accounts over 90 days report. Finance staff and project managers are working diligently on collections. Mr. Patel updated the status of each open account:

- Prince George's County – recently received confirmation that payment will be processed within next two weeks.
- Montgomery County – Workday now combines multiple projects and accounts under a single customer number. All projects are reconciled. These accounts should be paid within two weeks.
- Town of Sudlersville – the final invoice was sent to the Town last week.
- Maryland Correctional Pre-Release System – All requested documentation has been provided. Payment is being processed
- DC Dept. of General Services – A payment plan has been implemented for the balance to be paid by September.

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April 29, 2021
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- Southstar L.P. – Customer is paying current invoices. The amount past due is to replace money in the sinking fund. This amount will be broken down into smaller payments.
- Canusa – documentation is being prepared for recyclable pricing differences.
- Wise Recycling and J.R. Sales – are in in Legal for processing.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 872 current positions. The vacancy rate will be 6.38% once pending new hires are brought on board. Remote hiring and orientation are ongoing.

GROUP UPDATES

Dr. Glass introduced Ms. Marni Dolinar, the Acting Director of Environmental Dredging and Restoration. Ms. Dolinar highlighted the Fishing Creek Dam improvements and dredging, Phase I alternative analysis. This is the first task of a new 10-year MOU with the City of Frederick.

Dr. Glass introduced Mr. Tim Ford, the Acting Director of Environmental Operations. Mr. Ford highlighted the Montgomery County leachate hauling and other support services project. MES procured a tractor and tanker trailer in 2013 to transport pretreated leachate from the closed Oaks Landfill in Laytonsville to the WSSC discharge station in Derwood. MES transported 4.7 million gallons of leachate in FY20, and over 2.4 million gallons in the 9 months of FY21.

Mr. Gillespie discussed the DNR Environmental Review Program (ERP). MES provides MDOT-SHA with three Environmental Reviewers who work at DNR providing environmental review of MDOT_SHA projects. These MES employees work under the direction and guidance of DNR ERP management staff and submit draft information for manager review.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is a pre-solicitation approval for \$1,659,600.00 for the ECI Natural Gas Pipeline and Propane conversion which is projected to be completed by September 2021. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is a pre-solicitation approval for \$498,907 for the installation of Phase V landfill gas collection system at the Brown

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Station Landfill. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is a pre-solicitation approval for \$1,600,000 for on-call loading, hauling, and disposal of leachate services at Brown Station Landfill and Sandy Hill Landfill. Ms. Heller made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is for an inbound and outbound scale for the Montgomery County Dual Stream MRF. Toledo Mettler will provide the scale at a cost of \$280,085. Mr. Snee made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for transportation of leaves and yard trim from the Montgomery County Griding Operation in Derwood to the Compost Facility in Dickerson. WB Waste Solutions, LLC will provide the service at a cost of \$627,030.95. Mr. Hall made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is change order with Concrete General, Inc. for \$350,000. It is for drainage management, remediation and maintenance services along the Capital Beltway for MDOT SHA. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 7. The procurement is a pre-solicitation approval for \$10,000,000 for the supply and hauling of fill material for the Masonville Dredged Material Containment Facility. Mr. Smith made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 8. The procurement is a change order with Corman Kokosing Construction Company for \$2,350,000. The purpose is to add Colgate Creek Phase I and South Locust Point dredging, transport, and placement of material at the Masonville DMCF. Mr. Snee made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 9. The procurement is for engineering support to MES in the development of the alternatives analysis for the Fishing Creek Dam Improvements and Dredging Project. The services will be provided by Anchor QEA at a cost of \$260,799. Mr. Hall made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

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Ms. Crosby introduced Item 10. The procurement is a pre-solicitation approval for \$750,000 to purchase two articulated dump trucks for the Poplar Island Ecosystem Restoration project. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 11. The procurement is for statewide medical services for pre-employment, safety, and compliance drug testing. The services will be provided by Concentra at a cost not to exceed \$350,000. Mr. Hall made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 12. The procurement is to replace the wastewater treatment plant and sewer collection system at Victor Cullen. The work will be provided by HRI Construction, LLC dba M2 Construction LLC in MD for \$7,957,440. Mr. Smith made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 13. The procurement is a change order with The Brattle Group for \$100,000 (bringing the total contract to \$300,000). It is for additional technical and economic analysis services for the Maryland Energy Administration. Mr. Snee inquired about the original reason for the sole source designation. MEA choose Brattle Group as they are “the” expert on alternative energy pricing models and are also being used by several other States. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 14. The procurement is for recyclable diversion services during facility renovations at the Prince George’s County Materials Recycling Facility (MRF). The transportation and recycling services will be provided by Blackbridge Investments at a cost of \$321,750. Ms. Heller made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$250,000 were reviewed. Ms. Heller inquired as to how contractors are chosen to be on the various Short Lists. Ms. Crosby explained that solicitations are conducted for the various short lists. Vendors submit their credentials and price proposals. Responsive vendors are then added to approved short lists.

OLD/NEW BUSINESS

Dr. Glass expressed his appreciation to the Governor’s office, Senator McKray and Delegate Corman on the bipartisan efforts in crafting the MES Reform Act. The entire process was very professional.

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As of July 1st, the Board will be without a Chair. Dr. Glass would like to propose a motion to adhere to the currently scheduled 2021 meeting schedule until the time a new Board is appointed, especially the July meeting. Dr. Glass made the motion, Mr. Smith seconded. The motion passed unanimously. Elections for a new Board Chair will be conducted in July.

The Audit Committee reviewed and approved the Risk Assessment and Internal Audit Plan at the last meeting. The plan was then distributed to the entire Board. Dr. Glass asked if there were any questions or comments. Hearing none, he made a motion to approve the Plan. Ms. Heller seconded. The motion passed unanimously.

The next meeting of the Board is scheduled for May 27, 2021 at 9:30 a.m. An Audit Committee meeting is scheduled for 9:00 a.m.

Mr. Coleman advised that State Financial Disclosures are due by April 30th.

CLOSED SESSION

At 11:00 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1), (7), and (8) Dr. Glass stated that the Board intended to enter closed session to approve the minutes of a prior closed meeting session, to discuss the performance of one or more individuals, to obtain advice of counsel, and to discuss current litigation. Dr. Glass asked if anyone objected to the Board entering closed session, and no objections were heard. He also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Ms. Heller then made a motion that the Board enter closed session for the reasons stated above. Mr. Hall seconded the motion, all members voted in favor of closing the meeting. Dr. Glass announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 11:00 am. The Board members and Mr. Coleman, Mr. Hartlaub, and Ms. Fuller were then transferred to a secure conference video line.

Dr. Glass called the meeting of the closed session of the Board to order at 11:05 a.m. Present during the closed session of the Board were Board members Glass, Smalkin, Snee, Smith, Hall, and Heller and Assistant Attorneys General Coleman and Hartlaub, and Paralegal Fuller. At the start of the closed session Dr. Glass requested a motion for the approval of the minutes of the closed session from the meeting of October 22, 2020. Mr. Smith made the motion to approve the minutes and Mr. Hall seconded. The minutes were unanimously approved, with the exception of Ms. Heller who abstained, as she was not at the October meeting.

**Board of Directors Meeting
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During the closed session the Board consulted with counsel on various litigation and investigation matters. No official action was taken. The closed meeting adjourned at 11:45 a.m.

ADJOURNMENT

The meeting adjourned at 11:45 a.m.

Frederic N. Smalkin

**HONORABLE FREDERIC SMALKIN
SECRETARY**

Charles Glass

**CHARLES C. GLASS, Ph.D., P.E.
DIRECTOR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 05-21
May 27, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Priscilla Carroll, Esq. (video)
Hament Patel (video)
Hattie Crosby (video)
Jewel White (video)
Jason Gillespie (video)
Marni Dolinar (video)
Tim Ford (video)
Ellen Frketic (video)
Steven King (video)
Winsome Condra (video)
Jeff Tosi (video)
Sharon Merkle (video)
Casey Powers (video)
Pamela Fuller (video)
Jana Leech (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:30 a.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of April 29, 2021. Mr. Snee made a motion to approve the minutes, and Mr. Smith seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be incurred on his behalf in the past month, and he continues to refrain from travelling or incurring business expenses. He did visit four MES sites in May, the Prince George's County Materials Recycling Facility and Composting Facility, the Rocky Gap Wastewater treatment plant and the Greenbrier wastewater treatment facility. For each visit, he brought healthy snack bags for staff members. The total cost for the fruit, chips, and beverage was \$272.29. He hopes to visit many more of the major facilities before the end of the year. He also spent about \$120 on lunch for 8 staff members while touring the Western Maryland sites this week.

As he tours sites, Dr. Glass is highlighting the three major focus areas: safety, level of service, and growth opportunities for staff. He would like to see no major injuries at MES. It is up to everyone to keep all MES employees safe. He is also stressing providing a great level of service to MES clients. Continued education and training are fundamental to the first 2 goals. Ms. White is actively working to get the Manager Training and Supervisor program back up and running by next January.

The search for a Deputy Director continues. A panel of MES Executives has selected five potential candidates from a pool of 32 applicants. Dr. Glass will interview these five, then provide three names to the Secretary of Appointments. It is hoped a Deputy Director will be appointed by July.

A letter was sent to four HBCU's (Historically Black Colleges & Universities) seeking to build relationships. The intent is to strengthen MES partnerships with all four institutions by hiring their students, sending MES employees to their programs, writing for research grants with them, and potentially doing work for them.

MACO and MML distributed a solar survey to their members. The results are still coming in. MES and MCEC look forward to following up to support various jurisdictions in their development of solar projects.

Discussions are underway with Hazen, WSSC, and Anne Arundel County on a proposed Biochar RFP to handle biosolids.

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May 27, 2021
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A few organizational changes have been made recently. Ms. Ellen Frketic has been named the new Acting Director of the Water and Wastewater group. Mr. Jason Gillespie will be the Managing Director of Technical Environmental Services (TES), which will include Environmental Monitoring and GES services. There will now be four operating divisions at MES.

The Charles County Resilience Authority had its first meeting on May 21, 2021. The group is focused on nuisance flooding and climate events in Charles County. Dr. Glass is on this Board.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. Several Dredging projects were highlighted.

FINANCIAL REPORT

Mr. Patel presented the April 2021 Financial report. Labor sales are following the same trend as the last 6 months. Labor sales continue to remain lower than at the same period last year, because there is one less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the budgeted net financial position. The budget did not consider COVID-19. The current labor sales are now comparable to this same point in FY20.

The agency will meet its budgeted increase in net assets for FY2021. The actual increase in net assets should wind up being about what was budgeted. Fringe variance is high now but is expected to even out. As Administrative positions are filled, the overhead variance will decrease. The total net assets are usually evenly divided, with about half being capital assets and half unrestricted net assets. The increase in net assets during the Fiscal Year will impact these balances, but it will return to 50/50 by the end of Fiscal Year.

The increase in net assets will be near \$3.5M largely due to vacant overhead positions. The FY21 Financial plan projected an increase of \$3.1M. The agency is slowly filling some of these vacant overhead positions. This will be taken into consideration when preparing the FY22 budget.

Mr. Patel also discussed the Accounts over 90 days report. Finance staff and project managers are working diligently on collections. Mr. Patel updated the status of each open account:

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- Town of Sudlersville – the final invoice was sent to the Town.
- DNR – The MES project manager is working the DNR project manager
- DC DGS – the first payment should arrive soon
- Southstar L.P. – Customer is paying current invoices.
- Wise Recycling and J.R. Sales – judgments have been obtained.

AUDIT COMMITTEE REPORT

Ms. Heller reported that Audit Committee met earlier in the day with the agency auditors, RSM, for an initial kickoff audit presentation. Dr. Glass reported that, in addition to regular financial audit, RSM will be asked to review the senior leadership expenses again.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 857 current positions. The vacancy rate will be 7.92% once pending new hires are brought on board. Remote hiring and orientation are ongoing. In the last month, of the 14 candidates who declined a job offer, 10 indicated it was due to the low salary. Changes will be considered for some of these hard to fill positions.

GROUP UPDATES

Ms. Dolinar presented an overview of the Confined Aquatic Disposal (CAD) process whereby soft silts, clays, sand and gravel are removed, and are replaced with dredged materials. A new CAD MOU will be executed with MDOT MPA next month for project management, engineering design, and regulatory coordination and permitting.

Ms. Frketic presented the Point Lookout State Park water and sewer improvements. The 50-year-old water and sewer piping systems will be replaced, as well as improvements to the park pump stations.

Mr. Ford presented the Eastern Shore natural gas pipeline. The project will positively impact the Department of Public Safety and Correctional Service, the University of Maryland, Eastern Shore and Somerset County. The line will start receiving gas this fall. Chesapeake Utilities has currently installed about 50% of the pipeline.

Mr. Gillespie presented the MDE eCollaboration tool that was developed by MES for use by MDE for online permit applications. The web application allows remote, paperless inter-agency review from both state and federal entities by allowing secure

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online real-time access to all relevant documentation. This has significantly sped up the approval process.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for engineering support services at the Gude and Oaks Landfills in Montgomery County. Barton & Loguidice will provide the services at a cost not to exceed \$375,000. There is a 0% MBE goal. Mr. Smith made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for on-site trail design support at the Cox Creek Expanded community enhancement sites. A.D. Marble will provide the services at a cost of \$250,000. There is a 37% MBE goal. Mr. Hall made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is a pre-solicitation approval for \$2,000,000 for the supply of high strength geotextile services at Masonville DMCF. The MBE goal is to be determined. Judge Smalkin made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is for local data annual submission and TMDL GIS support (FY22) for MDOT SHA. Whitney, Bailey, Cox & Magnani, LLC will provide the service at a cost of \$335,450.09. There is a 49% MBE Goal. Judge Smalkin made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for reconditioning of the 250,000-gallon water tank at Crownsville Hospital Complex. K&K Painting Inc. will provide the service at a cost of \$350,000. There is a 11% MBE goal. Mr. Smith made the motion to approve the item, Judge Smalkin seconded. The motion passed unanimously.

Judge Smalkin requested future items indicate the physical location of the projects.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$250,000 were reviewed.

LEGAL REPORT

Ms. Carroll reported that on April 27, 2021, the Circuit Court for Anne Arundel County dismissed a case filed by CJ Miller. On May 21st, CJ Miller's attorneys filed a Notice of Appeal to the Court of Special Appeals.

The process has begun to hire a fourth Assistant Attorney General for the agency.

REGULATION UPDATE

Mr. Tosi presented two proposed regulation changes that are necessary to bring the agency regulations into compliance with the recently enacted MES Reform Act (SB2, 2021 session). The Human Resources regulations (COMAR 14.27.02) will be amended to reflect the Director's new title and clarify that the regulations do not apply to members of the Board. The Procurement regulations (COMAR 14.27.03) will be amended to reflect the Director's new title, and to reduce the contract amount requiring Board approval from \$250,000 to \$200,000. Both proposed changes also will be submitted as emergency regulations, so as to be effective by July 1st. Judge Smalkin made a motion to approve the changes, Mr. Hall seconded. The motion passed unanimously.

OLD/NEW BUSINESS

The next meeting of the Board is scheduled for June 24, 2021 at 9:30 a.m. The new law requires the agency to live stream its Board meetings. The agency currently does not have the ability to do this in person. The IT staff are working on a solution, in the meantime, Board meetings will remain fully virtual.

ADJOURNMENT

Upon motion by Mr. Hall, and seconded by Ms. Heller the meeting adjourned at 10:37 a.m.

Frederic N. Smalkin

**HONORABLE FREDERIC SMALKIN
SECRETARY**

Charles Glass

**CHARLES C. GLASS, Ph.D., P.E.
DIRECTOR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS AUDIT COMMITTEE MEETING MINUTES - DRAFT

May 27, 2021

LOCATION: **Conference/Video Call**

TIME: **9:00 a.m.**

COMMITTEE MEMBERS PRESENT:

Shelley Heller (video)
Morgan Hall (video)
J.P. Smith (video)

OTHERS PRESENT: Charles Glass, Chairman (video)
Winsome Condra (video)
Hament Patel (video)
Pamela Fuller (video)
Valerie Colimon (RSM) (video)
Andrew Wolf (RSM) (video)

CALL TO ORDER

Ms. Heller called the meeting to order at 9:00 a.m. Board members and staff participated via Zoom video. The meeting was broadcast live to the public on YouTube.

MINUTES

Ms. Heller requested discussion or a motion for the approval of the minutes of the meeting of March 25, 2021. Mr. Hall made a motion to approve the minutes, and Mr. Smith seconded. The minutes were unanimously approved.

RSM ANNUAL AUDIT PROCESS

Ms. Colimon and Mr. Wolf of RSM presented an overview of the annual audit to be conducted by RSM US LLP. RSM has conducted annual audits of the agency for the last two years. Since Covid, they have conducted their reviews remotely. This audit consists of reviewing thousands of transactions and documents. They will begin field work in June, then come back in August for about a month. They will complete their work in

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Audit Committee

May 27, 2021

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September, then issue their official statement. This year, most of their work will be done remotely, working with documents primarily housed in Workday and Laserfiche.

OLD/NEW BUSINESS

Dr. Glass advised that he is requesting RSM conduct an additional audit of executive expenses, similar to what was done for FY20.

ADJOURNMENT

Upon motion by Mr. Hall, seconded by Mr. Smith, the meeting adjourned at 9:18 a.m.



Shelley Heller
Chair, Audit Committee



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 06-21
June 24, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Chairman (video)
Ellen Frketic, Deputy Director (video)
Judge Frederic Smalkin, Secretary (video)
Morgan Hall (video)
Shelley Heller (video)
J.P. Smith (video)
Joseph Snee, Esq. (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq. (video)
Winsome Condra (video)
Amanda Cooper
Hattie Crosby (video)
Marni Dolinar (video)
Kevin Eckhart (video)
Tim Ford (video)
Pamela Fuller (video)
Jason Gillespie (video)
Steven King (video)
Jana Leech (video)
Sharon Merkle (video)
Hament Patel (video)
Mark Serio (video)
Jeff Tosi (video)
Jewel White (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:30 a.m. A roll call of Board members was taken. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Dr. Glass requested discussion or a motion for the approval of the minutes of the meeting of May 27, 2021. Judge Smalkin made a motion to approve the minutes, and Mr. Smith seconded. The minutes were unanimously approved.

DIRECTOR'S REPORT

Dr. Glass reported on his expenses over the last month. He has not incurred any expenses, nor directed that any expenses be incurred on his behalf in the past month, and he continues to refrain from travelling or incurring business expenses. His scheduled trip to Hart Miller Island was postponed. He did attend a press release event in Frederick for the completion of the Lake Linganore dredging project with Ms. Dolinar and Ms. Lindley.

Dr. Glass introduced Ellen Frketic, the new Deputy Director of the agency. She was selected from an initial pool of 32 candidates, and 5 finalists. He is very happy she is joining the Executive office and looking forward to working with her.

This is the last meeting for several Board members. Mr. Joseph Snee has the distinction of being the longest serving board member with 27 years on the MES board. Mr. Smith and Mr. Morgan will also be leaving the Board at the end of the June. Dr. Glass thanked them for their service to the State of Maryland and for their input and professionalism.

Mr. Carroll Berl, Jr. is retiring from the agency after over 30 years of service in the Environmental Operations group. He worked in Baltimore County for over 27 years, before moving to Prince George's County in 2018. Dr. Glass and the Board wished him the best in his retirement.

A letter was sent to four HBCU's (Historically Black Colleges & Universities) seeking to build relationships. Dr. Glass attended a meeting with Dean Yu of Morgan State University and will be scheduling a meeting with the University of Maryland Eastern Shore.

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On June 4th, Mr. Gillespie led an outreach meeting between MES and the American Council of Engineering Companies (ACEC). All the Managing Directors presented their capabilities. Positive feedback was received.

AGENCY ACTIVITY REPORT

Dr. Glass presented the Agency Activity Report and asked if there were any questions. Mr. Snee inquired into the status of several Dredging projects on the list. Ms. Dolinar indicated those items were the operating budgets for the various projects for FY22.

CONTRACT FOR PROVISION OF REQUESTED SERVICES

The new MES statute, as of July 1st, will require Board of Public Works approval of contracts for the provision of requested services to non-governmental entities over \$200,000. This Change Order with Tronox, LLC is for ongoing on-site general property maintenance, compliance and technical support at their Hawkins Point site. Judge Smalkin and Ms. Heller noted their approval of this item. There were no objections.

FINANCIAL REPORT

Mr. Patel presented the May 2021 Financial report. Labor sales are following the same trend as the last 10 months. Labor sales continue to remain lower than at the same period last year, because there is one less pay period this year. The numbers continue to trend in a positive direction to meet or exceed the budgeted net financial position. The reduction in labor is universal across the groups, except in Environmental Ops, which is exceeding last year's labor sales.

The agency will meet its budgeted increase in net assets for FY2021. The actual increase in net assets should wind up being about what was budgeted. Fringe variance is high now but is expected to even out. As Administrative positions are filled, the overhead variance will decrease. The total net assets are usually evenly divided, with about half being capital assets and half unrestricted net assets. The increase in net assets during the Fiscal Year will impact these balances, but it will return to 50/50 by the end of Fiscal Year.

The increase in net assets will be near \$3.5M largely due to vacant overhead positions. The FY21 Financial plan projected an increase of \$3.1M. The agency is slowly filling some of these vacant overhead positions. This will be taken into consideration when preparing the FY22 budget.

Board of Directors Meeting
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Mr. Patel also discussed the Accounts over 90 days report. Mr. Patel updated the status of each open account:

- Town of Sudlersville – no change since last month.
- DC DGS – installment invoices have been implemented, payments are coming in.
- Southstar L.P. – Customer is paying current invoices, will start payments into the sinking fund soon.
- Wise Recycling and J.R. Sales – judgments have been obtained.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 856 current positions. The vacancy rate will be 6.78% once pending new hires are brought on board. Remote hiring and orientation are ongoing. The overall vacancy rate will be less than 5% by the end of the year.

GROUP UPDATES

Mr. Serio, the Acting Managing Director for Water/Wastewater discussed recent safety upgrades at the Cambridge WWTP. The facility is owned by the City of Cambridge, with MES as the operator. A recent MOSH inspection determined that existing railings were out of compliance with the current code. The facility staff worked with Safety/Compliance, WWW Engineering, and a local contractor to replace or add a total of 25,500 feet of railing. The facility is now in compliance with the new standards, and new inspection frequencies have been put into place.

Ms. Dolinar presented the Paul S. Sarbanes Ecosystem Restoration Project at Poplar Island expansion project. The expansion provides an additional 537 acres of restoration area and provides an additional 28 million cubic yards of dredged material capacity. The additional cells were constructed from March 2017 to January 2021, with the first inflow of dredged material in April 2021.

Mr. Gillespie discussed the partnership with the Carroll County Bureau of Utilities. MES began the relationship providing interim superintendent services for their water program, while they hired a replacement. During that time, MES' Water Quality Services section began providing sampling, laboratory, and reporting services.

Mr. Ford discussed the Midshore Regional Recycling program. This is a cooperative partnership between Caroline, Kent, Queen Anne's, and Talbot Counties with MES as the managing partner. MES transports, consolidates, markets, and sells

approximately 3,000 tons of recyclables annually that are collected from 35 resident drop-off locations.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for industrial hygiene and safety services for MDOT MPA owned properties. KCI Technologies, Inc. will provide the services at a cost \$350,000. There is a 25% MBE goal. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

Ms. Crosby introduced Item 2. The procurement is for raising the dike at the Cox Creek DMCF to +60 to allow for expansion of the facility. Bowen & Kron Enterprises will provide the services at a cost of \$19,656,073.40. There is a 25% MBE goal. Mr. Smith made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 3. The procurement is a change order with Penn Waste, Inc. for \$575,000. It is for transportation and processing bypass recyclables material from Prince George's County MRF. The MBE participation is 0%. Mr. Snee made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 4. The procurement is a change order with ACV Enviro for \$161,000. It is for household hazardous waste collections, cleanup, and disposal at Brown Station Road Sanitary Landfill. Mr. Hall made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is a pre-solicitation approval for \$498,500 for compliance monitoring and reporting for the Brown Station Road Sanitary Landfill. There is a 20% MBE goal. Judge Smalkin made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is a pre-solicitation approval for \$498,000 for consent order assistance and compliance monitoring for the Sandy Hill Creative Disposal Project. There is a 20% MBE goal. Judge Smalkin made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

Ms. Crosby introduced Item 7. The procurement is a pre-solicitation approval for \$490,000 for compliance monitoring and reporting for the Sandy Hill Creative Disposal Project. There is a 10% MBE goal. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

**Board of Directors Meeting
June 24, 2021
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Ms. Crosby introduced Item 8. The procurement is a letter of renewal with CMT Services for \$2,124,772. It is for the second optional renewal period for general labor services provided to Prince George's County Materials Recycling Facility. The MBE goal is 25% but 100% has been achieved. Mr. Smith made the motion to approve the item, Mr. Hall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 9. The procurement is for the natural gas pipeline installation and propane conversion at the ECI Cogeneration facility. Chesapeake Turf, LLC will provide the services at a cost of \$2,273,516. Mr. Snee made the motion to approve the item, Mr. Smith seconded. The motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$250,000 were reviewed.

LEGAL REPORT

Mr. Coleman advised that the process to hire a fourth Assistant Attorney General is underway. A candidate should be in place by August. The office has been very busy with review of numerous agreements and proposals, as well as assisting with the implementation of requirements of the MES Reform Act, which go into effect July 1st.

The agency had been named as a defendant in the Anne Arundel County Circuit Court by a bidder in the previous procurement for the Cox Creek Dike raising. The procurement has since been cancelled, the project has been re-designed and re-bid. The Circuit Court ruled in MES' favor. The Plaintiff filed an appeal with the Court of Special Appeals. The Plaintiff's counsel verbally advised that they will be dismissing that appeal.

Mr. Coleman expressed his appreciation to Mr. Snee, Mr. Smith and Mr. Hall for their input, support and dedication during their service on the Board of Directors.

OLD/NEW BUSINESS

The next meeting of the Board is scheduled for July 15, 2021 at 9:30 a.m.

ADJOURNMENT

Upon motion by Mr. Snee, and seconded by Mr. Smith the meeting adjourned at 10:33 a.m.


ROBERT L. WITT, II
SECRETARY


HONORABLE FREDERIC N. SMALKIN
CHAIR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

MEETING 07-21

July 15, 2021

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Executive Director (video)
Judge Frederic Smalkin, (video)
Robert Witt, (video)
Robert Neall (video)
Shelley Heller (video)
Marian Hwang, Esq. (video)
Bernadette Benik (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq. (video)
Winsome Condra (video)
Amanda Cooper
Hattie Crosby (video)
Ellen Frketic, Deputy Director (video)
Tim Ford (video)
Pamela Fuller (video)
Steven King (video)
Jana Leech (video)
Sharon Merkle (video)
Hament Patel (video)
Casey Powers (video)
Melissa Slatnick (video)
Rebecca Sprouse (video)
Partha Tallapragada (video)
Jeff Tosi (video)
Jewel White (video)

CALL TO ORDER

Dr. Glass called the meeting to order at 9:30 a.m. A roll call of Board members was taken. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

ELECTION OF BOARD OFFICERS

Effective, July 1st, 2021, the Chair of the Board is required to be selected from among the current board members. Dr. Glass nominated Judge Smalkin to serve as the Chair of the Board. Ms. Heller seconded the motion, the motion passed unanimously, with Judge Smalkin abstaining.

Judge Smalkin then assumed control of the meeting and welcomed each of the Board members and said a few words about each. Curriculum vitae for each member can be found on the MES website. The Board now consist of eight members (there is currently 1 vacant seat). Five voting members constitute a quorum. The Executive Director is a non-voting member of the Board.

In addition to the Chair, two other officers are required to be selected from among the members: Secretary and Treasurer.

Dr. Glass nominated Mr. Witt for the Secretary position, which was seconded by Secretary Neall. All members voted in favor, except that Mr. Witt abstained.

Ms. Hwan nominated Secretary Neall for the Treasurer position, which was seconded by Dr. Glass. All members voted in favor, except that Secretary Neall abstained.

COMMITTEE ASSIGNMENTS

There are two committees of the MES Board established by Board Resolution 02-08-1R, the Audit Committee and the Human Resources Committee.

Dr. Glass nominated Ms. Heller to serve as Chair of the Audit Committee, Judge Smalkin seconded. All members were in favor, Ms. Heller abstained. Judge Smalkin volunteered to serve on the Audit Committee. Ms. Benick volunteered Treasurer Kopp to serve on the Audit Committee. No members objected to Judge Smalkin and Treasurer Kopp serving on the Audit Committee.

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Dr. Glass nominated Ms. Hwang to serve as the Chair of the HR Committee, Judge Smalkin seconded. All members were in favor, Ms. Hwang abstained. Judge Smalkin, Secretary Neall and Mr. Witt also volunteered to serve on the HR Committee. No members objected to Judge Smalkin, Secretary Neal and Mr. Witt serving on the HR Committee.

DEPUTY TREASURER

Maryland Annotated Code, §3-103(e)(2) authorizes the MES Treasurer to appoint a Deputy Treasurer, with the Board's approval. Secretary Neall designated Mr. Patel to serve as the Deputy Treasurer, Ms. Heller seconded the designation. All members were in favor. Mr. Patel accepted.

MES REFORM ACT OF 2021 – OVERVIEW

Mr. Tosi presented an overview of the MES Reform Act of 2021. The Act made structural changes to MES governance. There are several items that need to be accomplished before the end of the year. Several policies need to be adopted, including a Conflict of Interest Policy for the Board. The Board is required to complete annual training on the Standard of Care, Ethics, Harassment, Diversity, and policies adopted or readopted by the Board. That training is currently being scheduled for September.

Mr. Coleman discussed the Standard of Care required of Directors Section 2-405.1 of the Corporation and Associations Article. There is currently no statutory standard for government boards. The Director and the Board must act in good faith and in a manner they reasonably believe to be in the best interest of the agency. Members of the board may rely on agency staff and outside experts in good faith.

Mr. Coleman also reminded the Board members that they are required to file Financial Disclosure statements within 30 days of their appointment.

Mr. Tosi stated that the agency must also obtain an assessment of the Board's operations by an independent consultant. An RFP for this consultant was recently issued. RSM will conduct the annual financial audit. The Board will evaluate the performance of the Executive Director.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of June 24, 2021. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented his expense report for the last month. There were only two charges, the lunch for staff during his visit to the Greenbrier State Park water and wastewater plants that he mentioned last month, and registration for Deputy Director Frketic to attend the Annual Conference of the Chesapeake Water Environment Association in Ocean City.

The Maryland Municipal League (MML) conference was very productive. Dr. Glass and Mr. Tosi are following up on 14 requests for further information. It is hoped the Maryland Association of Counties (MACO) conference next month will be as successful.

On the way back from Ocean City, Dr. Glass attended the ribbon cutting of the newly completed wastewater treatment plant at the ECI. The plant is achieving industry low total nitrogen and total phosphorus, that is among the lowest in the country. AVE Construction and KCI have done a great job executing the project on time and on budget for MES client, DPSCS. He also toured the ECI Cogen Facility.

On July 1, the Water/Wastewater Engineering team, Ms. Frketic, and Dr. Glass hosted representatives from Gross-Wen Technologies, a growing company from the Midwest that was introduced to MES by Ms. Beth Wojton who is now with Ecologix. The company treats wastewater with algae attached to a rotating belt press device. Gross-Wen has an interest in piloting their technology in the Mid-Atlantic as it is completing pilots in Iowa, Illinois, and Minnesota. The technology seems promising and based on sound wastewater treatment principles. It was a great first meeting and engineering is analyzing the data that they have produced to ascertain the capabilities of the system.

On July 7th Dr. Glass attended the ribbon cutting of the commercial opening for the BioEnergy DevCo facility. Bioenergy DevCo is constructing two large Anaerobic Digesters to process 100,000 tons per year of food waste. The facility is located adjacent to the Maryland Food Center and has secured contracts from large commercial fruit and vegetable processors in Howard County. MES has been interacting with the company for a few years now and played a role in this facility being the first of its kind in the US (the Italian parent company has over 100 facilities in Europe that have been operating for 25 years). There is a possibility that MES will be asked to provide operators for the facility. A meeting is scheduled in late July with the CEO as a follow up.

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Thanks to the efforts of Mr. Patel and Fleet Manager Harry Burman, MES has purchased its first all-electric vehicle, a Chevy Bolt. The agency plans to continue to purchase EV's, including the Ford Lightning once it becomes available. In addition, charging stations powered by the solar canopy are planned.

AGENCY ACTIVITY REPORT

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

FINANCIAL REPORT

Mr. Patel reported that the FY21 financial reports are currently being finalized.

Mr. Patel presented an overview of the MES Finance department. The Finance department uses Workday for its Project Based Accounting. They routinely process payroll for over 750 employees each pay period, payment of about 500 invoices each month, and 1,200 AR invoices monthly. Credit approvals and collections are also handled. They also prepare monthly and yearly Financial Statements, and aid 3 outside auditors. They also manage a fleet of approximately 238 vehicles.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 856 current positions. The vacancy rate will be 6.37% once pending new hires are brought on board. Remote hiring and orientation are ongoing.

Ms. White presented updates to the MES Salary scale that reflect the recent increase in the State minimum wage to \$15. MES salary grade 1 is the only grade effected at this time. Ms. Heller made a motion to approve the updated Salary Scale, Mr. Neall seconded. The motion passed unanimously.

Dr. Glass requested permission to grant Performance Based Compensation increases to eligible employees. The amounts granted will be based on FY21 evaluations, with an upper limit of 3%. There were no questions. Dr. Glass made the motion to approve the compensation increase, Ms. Heller seconded. The motion passed unanimously.

RESOLUTION 2021-07-1R

Ms. White and Mr. Coleman presented Resolution 2021-07-1R authorizing the addition of Juneteenth as an official holiday for MES employees. Secretary Neall made the motion to approve the Resolution, Ms. Heller seconded. The resolution passed unanimously.

GROUP UPDATES

Ms. Slatnick, the Acting Division Chief for the Environmental Dredging & Restoration (EDR) group presented an overview of service areas which include Operations, Engineering, and Environmental Remediation. She also reviewed the EDR clients and projects.

Mr. Ford, Acting Managing Director, Environmental Operations summarized the major tasks including: Recycling Operations and Marketing, Landfill Operations, Solid Waste Transfer Operations, Solid Waste Collections, Composting Organics, Biomass to Energy Project, Environmental Monitoring-Landfills and Solid Waste Facilities, Scrap Tire Management, and Solid Waste Engineering.

Ms. Sprouse, Division Chief, Environmental Monitoring presented an overview of the Technical & Environmental Services (TES) group. The group consists of 2 main groups: Environmental Monitoring and Geospatial & Engineering Services (GES).

Mr. Tallapragada, Acting Division Chief, Water and Wastewater Engineering presented an overview of the Water and Wastewater group which consists of 2 main areas, Operations and Engineering. The O&M division operates 250 facilities. Engineering division consists of Stormwater services, Construction Management & Inspection, and Biosolid management.

PROCUREMENT ITEMS

Ms. Crosby introduced Item 1. The procurement is for operations and maintenance at the Brown Station Road Sanitary Landfill and County Corrections Center Landfill Gas fueled power plants. Curtis Power Solutions, LLC will provide the services at a cost of \$1,801,372. There is a 0% MBE goal. The sole source was requested by the County as part of a larger project. This contractor is already in place. The work will be bid out next year. Judge Smalkin made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously.

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Ms. Crosby introduced Item 2. The procurement is for engineering assistance at the Dundalk Marine Terminal Groundwater Treatment Plant. KCI Technologies, Inc. will provide the services at a cost of \$475,000. There is a 50% MBE goal. Judge Smalkin made the motion to approve the item, Secretary Neall seconded. The motion passed unanimously, with the exception of Ms. Hwang who abstained.

Ms. Crosby introduced Item 3. The procurement is a change order with Shore Waste LLC for \$109,725, bringing the total contract value to \$309,225. It is for transportation of the City of Cambridge's dewatered sludge to the Dorchester County Landfill. Secretary Neall made the motion to approve the item, Mr. Witt seconded. The motion passed unanimously, with the exception of Ms. Hwang who abstained.

Ms. Cosby introduced Item 4. The procurement is for Workday subscription renewal, training and implementation support. Workday will provide the services at a cost of \$2,684,667. There is not an MBE goal. Judge Smalkin made the motion to approve the item, Ms. Heller seconded. The motion passed unanimously, with the exception of Ms. Hwang who abstained.

Ms. Crosby introduced Item 5. The procurement is for design, bid and construction services at the Cunningham Falls Rt 177 Sanitary Sewer replacement. Watek Engineering Corporation will provide the services at a cost of \$295,833. There is a 29% MBE goal. Judge Smalkin made the motion to approve the item, Ms. Hwang seconded. The motion passed unanimously.

Ms. Crosby introduced Item 6. The procurement is for boiler modifications and installation of natural gas equipment at the ECI Cogen. Delval Equipment Corporation will provide the services at a cost of \$1,925,000. There is a 0% MBE goal. Judge Smalkin made the motion to approve the item, Secretary Neall seconded. The motion passed unanimously.

Ms. Crosby introduced Item 7. The procurement is for wastewater hauling and disposal at the BWI-Marshall Airport Fire-Rescue training pit. Kalyani Environmental Solutions, LLC will provide the services at a cost of \$850,000. There is a 13% MBE goal. Judge Smalkin made the motion to approve the item, Ms. Benik seconded. The motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$200,000 were reviewed.

OLD/NEW BUSINESS

Judge Smalkin asked if there was any old or new business the board would like to consider. Hearing none, the upcoming schedule of Board meetings was reviewed. The next meeting of the Board is scheduled for August 19th, 2021 at 9:30 a.m. Many members will be at MACO this week. Dr. Glass asked if the Board would consider moving the August meeting to August 26th. Ms. Fuller was instructed to contact the Board regarding their schedules for August, and for the required training date.

CLOSED SESSION

At 11:40 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1), (7), and (8) Judge Smalkin stated that the Board intended to enter closed session to approve the minutes of a prior closed meeting session, to discuss the performance of one or more individuals, to obtain advice of counsel, and to discuss current litigation. Judge Smalkin asked if anyone objected to the Board entering closed session, and no objections were heard. He also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Secretary Neall then made a motion that the Board enter closed session for the reasons stated above. Ms. Benik seconded the motion, all members voted in favor of closing the meeting. Judge Smalkin announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 11:44 am. The Board members and Mr. Coleman and Ms. Fuller were then transferred to a secure conference video line.

Judge Smalkin called the meeting of the closed session of the Board to order at 11:45 a.m. Present during the closed session of the Board were Board members Glass, Smalkin, Heller, Benik, Hwang, Neall, and Witt, Assistant Attorney General Coleman, and Paralegal Fuller.

At the start of the closed session Mr. Coleman requested approval of the minutes of the closed session from the meeting of April 29, 2020. There were no comments or corrections. The minutes were unanimously approved.

During the closed session the Board consulted with counsel on various litigation and investigation matters.

Dr. Glass left the closed session at 12:19 pm. The Board then reviewed and discussed a proposed employment contract for the Executive Director.

No official action was taken. The closed meeting adjourned at 1:06 p.m.

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ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 1:06 p.m.



**ROBERT L. WITT, II
SECRETARY**



**HONORABLE FREDERIC N. SMALKIN
CHAIR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 08-21
August 26, 2021**

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Executive Director (video)
Judge Frederic Smalkin, Chair (video)
Robert Witt, Secretary (video)
Robert Neall, Treasurer (video)
Shelley Heller (video)
Marian Hwang, Esq. (video)
Nancy Kopp (video)
Hiram Tanner (video)
Bernadette Benik (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq. (video)
Ellen Frketic, Deputy Director (video)
Amanda Cooper (video)
Hattie Crosby (video)
Marni Dolinar (video)
Tim Ford (video)
Jason Gillespie (video)
Pamela Fuller (video)
Steven King (video)
Jana Leech (video)
Sharon Merkle (video)
Hament Patel (video)
Casey Powers (video)
Mark Serio (video)
Jeff Tosi (video)
Jewel White (video)

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CALL TO ORDER

Judge Smalkin called the meeting to order at 9:32 a.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

Dr. Glass introduced the newest Board member, Mr. Hiram Tanner. He is a Civil Engineer and an MBA, who was a manager with DC Water for several decades. He has extensive experience with collection systems and water and wastewater processes. Judge Smalkin also introduced State Treasurer Nancy Kopp to the Board.

Judge Smalkin introduced Sean Coleman, the Principal Counsel for the agency from the Office of the Attorney General, Pamela Fuller, the Clerk of the Board, and Jana Leech, the Executive Associate who all do a tremendous amount of work behind the scenes.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of July 15, 2021. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass reviewed the "How does MES work" matrix. Over the last year, he has been reviewing the Code, Regulations, Resolutions and Policies of the agency to ensure they are in line with the goals and values of the organization.

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. There was only one charge, the hotel room for Deputy Director Frketic to attend the Annual Conference of the Chesapeake Water Environment Association in Ocean City. Treasurer Kopp asked if there was a matrix of delegation, of who can do what, and who approves what, etc.

Dr. Glass and several agency staff members attended the Maryland Association of Counties (MACO) summer conference in Ocean City last week. Attendance at the conference was light, but there was good engagement. There were several interactions that will be followed up on in the near future. Southwest Airlines is looking at a renewable fuel developed from natural products in Maryland. This project may be passed along to the Maryland Energy Administration (MEA) or the Maryland Clean Energy Center, but the General Assembly's mandate that MES report on its support of the Greenhouse Gas Reduction Act support an exploration of the initiative. Mr. Tosi will be meeting with the Northeast Maglev Group. They are interested in MES

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supporting some of their predevelopment work. Mr. Tosi, Mr. Ford and Mr. Glass also met with 7 members of BioEnergy DevCo for possible future projects. MES might be able to process the wastewater at their Anaerobic Digesters at the Maryland Food Center Authority. They are also looking at blending their digestate with dredge material to create a topsoil.

Dr. Glass and Judge Smalkin thanked the entire team for a great tour of Hart Miller Island on August 5th.

On Sunday, August 22nd there was a total loss of water from the drinking water plant at ECI. For the next 48 hours both DPSCS and MES were in an “all-hands on deck situation” working to restore water supply. Ultimately it was determined the failure had to do with a 9-year-old Programmable Logic Controller. Dr. Glass expressed his thanks to the entire team for their coordination, intensity and grit throughout the entire situation.

AGENCY ACTIVITY REPORT

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

FINANCIAL REPORT

Mr. Patel presented the FY21 year end results. Overall, labor sales were good. Labor sales were \$213k less for FY21. This was less than FY20, but there were 27 billable periods in FY20, and only 26 in FY21. There was only a .585 percent difference from the expected difference of 3.85 percent due to one less pay period. The Change in Net assets is the total Revenue minus the total Expenses. For the FY21, the change in net assets was \$3.4 million. This money will be used for the BEST pool upon BOD approval, contingency fund and unrestricted net assets. The total net assets for FY21 was \$33 million. Once BEST payments are made, the Invested in Capital Assets and Unrestricted Net Assets split will be about 50/50.

Several factors impacted the Budget v. Actual. The 3.4M increase in net assets was due largely to the large number of overhead vacancies at the top levels of the agency for a large part of the year. Many of those positions have now been filled. Work has begun on the FY22 Plan. The preliminary report for FY22 was discussed. Fringe variance fluctuates based on the number of holidays, leave taken, snow days, etc. The fringe and overhead rates have been lowered for FY22. The FY23 rates will be based on

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August 26, 2021
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the final results from FY21. Progress has been made on the Accounts Over 90 Day Report.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 854 current positions. The vacancy rate will be 5.35% once pending new hires are brought on board. Remote hiring and orientation are ongoing.

HUMAN RESOURCES COMMITTEE REPORT

Ms. Hwang advised that the HR Committee met on August 19th. In open session they received an overview of the HR System at MES, and an update on the status of the policy review project. Once policies have completed internal review, they will be forwarded to the Board for comments and approval. It is anticipated that the policies identified in the MES Reform Act will be ready for the full board to review in September or October, for approval in November.

GROUP UPDATES

Ms. Dolinar presented the Port of Baltimore Terrapin Education and Research Partnership (TERP) program.

Mr. Ford presented the Prince George's County, Department of Environment FY22-FY26 Engineering and Contract Management Services agreement.

Mr. Gillespie presented the Renewable Energy Support services provided to various clients around the State.

Mr. Serio presented the St. Mary's County Stormwater Management Inspection Program.

PROCUREMENT ITEMS

Dr. Glass proposed that the agency might want to alter the way it approves Procurement Items at future meetings. Currently each individual item is presented and voted on individually. Due partly to the requirements of the new law, there will be more Items for approval. Dr Glass proposed the Board utilize a procedure similar to the Board of Public Works where all the procurement items that must be approved by the Board are made available to the Board members and the public in advance of the meeting and presented as a combined group for approval. Any questions would be

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addressed, and then the Board could take a single vote on the whole package. After some discussion, Dr. Glass decided to withdraw his proposal, and re-visit this discussion in the future after further consideration.

Ms. Crosby introduced Item 1. The procurement is for yard trim and leaf hauling from the Montgomery County Grinding Operation to the Yard Trim Compost Facility. Consolidated Commercial Services, LLC will provide the services at a cost of \$582,525. There is a 30% MBE goal. Ms. Heller made the motion to approve the item, the motion was seconded. No members were opposed, the motion passed unanimously, with the exception of Ms. Hwang who abstained from the discussion and vote.

Ms. Crosby introduced Item 2. The procurement is for video surveillance enhancements at the Montgomery County Materials Recovery Facility (MRF). Triangle Communications will provide the services at a cost of \$271,000. There is a 0% MBE goal. Ms. Hwang made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously,

Ms. Crosby introduced Item 3. The procurement is a pre-solicitation approval for \$2,752,000 for general labor services at the Montgomery County Recycling Center. Treasurer Kopp made the motion to approve the item, Ms. Heller seconded. No members were opposed, the motion passed unanimously.

Ms. Cosby introduced Item 4. The procurement is for purchase of an excavator at the Montgomery County Grinding operation. Elliott & Frantz, Inc. will provide the excavator at a cost of \$259,089. Mr. Witt made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduced Item 5. The procurement is for Area C engineering, permitting, and construction support at the Brown Station Landfill. SCS Engineers will provide the services at a cost of \$22,847,720. There is a 20% MBE goal. The County directed MES to issue the contract to SCS Engineers as they were in the midst of a multi-year contract before MES became involved, and the County needs to keep the project moving on schedule, as they will run out of room in the landfill by December 2025. Questions were addressed regarding MES sole-source procedures. Requests for sole-source contracts are reviewed by Ms. Crosby and Dr. Glass. Mr. Coleman indicated MES also follows the sole-source provisions of its Procurement regulations. Mr. Tanner made the motion to approve the item, Secretary Neall seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduce Item 6. The procurement is for household hazardous waste collections at the Brown Station Landfill. ACV Enviro will provide the services at a cost

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of \$2,400,000. There is a 18% MBE goal. Ms. Heller made the motion to approve the item, Ms. Hwang seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduce Item 7. The procurement is a pre-solicitation approval for \$668,500 for a barn replacement at the Brown Station Landfill. There is a 10% MBE Goal. Mr. Witt made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously.

Treasurer Kopp had to step away from the meeting, Ms. Benik remained on the line.

Ms. Crosby introduced Item 8. The procurement is a pre-solicitation approval for \$4,933,100 for boiler room modifications for the ECI Co-Generation Plant. There is a 17% MBE goal. Secretary Neall made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduced Item 9. The procurement is for construction inspection at the ECI Co-Generation plant. C.C. Johnson & Malhotra, P.C. will provide the services at a cost of \$230,000. The MBE goal is to be determined. Judge Smalkin made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduced Item 10. The procurement is for engineering design support at the ECI Co-Generation plant. HDR Engineering will provide the services at a cost of \$248,581. 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. Crosby introduced Item 11. The procurement is a change order with Barton & Loguidice for \$162,512 (bringing the total contract to \$337,709). It is for design & permitting services provided to the Prince George's County Organics Composting Facility. There is a 22% MBE goal. Ms. Hwang made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduced Item 12. The procurement is for local data annual submissions and TMDL GIS support for MDOT SHA. Whitney, Bailey, Cox, & Magnani, LLC will provide the services at a cost of \$316,088. There is a 40% MBE goal. Secretary Neall made the motion to approve the item, Ms. Hwang seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduced Item 13. The procurement is for geothermal studies for the Maryland Energy Administration. Straughan Environmental will provide the

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services at a cost of \$451,407. There is a 29% MBE goal. Mr. Witt made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby introduced Item 14. The procurement is for water and sewer improvements at the New Germany State Park. WATEK Engineering Corporation will provide the services at a cost of \$407,845. There is a 29% MBE goal. Secretary Neall made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously.

Ms. Kopp rejoined the meeting via phone.

Ms. Crosby introduced Item 15. The procurement is a pre-solicitation approval for \$275,000 for crew boat repower of the Blue Heron for Hart Miller Island. There is no MBE goal. Ms. Hwang made the motion to approve the item, Ms. Heller seconded. No members were opposed, the motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$200,000 were reviewed.

LEGAL REPORT

Mr. Coleman reported that the right of entry with Exelon for the Conowingo dredging project has been signed by all the parties. Dredging is scheduled to begin after Labor Day.

The legal office has begun review of the MES policies forwarded to them. Staff will focus on the policies required by the Reform Act first. Mr. Coleman is also drafting a Conflicts of Interest policy, which should be ready for the September meeting. A fourth Assistant Attorney General started yesterday.

OLD/NEW BUSINESS

Judge Smalkin asked if there was any old or new business the board would like to consider. Dr. Glass reported that the bids received on the Board of Director's Assessment service were higher than expected. He will be meeting with Ms. Crosby to see how to move forward and still meet the General Assembly's due date for the assessment. He also congratulated Mr. Tim Ford, who is now the Managing Director for Environmental Operations.

The next meeting of the Board is scheduled for September 23, 2021 at 9:30 a.m. the Audit Committee will also meet on September 23rd, but the time has been changed to

**Board of Directors Meeting
August 26, 2021
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8:30 a.m. An HR Committee meeting will need to be scheduled prior to the Board meeting for the purpose of reviewing the BEST results.

CLOSED SESSION

At 11:25 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1) Judge Smalkin stated that the Board intended to enter closed session to approve the minutes of a prior closed meeting session, and to discuss the performance of an individual employee of the Service. Judge Smalkin asked if anyone objected to the Board entering closed session, and no objections were heard. He also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Ms. Hwang then made a motion that the Board enter closed session for the reasons stated above. Ms. Heller seconded the motion, all members voted in favor of closing the meeting. Judge Smalkin announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 11:30 am. The Board members and Mr. Coleman and Ms. Fuller were then transferred to a secure conference video line.

Judge Smalkin called the meeting of the closed session of the Board to order at 11:35 a.m. Present during the closed session of the Board were Board members Smalkin, Heller, Kopp, Benik, Hwang, Neall, Witt, and Tanner, Assistant Attorney General Coleman, and Paralegal Fuller.

At the start of the closed session Judge Smalkin requested approval of the minutes of the closed session from the meeting of July 15, 2021. There were no comments or corrections. The minutes were unanimously approved.

The Board then reviewed and discussed modifying the salary for the Executive Director. After discussion, the Board unanimously approved an annual salary of \$225,000 for the Executive Director, effective immediately.

ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 11:51 a.m.



**ROBERT L. WITT, II
SECRETARY**



**HONORABLE FREDERIC N. SMALKIN
CHAIR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

**BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE
MEETING MINUTES**
August 19, 2021

LOCATION: **Conference/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Marian Hwang, Esq. (Chair) (video)
Charles Glass, Executive Director (video)
Judge Frederic Smalkin (video)
Robert Witt, (video)
Robert Neall (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq. (video)
Pamela Fuller (video)
Kevin Eckhart (IT)(video)

CALL TO ORDER

Ms. Hwang called the meeting to order at 9:32 a.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Hwang requested discussion or a motion for the approval of the minutes of the meeting of March 24, 2021. No current Board members were present at that meeting. The minutes of the meeting were taken by Ms. Fuller, and reviewed and verified by Mr. Coleman, who attested that they accurately reflect what occurred at that meeting. There was no discussion. Mr. Neall made a motion to approve the minutes, Judge Smalkin seconded. The minutes were unanimously approved.

Human Resources Committee Meeting

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HUMAN RESOURCES SYSTEMS OVERVIEW

Ms. White presented an overview of the MES Human Resources system. In 1993 the General Assembly approved legislation separating the agency from DNR and making it a self-supporting independent agency, with the authority to create its own personnel system. In 1995, the agency codified this independent personnel system under COMAR 14.27.02. There are many similarities to the State Personnel Management System, and a number of differences, notably, leave accrual and some benefits.

The MES Reform Act imposed several new requirements that are currently being addressed.

POLICY PROJECT REVIEW

Dr. Glass updated the committee on the status of the agency policy review project. The policy review committee first met in October 2020 and began reviewing all existing MES policies, as well as drafting new policies as needed. Dr. Glass began his review of these policies in April and May of 2021. Each group has spent considerable time updating and drafting policies. In addition, the MES Reform Act required specific policies be approved by the Board by December 1st. Dr. Glass has finished his review and has started sending the policies to the Office of the Attorney General for legal review. Once legal has reviewed, they will be presented to the Board for additional feedback.

Judge Smalkin and Ms. Hwang agreed that it was important for the Board to review the policies required by the Act first, as they are due by December 1st. Judge Smalkin proposed calling them the "December package."

Mr. Coleman advises that his office has started reviewing the policies and providing comments. He hopes to have many of the policies ready by early September. The Conflicts of Interest Policy will need to be approved by October 31st. The Maryland State Ethics law already contains conflict of interest provisions. The goal is have this to management and the Board by the September meeting.

Dr. Glass indicated he will be working with Ms. Hwang and Ms. Heller to determine which policies should go the HR Committee or the Audit Committee for review.

Human Resources Committee Meeting

August 19, 2021

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CLOSED SESSION

At 10:02 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1) Ms. Hwang stated that the Committee intended to enter closed session to approve the minutes of a prior closed meeting session, and to discuss the performance of one or more individuals. Ms. Hwang asked if anyone objected to the Committee entering closed session, and no objections were heard. She also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Secretary Neall then made a motion that the Committee enter closed session for the reasons stated above. Judge Smalkin seconded the motion, all members voted in favor of closing the meeting. Ms. Hwang announced that the meeting of the Committee would immediately adjourn following the closed session. The public meeting then ended at 10:05 am. The Board members and Mr. Coleman and Ms. Fuller were then transferred to a secure conference video line.

Ms. Hwang called the meeting of the closed session of the Board to order at 10:10 a.m. Present during the closed session of the Board were Board members Hwang, Smalkin, Neall, and Witt, Assistant Attorney General Coleman, and Paralegal Fuller.

At the start of the closed session Ms. Hwang requested approval of the minutes of the closed session of the HR Committee from the meetings of May 27 and 28, 2020. The minutes were unanimously approved.

During the closed session the Committee reviewed various materials related to executive salaries and discussed modifying the salary of the Executive Director. The Committee then unanimously approved recommending to the full Board of Directors an annual salary of \$225,000 for the Executive Director.

ADJOURNMENT

Upon motion by Ms. Hwang the meeting adjourned at 11:00 a.m.

Marian C. Hwang

MARIAN HWANG, ESQ.
HUMAN RESOURCES COMMITTEE CHAIR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

**BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE
MEETING MINUTES**
September 16, 2021

LOCATION: Conference/Video Call

TIME: 3:30 p.m.

DIRECTORS PRESENT: Marian Hwang, Esq. (Chair) (video)
Charles Glass, Executive Director (video)
Judge Frederic Smalkin (video)
Robert Witt, (video)
Robert Neall (video)
Hiram Tanner (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq. (video)
Ellen Frketic (video)
Pamela Fuller (video)
Casey Powers (IT)(video)

CALL TO ORDER

Ms. Hwang called the meeting to order at 3:30 p.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Hwang requested discussion or a motion for the approval of the minutes of the meeting of August 19, 2021. There was no discussion. Mr. Neall made a motion to approve the minutes, Judge Smalkin seconded. The minutes were unanimously approved.

Human Resources Committee Meeting
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BEST PROGRAM

Ms. Frketic presented an overview of the BEST program at the agency. Despite the challenges of the last year, the agency achieved 100% of the FY 21 BEST goals, which were the same as the FY20 goals.

Ms. Frketic presented the recommendations for the FY21 Best payout. The components of the BEST funding source include: fringe variance, overhead variance, project variance and interest income. Combined, this creates a BEST pool of \$3,428,000. This money would be split as follows:

- 71.77% to BEST pool (677 employees) \$2,167,000
- 25.73% to BEST Plus \$ 776,000
- Executive Incentive (10% of base pay) \$ 76,000
- 7.06% to FICA & Medicare \$ 242,000
- 4.88% to 401k \$ 167,000

Each eligible employee would receive a BEST payment of \$3,200. The Executive Incentive pool is considerably less this year, as only 3 Executives are eligible for payment this year.

Mr. Neall made a motion to recommend approval the agency's BEST payouts to the full Board at the meeting next week. Judge Smalkin seconded. The motion passed unanimously.

The FY22 BEST Goals were presented to the Committee. Mr. Witt made a motion to recommend the FY22 BEST Goals for approval at the next Board meeting. Mr. Neall seconded. The motion passed unanimously.

POLICY PROJECT REVIEW

Dr. Glass summarized the four policies sent to the committee for review. These are four of the eight policies required by the General Assembly to be reviewed and adopted by December 31st.

The Incentive Plan/Bonus Program policy is the BEST program summarized and presented in Policy form. Mr. Witt requested a copy of the evaluation form used to determine employee eligibility.

The Severance Policy is new. It would allow the agency "to pay the equivalent of 14 calendar day's salary to an eligible employee whose employment contract is terminated for convenience by the Service. The Service shall not pay a Severance Payment to an

Human Resources Committee Meeting

September 16, 2021

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employee who voluntarily ends their employment with the Service, or whose employment contract is terminated for cause." An example of a typical MES employment contract will be sent to the Committee. The MES employment contracts allow for certain types of leave to be paid upon termination, but not severance.

The Tuition policy presented was an existing policy that has been updated. The goal is to create a well trained workforce and promote from within. "The payment or reimbursement of funds will be considered for training specifically related to obtaining a high school equivalency diploma, or the College credited courses that relate to the employee's work or career development plan (program of study)." If an employee leaves within 12 months of completion of their degree, the agency may seek repayment. Dr. Glass estimated that about 5-10% of employees are using the tuition program, but he will acquire the exact numbers for the board.

To date, MES's whistleblower complaint policy has conformed with the State's existing Whistleblower Law, which is now being formalized as a written policy. An Internal Auditor and Equal Employment/Diversity Officer have both been hired. This written policy mirrors the State Whistleblower Law. So far, MES has not received any whistleblower or hotline complaints.

The requested materials will be gathered by Mr. Coleman and Ms. Fuller and sent to the Committee. Ms. Hwang asked that the committee review the policies and provide comments to her and the group within 10-15 days. She also requested an HR Committee meeting be scheduled sometime before the October Board meeting to discuss the policies and comments. The committee agreed to meet on October 21st at 3:30 p.m.

ADJOURNMENT

Upon motion by Ms. Hwang the meeting adjourned at 4:36 p.m.

Marian C. Hwang

MARIAN HWANG, ESQ.
HUMAN RESOURCES COMMITTEE CHAIR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 09-21
September 23, 2021**

LOCATION: **Hybrid In-Person/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Executive Director
Judge Frederic Smalkin, Chair (video)
Robert Witt, Secretary (video)
Robert Neall, Treasurer
Shelley Heller (video)
Marian Hwang, Esq. (video)
Nancy Kopp
Hiram Tanner

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq.
Ellen Frketic, Deputy Director (video)
Amanda Cooper (video)
Hattie Crosby (video)
Marni Dolinar
Tim Ford
Jason Gillespie
Pamela Fuller
Steven King
Jana Leech (video)
Hament Patel
Casey Powers (video)
Mark Serio (video)
Jeff Tosi (video)
Jewel White
Al Razik (video)

CALL TO ORDER

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

INSPIRE AWARD

Mr. Serio presented the Extraordinary Service Inspire award to the 14 team members at the Eastern Correctional Institution for their quick action during an electrical issue that knocked out the potable water supply to the facility. The Operations team, led by the wastewater team and supported by members of the ECI Co-Gen Facility, pulled through 24/7 and got the job done with minimal impact on the population.

Water/Wastewater team: Don Reed, Mollie Faulkner, Douglas Ehrisman, Michael Wilson, Jeffrey Wilhelm, Tiff Bradshaw, Glenn Stephens, Joseph James.

Environmental Operations team: Glenn Webster, Gene Thomas, Kyle Richards, Kenneth Mitchell, David Dahill, David Cochran.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of August 26, 2021. No corrections or objections were noted. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. The listed expenses were from the MML and MACO conferences held in June and August in Ocean City.

Dr. Glass expressed his condolences to the family of MES employee Allan Williams who passed away on August 27th. Mr. Williams was a Field Operations Supervisor at Cox Creek Dredged Material Containment Facility. He will be missed.

All vacancies on the MES Board have now been filled. Mr. Tanner has expressed his interest in joining the HR Committee, and as agency Treasurer, Mr. Neall has requested to move from the HR Committee to the Audit Committee.

Board of Directors Meeting
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- Judge Smalkin made a motion to assign Mr. Tanner to the HR Committee, Ms. Hwang second. The motion passed unanimously.
- Judge Smalkin made a motion to move Mr. Neall from the HR Committee to the Audit Committee, Ms. Heller seconded. The motion passed unanimously.
- At his request, Ms. Hwang made a motion to remove Judge Smalkin from the Audit Committee and have him remain on the HR Committee. Ms. Kopp seconded. The motion passed unanimously.

Dr. Glass met with Valerie Colimon of RSM on August 27th to discuss the upcoming FY audit. The meeting went well, and he confirmed that he has no knowledge of fraud during the audit period. Ms. Colimon reviewed the areas of focus for the upcoming year.

The Board of Director's met on September 2nd to complete required training on Maryland's Public Ethics Law, Sexual Harassment, Standard of Care, and Diversity, Equity and Inclusion. The training is available on video for those that were unable to attend. Some of the Board members attended the Poplar Island tour on September 8th.

Dr. Glass has been very interested in finding innovative technologies to use across the four groups, especially as they work to prepare the climate change report due at the end of the year.

Dr. Jahan is assisting with a peer-review article for Southwest Airlines for their Sustainable Aviation Fuel program. There are three scopes in development for Bioenergy Devco. A meeting was held with KCI to discuss assisting Baltimore City with wastewater treatment issues.

Dr. Glass met with two companies at MACO that are working in the area of food waste compost. Metropolitan Upcycle is an Irish company that digests food waste in an aerobic thermophilic process that they claim has no emissions, is carbon negative, and can process food waste to compost in one day. He also talked to Centurion Management about a pilot project they had conducted at the U.S. Naval Academy.

The Charles County Resiliency Authority has invited MES to submit an RFP to assess and prioritize the stormwater devices throughout the County.

Mr. Al Razik will make a presentation later in the meeting on carbon sequestration and biochar production. The type of analysis that Mr. Razik has performed could be used to determine the advantages of various environmental

**Board of Directors Meeting
September 23, 2021
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operations to lower carbon emissions in that facilities we operate and maintain, design and construct for our State partners.

AGENCY ACTIVITY REPORT

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

FINANCIAL REPORT

Mr. Patel presented the August 2021 Financial report. Labor sales were lower than expected across all groups. It is likely this trend will continue. The change in net assets is also lower than this time last year, mostly due to the lower labor, overhead recovery, and fringe. The total net assets is typically a 50/50 mix of Invested in Capital Assets and Unrestricted Net Assets. This amount fluctuates throughout the year, and usually ends the year near 50/50. Replacements to the aging MES fleet will factor into these figures.

The Accounts Receivable over 90 days is similar to last month.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 857 current positions. The vacancy rate will be 7.19% once pending new hires are brought on board. Remote hiring and orientation are ongoing but has been challenging throughout the State. MES finished the year with a vacancy rate of 4.8%. Reasons citing for leaving include: other opportunities, retirement, and 2 were Covid related.

RESOLUTION 21-09-1R

Ms. White presented Resolution 21-09-1R which would grant the day after Thanksgiving as an additional Holiday for 2021 for MES employees. Mr. Neall made the motion to approve the Resolution, Treasurer Kopp seconded. The Resolution passed unanimously.

HUMAN RESOURCES COMMITTEE REPORT

Ms. Hwang advised that the HR Committee met on September 16th. The committee considered employee incentive payments under the BEST program. The Best Program was created by Board Resolution in 1995. It currently consists of 3 components: BEST, BEST Plus, and Executive Incentive. To grant the payment of BEST

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September 23, 2021
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payments there must be available funds, and the BEST goals must have been met. Both of those conditions were met this year.

The Committee is recommending \$3,200 payment to each eligible employee (this represents 71.7% of the pool funds). They further recommend allotting \$776,000 to the BEST Plus pool (25.73% of the pool), and \$76,000 to the Executive Incentive program (2.5% of pool funds). The Executive Incentive pool is much smaller this year because there are only 3 eligible Executives in this category. Several others have shorter terms that may receive an incentive payment on a pro-rated basis.

Ms. Hwang called for a motion to approve the BEST payouts as described. Judge Smalkin made a motion to approve the recommendation, Mr. Witt seconded. The motion passed unanimously.

Ms. Hwan then presented the proposed BEST 2022 Goals as prepared by the agency. Mr. Neall made a motion to approve the goals, Treasurer Kopp seconded. The motion passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is a change order with Earn Contractors, Inc. for \$598,440. It is for contract labor provided to Montgomery County Yard Trim Composting Facility. There is a 30% MBE Goal. Ms. Hwang made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 2. The procurement is a change order with ACVEnviro for \$300,000. It is for Statewide Household Hazardous Waste Collection provided to various Counties. There is a 14% MBE Goal. Ms. Hwang made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously. Treasure Kopp inquired as to how MBE Goals are set. Ms. Crosby explained that MES MBE goals are set the same way as State MBE goals, through the MDOT portal.

Ms. Crosby presented Item 3. The procurement is a pre-solicitation approval for \$450,000 for construction of site improvements for the Clements Convenience Center. There is a 20% MBE Goal. Treasurer Kopp made the motion to approve the item, Mr. Neall seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is for stormwater remediation services at the MDTA sites. Anchor QEA will provide the services at a cost of \$34,569.

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September 23, 2021
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There is a 21% MBE Goal. Mr. Witt made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is for natural resources mitigation services at MDTA facilities. EA will provide the services at a cost of \$302,741. There is a 16.5% MBE Goal. Mr. Neall made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously, with the exception of Ms. Hwang who abstained.

Ms. Crosby presented Item 6. The procurement is a pre-solicitation approval for \$273,700 for replacement of the retaining wall at the Tollgate Yard Trim Acceptance Facility. The MBE Goal is to be determined. Treasurer Kopp requested clarification on the TBD MBE goal. Ms. Crosby and Mr. Ford explained they were seeking approval prior to advertising, but that the goal would be set before the project was advertised, after the MBE officer completes his assessment. The Board will be notified when the goal is set. Ms. Hwang made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$200,000 were reviewed.

INNOVATIVE BIOSOLIDS MANAGEMENT

Mr. Al Razik, Senior Engineer with the Water/Wastewater Group gave a presentation on Innovative Biosolids Management. Thirty years ago a Biosolids Master Plan was developed. This model regionalized biosolid management where biosolids were trucked from smaller facilities to 1 of 3 larger processing facilities. The first phase of a new plan was completed in 2020. The new plan has 3 goals: to evaluate more robust plans for pathogen removal, reduce volume of biosolids, and add flexibility to the management scheme.

The current process at the Dorsey Run AWWTP uses lime stabilization to treat sludge. Currently treated solids are applied to farmland in Virginia. The total carbon footprint for Dorsey's current solids processing scheme is 1680 mt CO₂e per year. A new process that is under consideration will heat the solids, creating a gas. That gas is converted into energy, and the solids are converted into biochar. Currently, only 1 plant in North America is using this emerging technology. Biochar is a solid carbon, which when applied to the soil will sequester carbon for hundreds of years. This will reduce the Dorsey's solids processing carbon footprint to about 145 mt CO₂e per year. The high temperatures destroy organic compounds including PFAS.

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The Dorsey facility needs an update. Funding for the upgrades has been applied for. This could also serve as a model for other facilities across the State. The regional model will be maintained, with smaller facilities bringing their materials to a few large processing facilities. Also, the biochar is a marketable end-product. This process will also drastically reduce the carbon footprint and reduce the solids volume by 90%.

CONFLICT OF INTEREST POLICY

Mr. Coleman presented the draft Conflict of Interest Policy, which is required by the MES Reform Act to be adopted by the Board by October 31, 2021. The financial disclosure requirements are the same as required under the Maryland State Ethics Law. The disclosures will be sent to the Clerk of the Board, and committee of 3 members would review them. These disclosures are already available for public inspection. The policy also itemizes the standards for recusal from voting on various matters. This is a draft policy and comments, and suggestions are welcome. Members were asked to send these comments to Judge Smalkin or Mr. Coleman. A final policy will need to be approved at the next Board meeting. The Board Assessment required by the MES Reform Act will need to be completed by December 31st. A Conflicts Committee may need to be formed after the start of the new year.

OPEN DISCUSSION

Mr. Neall handed out a book "The Maryland State House: 250 Years of History" published by the Maryland State Archives. Copies will be sent to remote participants.

The next meeting of the Board is Thursday, October 28th at 9:30 a.m. The Audit Committee will meet on October 27th at 10 a.m., and the HR Committee will meet on October 21st at 3:30 p.m.

The Board then marked a moment of silence in memory of Mr. Williams.

ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 11:51 a.m.



**ROBERT L. WITT, II
SECRETARY**



**HONORABLE FREDERIC N. SMALKIN
CHAIR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

**BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE
MEETING MINUTES**

October 21, 2021

LOCATION: Conference/Video Call

TIME: 3:30 p.m.

DIRECTORS PRESENT: Marian Hwang, Esq. (Chair) (video)
Charles Glass, Executive Director (video)
Judge Frederic Smalkin (video)
Robert Witt, (video)
Hiram Tanner (video)
Robert Neall (video)

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq. (video)
Pamela Fuller (video)
Carla Loving (video)
Casey Powers (IT)(video)
Jana Leech (video)

CALL TO ORDER

Ms. Hwang called the meeting to order at 3:30 p.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Hwang requested discussion or a motion for the approval of the minutes of the meeting of September 16, 2021. There was no discussion. Mr. Witt made a motion to approve the minutes, Secretary Neall seconded. The minutes were unanimously approved.

Human Resources Committee Meeting

October 21, 2021

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POLICY REVIEW

The HR Committee received 4 draft policies at their last meeting. Comments and suggestions have been incorporated as requested.

Dr. Glass reviewed the key provisions of the Incentive Plan/Bonus program (BEST) policy. Board members remarked it was well done. Ms. Hwang asked for a motion to recommend approval of this policy to the full Board at the next meeting. Mr. Witt made a motion to recommend approval of the policy, Judge Smalkin seconded. The motion passed unanimously.

Dr. Glass reviewed the key provisions of the Severance Policy. The policy allows MES to pay the equivalent of 14 calendar day's salary to eligible employees whose contract is terminated for convenience. A separate section for the Executive Director was included. The committee discussed equivalent Federal practices for severance payments. The STARS Commission is concurrently reviewing severance practices. They are scheduled to deliver a report possibly in mid-December. The MES' policies are due by December 1st. The Committee agreed to strike the section detailing severance provisions for the Executive Director at this time, and to re-visit the issue after the STARS Commission issues its report. In the meantime, the Executive Director would be included in the same manner as it applies to all other agency employees. Judge Smalkin made a motion to recommend the policy as thus amended, Mr. Tanner seconded. The motion passed unanimously.

Dr. Glass reviewed the key provisions of the Tuition Assistance Policy. Participation in the program has nearly doubled recently. Judge Smalkin made a motion to recommend approval of the policy, Mr. Witt seconded. The motion passed unanimously.

Dr. Glass reviewed the key provisions of the Whistleblower Complaint Policy. The policy is similar to the DBM policy. Employees have several avenues in which to file complaints, the Maryland Commission of Civil Rights, the Federal EEOC, or the MES EEO officer. Information on how and where to file complaints is posted on the MES website, and at various work locations. Mr. Witt made the motion to recommend approval of the policy to the full Board, Mr. Tanner seconded. The motion passed unanimously.

The Diversity, Equity, and Inclusion Policy was routed to the Committee members prior to the meeting. Ms. Loving is the newly appointed Equal Employment Opportunity and Diversity Officer. A plan existed prior to the policy, but not in this

**Human Resources Committee Meeting
October 21, 2021
Page 3**

official policy format. MES will be the first agency to have a Policy and a Plan. Judge Smalkin made a motion to recommend approval to the full Board, Mr. Tanner seconded. The motion passed unanimously.

CLOSED SESSION

At 4:15 p.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1) Ms. Hwang stated that the Committee intended to enter closed session to approve the minutes of a prior closed meeting session, and to discuss the performance and compensation of one or more individuals. Ms. Hwang asked if anyone objected to the Committee entering closed session, and no objections were heard. She also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Mr. Witt then made a motion that the Committee enter closed session for the reasons stated above. Secretary Neall seconded the motion, all members voted in favor of closing the meeting. Ms. Hwang announced that the meeting of the Committee would immediately adjourn following the closed session. The public meeting then ended at 4:15 pm. The Board members and Mr. Coleman and Ms. Fuller were then transferred to a secure conference video line.

Ms. Hwang called the meeting of the closed session of the Board to order at 4:16 p.m. Present during the closed session of the Board were Board members Hwang, Smalkin, Witt, Tanner, Neall, Glass, Assistant Attorney General Coleman, and Ms. Fuller.

At the start of the closed session Ms. Hwang requested approval of the minutes of the closed session of the HR Committee from the meetings of August 19, 2021. The minutes were unanimously approved.

During the closed session the Committee reviewed various materials related to executive salaries and discussed modifying the salary of the Deputy Director. The Committee then unanimously approved recommending to the full Board of Directors an annual salary of \$209,765 for the Deputy Director.

ADJOURNMENT

Upon motion by Ms. Hwang the meeting adjourned at 4:32 p.m.

Marian C. Hwang

**MARIAN HWANG, ESQ.
HUMAN RESOURCES COMMITTEE CHAIR**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS - AUDIT COMMITTEE MEETING MINUTES October 27, 2021

LOCATION: **Video Call**

TIME: **10:00 a.m.**

DIRECTORS PRESENT: Charles Glass, Executive Director
Shelley Heller, Chair
Robert Neall, Treasurer
Nancy Kopp
Robert Witt, Secretary

DIRECTORS ABSENT: None

OTHERS PRESENT:

Sean Coleman, Esq.	Casey Powers
Pamela Fuller	Valerie Colimon, RSM
Hament Patel	Andrew Wolfe, RSM
Winsome Condra	

CALL TO ORDER

Ms. Heller called the meeting to order at 10:02 a.m. Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Heller requested discussion or a motion for the approval of the minutes of the audit committee meeting of May 27, 2021. Mr. Neall made a motion to approve the minutes, Ms. Kopp seconded. No corrections or objections were noted. The minutes were unanimously approved.

RSM FY21 AUDIT REPORT

Valerie Colimon with RSM summarized the agency FY21 financial audit. They plan to submit an unmodified opinion pending completion of three things: review of their concurring partners, subsequent events review, and management representation letter. They are also waiting to finalize the report pending any OMB subsequent addendums. The financial audit is designed to provide "reasonable" assurance, not absolute assurance of no errors or fraud. No audit adjustments were made during the audit period, and no uncorrected misstatements were required. Interactions with management were very smooth and cooperative. Upon completion of the financial audit, two further audits will be completed: Schedule of Indirect Costs, and the Schedule of 6 Customer Report of Indirect Overhead Costs.

INTERNAL AUDIT REPORT

The Internal Auditor, Winsome Condra presented her activity report. She summarized the FY21 planned audits.

- The Montgomery County MRF contract compliance review was completed July 30, 2021 (Audit #21-02). The administration and billing under the MRF agreement between Montgomery County and MES from 7/1/2018 to 6/31/2020 was reviewed. An Action Plan was developed and follow up will be conducted within the next year.
- The review of the Cox Creek Expanded Construction and Demolition Agreement is still in progress (Audit #21-03). The audit included a review of the construction management and billing for the period 7/1/2019 to 6/31/2021. Due to an unplanned audit, the final report is scheduled to be completed by the end of December 2021.

The planned audits for FY22 include:

- Review of operations at the water and wastewater facilities serving the Rocky Gap Casino – scheduled to completed by February 2022,
- BWI – Maintenance Shop – scheduled to be completed by July 2022,
- Site management review of Poplar Island operation – scheduled to be completed by April 2022,
- Review of Harford County site management – scheduled to be completed by September 2022.

An unplanned audit (Audit #22-01) will include a review of the Service Center processes from creation to cost recovery during the period July 1, 2019 to June 30, 2021. It is scheduled to be completed by December 29, 2021.

There has been one call that came into the Fraud Hotline this week concerning favoritism in the hiring process. It is currently being investigated.

The IA's next steps include FY23 and FY24 Risk Assessments and Audit Plan.

POLICIES FOR REVIEW AND APPROVAL

The committee also reviewed and approved four financial policies. Dr. Glass reviewed each of the four policies presented for comment and approval.

- IT Acceptable Use Policy. – This policy addresses cybersecurity issues and acceptable/unacceptable use of MES computers and technology, including cell phones. The policy was based on and compared to the DBM policy. MES has had this policy for many years, it is presented with minor updates.
- IT Asset Management Policy – This policy addresses the physical location and disposition of MES IT equipment. MES has IT equipment at over 500 facilities. About 220 employees are based out of HQ and work in the building, or remotely.
- Expense Reimbursement Policy – This policy addresses how reimbursements are managed. This is in line with the DBM policies. It also specifically states what items are not reimbursable. Questions regarding "reasonably priced" lodging were addressed. Employees are required to submit their requests for reimbursement within 30 days of incurring the expense.
- Meal Reimbursement Policy – Overtime or Emergency Events – this policy specifically applies to employees who are required to work unscheduled approved overtime, or during emergency events.
- Fleet Policy – A Fleet manual already exists. A separate Fleet Policy is currently being prepared and reviewed. It should be ready by next month.

**Board of Directors
Audit Committee Meeting
October 27, 2021
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Mr. Neall indicated all of the policies looked good, with no changes. Ms. Kopp mentioned that the committee had reviewed the policies, as they were submitted to them for their review a week ago. The Committee then recommended approval by the full Board for the following policies: IT Acceptable Use, IT Asset Management, Expense Reimbursement, and Meal Reimbursement. Mr. Neall made a motion to recommend approval of all four policies to full Board, Ms. Kopp seconded. The motion passed unanimously.

ADJOURNMENT

Upon motion by Ms. Kopp, seconded by Mr. Neall the meeting adjourned at 11:00 a.m.



**SHELLEY HELLER
CHAIR, AUDIT COMMITTEE**



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 10-21
October 28, 2021**

LOCATION: **Hybrid In-Person/Video Call**

TIME: **9:30 a.m.**

DIRECTORS PRESENT: Charles Glass, Executive Director
Judge Frederic Smalkin, Chair (video)
Robert Witt, Secretary (video)
Robert Neall, Treasurer
Shelley Heller (video)
Marian Hwang, Esq. (video)
Nancy Kopp
Hiram Tanner

DIRECTORS ABSENT: None

OTHERS PRESENT:

Sean Coleman, Esq.	Casey Powers (video)
Ellen Frketic, Deputy Director	Melissa Slatnick
Tim Barr	Jewel White
Hattie Crosby (video)	Priscilla Carroll (video)
Marni Dolinar (video)	Robert Natarian (out at 10:07 am)
Tim Ford	Kelly Bender (out at 10:07 am)
Pamela Fuller	Darrius Willie (out at 10:07 am)
Steven King (video)	William Buszinski
Jana Leech (video)	Derek Day (out at 10:07 am)
Hament Patel	Valerie Colimon, RSM (out at 9:50am)

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:38 a.m. Some Board members and staff were present at MES Headquarters, other Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

RSM FY21 AUDIT REPORT

Valerie Colimon with RSM summarized the agency FY21 financial audit. RSM presented a detailed report to the Audit Committee yesterday. They plan to submit an unmodified opinion pending completion of three things: review of their concurring partners, subsequent events review, and management representation letter. They are also waiting to finalize the report pending any OMB subsequent addendums. The financial audit is designed to provide "reasonable" assurance, not absolute assurance of no fraud. No audit adjustments were made during the audit period, and no uncorrected misstatements were required. Interactions with management were very smooth and cooperative. Upon completion of the financial audit, two further audits will be completed: Schedule of Indirect Costs, and the Schedule of 6 Customer Report of Indirect Overhead Costs.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of September 23, 2021. No corrections or objections were noted. The minutes were unanimously approved.

INSPIRE AWARD

Ms. Dolinar presented an Extraordinary Service award to Bill Buszinski, John Oltman, Steve Mastro, Mapa Mapagunarathne, Ricky Bradford, Vernon Kirk, and De'Lonte Kent for their repairs and improvements to the Masonville Cove Environmental Education Center on behalf of the Maryland Port Administration.

Ms. Dolinar presented an Extraordinary Service award to Robert Natarian, Jerome Lucky, Jamaal Downs, Kelly Bender, Dave Hollens, and Darrius Willie for their site maintenance and management of an industrial site along the Patapsco River, in addition to their other normal duties.

Ms. Slatnick present an Extraordinary Service award to Timothy Sautter, Dwayne Biles, Ryan Dieumegarde, Robert Dishon and Derek Day for their work on the emergency repairs to the main water line at Martin State Airport.

STATE TREASURER, NANCY K. KOPP – RETIREMENT

Judge Smalkin remarked on Treasurer Kopp's long and illustrious career with the State of Maryland. Dr. Glass expressed his appreciation for contributions, and impact on State Policy, and her work with the MES Board.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. There were no expenses to report for this period.

Dr. Glass announced several management changes within the Technical and Environmental Services (TES) group. He thanked Mr. Gillespie for 9 years of dedicated service and introduce Ms. Melissa Slatnick as the new Acting Managing Director for TES. Ms. Slatnick has over 24 years of experience at MES.

Communications throughout the agency, with stakeholders, and with potential clients is a major role of the Executive Director. There has been a ramp up of these activities over the last month. Dr. Glass listed many of the engagements he participated in over the last month with governmental and private sector entities. An interesting project on the horizon is a partnership between the Nature Conservancy, MES and Opti for TMDL credit for forest mitigation, similar to a past project for TMDL credits for stormwater management "smart" ponds.

Dr. Glass attended the ribbon cutting at the Prince George's County Materials Recycling Facility optical sorter upgrade. He also visited various MES sites throughout the State including Poplar Island, Hart-Miller Island, Prince George's County Food Waste Composting facility, and the Maryland Port. Also, after six years of efforts, the pilot project dredging at the Conowingo dam is complete. Dr. Glass thanked Ms. Dolinar, Ms. Slatnick, Mr. Buszinski, Ms. Morris, Mr. Coleman and the entire MES staff for their extraordinary efforts.

MES submitted an RFP to assess and prioritize the stormwater devices throughout Charles County for the Charles County Resiliency Authority.

CONFLICTS OF INTEREST POLICY

Mr. Coleman provided the updated Conflict of Interest Policy. The draft policy was distributed at the meeting last month. Minor changes and updates were submitted and incorporated. The policy requires, among other things, that Board members submit a copy of their Financial Disclosure reports to the MES Clerk and provides guidelines for recusals from votes. It is the responsibility of each Board members to identify potential conflicts. Questions can be directed to the MES Attorney General's office or the State Ethics Commission. Ms. Hwang made a motion to approve the policy, Ms. Kopp seconded. The motion passed unanimously.

AGENCY ACTIVITY REPORT

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

CONTRACT FOR PROVISION OF REQUESTED SERVICES

The new MES statute requires Board of Public Works approval of contracts for the provision of requested services to non-governmental entities over \$250,000. Ms. Dolinar and Mr. Coleman introduced the yearly budget renewal with Honeywell (formerly Allied Chemical) for operations and monitoring at the closed Hawkins Point Hazardous Waste Landfill. The agreement between MES, MPA, and Honeywell originated in 1983 and has continued with annual budget amendments ever since. The agreement will continue in effect until no regulatory requirements remain on the closed hazardous waste landfill. The Reform Act mandates that certain contracts with non-governmental entities must be approved by the Board of Public Works, but this is a yearly budget amendment. It is unclear if this item needs to be approved by the BPW, so it was presented today just in case. MES staff will be meeting with BPW staff later today to discuss the matter. Secretary Neall moved to approve the Item, Treasurer Kopp seconded. There were no questions, the item passed unanimously.

FINANCIAL REPORT

Mr. Patel presented the September 2021 Financial report. Labor sales were lower than expected across all groups. It is likely this trend will continue, but is not concerning at this point, as the difference can be made up in other areas. The change in net assets is also lower than this time last year, mostly due to the lower labor, overhead recovery, and fringe. The total net assets by the end of the year is typically a 50/50 mix of Invested in Capital Assets and Unrestricted Net Assets. This amount fluctuates throughout the year, and usually ends the year near 50/50. The 2022 Financial plan provides the details for the Budget v. Actual report.

The Accounts Receivable over 90 days is similar to last month. Collection activity continues.

AUDIT COMMITTEE REPORT

Ms. Heller advised that the Audit Committee met on October 27th to discuss several matters. RSM provided their report, as summarized earlier. The Internal Auditor, Winsome Condra also presented her report. She summarized the FY21 audits completed, and the FY22 audits currently in progress. There has been one call that

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came into the Fraud Hotline this week. It is currently being investigated. The committee also reviewed and approved four Financial policies. The Committee is recommending approval by the full Board for the following policies: IT Acceptable Use, IT Asset Management, Expense Reimbursement, and Meal Reimbursement. Treasurer Kopp made a motion to approve all four policies, Mr. Witt seconded. The motion passed unanimously.

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 723 active positions. The vacancy rate will be 6.22% once pending new hires are brought on board.

HUMAN RESOURCES COMMITTEE REPORT

Ms. Hwang advised that the HR Committee met on October 21st to consider five Human Resources policies. Those policies are Incentive Plans/Bonus Pay, Severance, Tuition Reimbursement, Whistleblower, and Diversity, Equity & Inclusion. The policies were first circulated to the committee on September 15th, then discussed at the HR Committee meeting on September 16th. Corrections and comments were submitted and incorporated. The Committee then reviewed and finalized the policies on October 21st. They were then distributed to the entire Board on October 22nd. Mr. Tanner made a motion to approve the five policies as presented, Treasurer Kopp seconded. The motion passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is for process improvements, data validation, and associated HPMS support services for MDOT SHA. Whitney, Bailey, Cox, Magnani, LLC will provide the services at a cost of \$284,115.20. There is a 59.8% MBE goal. Treasurer Kopp 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 for pavement replacement at the Harford County Solid Waste facility lower compost pad. American Asphalt will provide the service at a cost of \$429,805.31. There is a 100% MBE goal. Treasurer Kopp made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is a change order with ProAmpac Holdings, LLC (formerly Trinity Packaging Co.) for \$138,628.95. It is for Leafgro bags for the Montgomery County Yard Waste Compost Operation. There is a 0% MBE goal.

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Judge Smalkin made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is a change order with Concrete General, Inc. for \$1,300,000. It is for additional drainage maintenance needs provided to MDOT SHA. There is a 10% MBE goal. Work was scaled back last year due to Covid, but extra work has been added this year. Treasurer Kopp made the motion to approve the item, Secretary Neall seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is for a CAT 325 Excavator with Advanced 2D Grade at the Midshore II Landfill. Carter Machinery will provide the excavator at a cost of \$304,069. Mr. Tanner made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously, with the exception of Ms. Heller who abstained.

Ms. Crosby presented Item 6. The procurement is a change order with EA Engineering, Science & Technology, Inc. for \$231,365.15. It is for engineering and design service at the Sandy Hill Landfill. There is a 26% MBE goal. Secretary Neall made the motion to approve the item, Treasurer Kopp seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 7. The procurement is for roadway resurfacing at the Brown Station Landfill. The American Asphalt Paving Company will provide the services at a cost of \$757,222. There is a 7% MBE goal. Judge Smalkin made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$200,000 were reviewed.

OLD/NEW BUSINESS

Dr. Glass reported that the MES MBE program reached 32% participation last year. This is better than the State goal of 29%.

Several members had questions about the upcoming Board assessment, since most currently members have only been on the Board for 4 months. It was suggested that a truncated report now, followed by a full report in three years should be requested. Dr. Glass and Treasurer Kopp would bring this suggestion to the General Assembly.

The Proposed 2022 Board meeting schedule was presented.

The next meeting of the Board is Thursday, November 18^h at 9:30 a.m.

CLOSED SESSION

At 11:25 a.m., in accordance with MD. Code Ann., Gen. Prov. §3-305(b)(1) and (8) Judge Smalkin stated that the Board intended to enter closed session to approve the minutes of a prior closed meeting session, to consult with counsel on an open litigation matter, and to discuss the performance of an individual employee of the Service. Judge Smalkin asked if anyone objected to the Board entering closed session, and no objections were heard. He also stated that any member of the viewing public who objected, could submit their objection via email to the agency. Secretary Neall then made a motion that the Board enter closed session for the reasons stated above. Mr. Tanner seconded the motion, all members voted in favor of closing the meeting. Judge Smalkin announced that the meeting of the Board of Directors would immediately adjourn following the closed session. The public meeting then ended at 11:26 am. The online Board members were then transferred to a secure conference video line, and the in-person members, Mr. Coleman, Ms. Carroll, Mr. Ford and Ms. Fuller remained in the main conference room. All other attendees left the meeting.

Judge Smalkin called the meeting of the closed session of the Board to order at 11:26 a.m. Present during the closed session of the Board were Board members Smalkin, Heller, Kopp, Hwang, Neall, Witt, Tanner, and Glass, Assistant Attorneys General Coleman and Carroll, Mr. Ford and Ms. Fuller.

At the start of the closed session Judge Smalkin requested approval of the minutes of the closed session from the meeting of August 26, 2021. One minor correction was noted. The minutes were unanimously approved.

Counsel updated the Board on ongoing litigation. Following the update Mr. Ford and Ms. Carroll left the meeting. The Board then reviewed and discussed modifying the salary for the Deputy Director. After discussion, the Board unanimously approved an annual salary of \$209,765 for the Deputy Director, retroactive to July 1st, 2021.

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ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 12:20 p.m.

A blue ink signature of "ROBERT L. WITT, II" in a cursive, handwritten style.

**ROBERT L. WITT, II
SECRETARY**

A blue ink signature of "Frederic N. Smalkin" in a cursive, handwritten style.

**HONORABLE FREDERIC N. SMALKIN
CHAIR**



Larry Hogan GOVERNOR

Boyd K. Rutherford LT. GOVERNOR

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

**BOARD OF DIRECTORS
MEETING MINUTES
MEETING 11-21
November 18, 2021**

LOCATION: **Hybrid In-Person/Video Call**

TIME: **9:30 a.m.**

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

DIRECTORS ABSENT: Hon. Nancy Kopp

OTHERS PRESENT:

Sean Coleman, Esq.	Jana Leech (video)
Ellen Frketic, Deputy Director	Hament Patel
Tim Barr	Casey Powers (video)
Hattie Crosby (video)	Melissa Slatnick
Marni Dolinar	Jewel White
Tim Ford	Carla Loving
Pamela Fuller	

CALL TO ORDER

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

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of October 28, 2021. No corrections or objections were noted. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. The charges on these reports stemmed from a recent visit to Somerset, Wicomico, and Worcester counties. The trip involved 2 overnight stays, and several meals, all of which were reimbursed at or below the per diem rate. The Deputy Director did not have any expenses.

The agency has been working on the Greenhouse Gas report, required by the MES Reform Act. As MES is a fee for service agency, it was fortunate to obtain the services of Dr. Jahan through the UMCES Sea Grant Fellowship program. Dr. Jahan has completed a draft, which is being circulated to various employees in the agency for input. Once the draft is revised, it will be circulated to external reviewers to provide their perspective from federal, state, and county agencies. Once this review is complete, the report will be circulated to the Board. The goal is to have this report completed by December 15th.

Dr. Glass spent time over the last month engaging with several major clients, including MDOT and Montgomery County. He also continued to work with KCI to support engagement with Baltimore City. The work with Bioenergy Devco continues to go well and they have received another round of funding for \$100M.

The STARS Commission draft recommendations are expected to be issued in December.

Dr. Glass announced the retirement of Mr. Robert Heins, the Senior Operations Manager with the Landspreading Inspection group. Mr. Heins is retiring after 36 years of service with the agency.

AGENCY ACTIVITY REPORT

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

HUMAN RESOURCES REPORT

Ms. White reported that the agency has 725 active positions. The vacancy rate will be 5.93% once pending new hires are brought on board. A graph of vacancies over the last 12 months was presented. Nationally, the vacancy rate is about 12-13%. MES' rate is lower than that. The agency is aware of vacant positions, and actively working to fill those positions. The agency will also be looking to see why the total active positions have decreased over the last year.

RESOLUTION 21-11-1R

Ms. White presented Resolution 21-11-1R which would temporarily authorize the use of Covid Leave for vaccinated employees who test positive for Covid. This policy would mirror the State policy and be effective from November 3rd to December 31, 2021, unless extended. Secretary Neall made the motion to approve the Resolution, Ms. Heller seconded. The motion passed unanimously.

HUMAN RESOURCES COMMITTEE REPORT

Ms. Hwang advised that the HR Committee met earlier this morning to consider a Human Resources policy revision. The Sexual Harassment policy were first circulated to the committee on November 12th. Corrections and comments were submitted and incorporated. The Committee then reviewed and approved the policy this morning. The Committee recommends that the Board approve the draft policy. The draft policy was also distributed to the entire Board with its other materials on November 15th. Mr. Tanner made a motion to approve the policy as presented, Judge Smalkin seconded. The motion passed unanimously.

BEST 2022 UPDATE

Ms. Frketic presented an update on the status of the BEST 2022 goals. There are 22 individual goals. A few goals have already been accomplished. Most of currently underway and going well. A few have not yet started but are expected to be started soon.

Goal 1 – Safety: All goals have begun and are going well.

Goal 2 – Education: All goals have begun. In an effort to improve the license exam pass rate, a math course will be initiated in January. Virtual tours are being developed at Frostburg and Dorsey. Remote Workday training sessions have begun.

Goal 3 – Diversity & Inclusion: Sexual Harassment training will begin now that the updated policy has been approved. A system of tracking diversity of applicants needs to be developed.

Goal 4 – Customer Service & Community Service: Updates to the agency website will begin soon. The Maryland Charity Campaign goal is 83%. Many volunteer opportunities are being explored.

Goal 5 – Environment: Earth Day activities will be scheduled for April. BWI has added water bottle fillers. Recycling rates are looking good.

Ms. Frketic will provide another BEST update in January.

FINANCIAL REPORT

Mr. Patel presented the October 2021 Financial update. Labor sales were lower than FY21, but better than expected for FY22. Revenues are lower than last year. Capital project activity is just starting up for the FY. The total net assets by the end of the year is typically a 50/50 mix of Invested in Capital Assets and Unrestricted Net Assets. This amount fluctuates throughout the year, and usually ends the year near 50/50. The 2022 Financial plan provides the details for the Budget v. Actual report.

The Accounts Receivable over 90 days is similar to last month. Collection activity continues.

FLEET POLICY

Mr. Coleman introduced the revised Fleet policy. This is the final policy required to be adopted before the end of the year by the MES Reform Act. The agency has had a Fleet Policy/Procedure manual for many years. The original document is over 55 pages. This policy condenses the major provision to 4 pages. The details remain in the procedure manual. Mr. Neall made a motion to approve the policy as presented, Judge Smalkin seconded. The motion passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is a pre-solicitation approval for \$480,000 for design upgrades and improvements for the Materials Recycling Facility (MRF) in Montgomery County. The MBE goal is to be determined. Mr. Tanner made the motion to approve the item, Ms. Hwang seconded. No members were opposed, the motion passed unanimously.

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November 18, 2021
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Ms. Crosby presented Item 2. The procurement is for analysis, extractions, publication, local data capture, local data conflation and associated HPMS support services for the MDOT SHA. Whitney, Bailey, Cox, Magnani, LLC will provide the services at a cost of \$455,683.70. There is a 32.9% MBE goal. Ms. Heller made the motion to approve the item, Secretary Neall seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is for convenience center Underground Storage Tank replacement at the Brown Station Landfill. Total Environmental Concepts, LLC will provide the services at a cost of \$250,000. There is a 15% MBE goal. Mr. Witt made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously, with the exception of Ms. Hwang who abstained.

Ms. Crosby presented Item 4. The procurement is a change order with Soella Inc. for \$55,748.77. It is for additional fence repairs due to newly discovered damage at the Sandy Hill Creative Disposal Landfill. There is a 2% MBE goal. Secretary Neall made the motion to approve the item, Mr. Tanner seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is for glycol recovery vehicle leasing at the Baltimore Washington International Thurgood Marshall Airport. Inland Technologies will provide the vehicles at a cost of \$348,000. There is a 0% MBE goal. Ms. Heller made the motion to approve the item, Judge Smalkin seconded. No members were opposed, the motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments and Change Order between \$25,000 and \$200,000 were reviewed.

LEGAL REPORT

Mr. Coleman reported that he is working with Finance and Vanguard on a new agreement for the agency 401K program. This agreement is required to be reviewed every few years. Once complete, a Resolution will be brought to the Board for approval.

OLD/NEW BUSINESS

The updated Proposed 2022 Board meeting schedule was presented. The only change was to the December 2022 date.

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

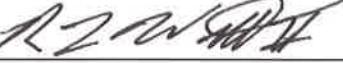
**Board of Directors Meeting
November 18, 2021
Page 6**

Several members of the Board and staff will receive an update from RSM on the draft Board assessment after this meeting. Receiving the update is an administrative function of the Board, so the presentation is not subject to the Open Meetings Act. RSM will present their full report at the next Board meeting in December.

Dr. Glass presented the recognition that the agency will be sending to Ms. Kopp for her service to the Board.

ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 10:32 a.m.



ROBERT L. WITT, II

SECRETARY



HONORABLE FREDERIC N. SMALKIN

CHAIR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

**BOARD OF DIRECTORS
HUMAN RESOURCES COMMITTEE
MEETING MINUTES**

November 18, 2021

LOCATION: Conference/Video Call

TIME: 9:00 a.m.

DIRECTORS PRESENT: Marian Hwang, Esq. (Chair) (video)
Charles Glass, Executive Director
Judge Frederic Smalkin
Robert Witt, (video)
Hiram Tanner

DIRECTORS ABSENT: None

OTHERS PRESENT: Sean Coleman, Esq.
Pamela Fuller
Carla Loving
Casey Powers (IT)(video)

CALL TO ORDER

Ms. Hwang called the meeting to order at 9:00 a.m. Some Board members and staff were present at MES Headquarters, other Board members participated via Zoom video. The meeting was streamed live to the public on YouTube.

MINUTES

Ms. Hwang requested discussion or a motion for the approval of the minutes of the meeting of October 21, 2021. There was no discussion. Ms. Hwang indicated she would send the Clerk a few minor correctors. The minutes were unanimously approved.

Human Resources Committee Meeting

November 18, 2021

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POLICY REVIEW

Dr. Glass and Ms. Loving presented the MES Sexual Harassment Policy for the Committee's review. This updated policy is in line with Federal and State law, and reiterates the agency's 0% tolerance for sexual harassment and discrimination. Ms. Loving will soon begin conducting the State required sexual harassment training for MES employees, and she would like to distribute the approved policy during the training. Ms. Loving addressed several questions from committee members.

In response to a question, Ms. Loving stated that the agency will be subject to standard State Equal Employment Opportunity Commission (EEOC) audit. They will evaluate and review the agency's training program. Mr. Coleman clarified that the agency already had a sexual harassment policy, and that this policy is an update, which expands and clarifies the complaint procedures. There is also a separate policy for disciplinary action that covers all types of workplace harassment. Employees can also still file complaints with the State EEOC office.

Mr. Witt made the motion to recommend approval of the policy to the full Board, Mr. Tanner seconded. The motion passed unanimously.

ADJOURNMENT

Upon motion by Ms. Hwang the meeting adjourned at 9:09 a.m.

Marian C. Hwang

MARIAN HWANG, ESQ.
HUMAN RESOURCES COMMITTEE CHAIR



Larry Hogan **GOVERNOR**

Boyd K. Rutherford **LT. GOVERNOR**

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

BOARD OF DIRECTORS MEETING MINUTES

**MEETING 12-21
December 17, 2021**

LOCATION: **Hybrid In-Person/Video Call**

TIME: **9:30 a.m.**

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

DIRECTORS ABSENT: Hon. Nancy Kopp

OTHERS PRESENT:

Sean Coleman, Esq.	Jeff Tosi
Ellen Frketic	Jewel White
Tim Barr	Amanda Cooper (video)
Hattie Crosby	Casey Powers (video & in-person)
Kenna Oseroff	Austin Marcum – out at 9:55 a.m.
Tim Ford	Jason Foreman – out at 9:55 a.m.
Pamela Fuller	Steve Mermelstein (RSM) (video – out at 9:49 a.m.)
Steven King	Shane Riley (RSM) (video – out at 9:49 a.m.)
Hament Patel	
Melissa Slatnick	

CALL TO ORDER

Judge Smalkin called the meeting to order at 9:33 a.m. Some Board members and staff were present at MES Headquarters, other Board members and staff participated via Zoom video. The meeting was streamed live to the public on YouTube.

BOARD ASSESSMENT – RSM

Steve Mermelstein and Shane Riley from RSM presented the Executive Summary of the 2021 Board Assessment. The Board assessment was required by the MES Reform Act of 2021. Mr. Mermelstein summarized the items reviewed by the assessment and the methodology utilized. They thanked all the Board members and MES staff who assisted them in this process. RSM observed the following:

- Significant transparency noted during observation of the Board
- Meeting structure and level of conversation fostered positive engagement
- Information distributed is well suited to make decisions
- Organizational changes made in accordance with the Reform Act appeared to have adequately segregated roles and responsibilities between the Board and management
- Strategic priority has been focused on meeting the requirements of the Reform Act
- While there are opportunities for continued improvement, there are no major concerns noted during the observation

He then discussed several recommendations for the coming year, including adoption of a Board charter and bylaws and the creation of standard onboarding materials for new Board members.

INSPIRE AWARDS

Mr. Barr presented an Inspire Award to Jason Foreman of the Water/Wastewater Group. Mr. Forman single handedly operated 14 facilities in his region when co-workers were unexpectedly out on leave. He went above and beyond to keep his plants running with no issues or violations.

Ms. Frketic presented an Inspire Award to Casey Powers and Austin Marcum of the IT department. Mr. Powers and Mr. Marcum used creativity and ingenuity to create the camera/tv carts used to stream hybrid meetings, at a cost savings of over \$55,000 from what was quoted by a vendor.

MINUTES

Judge Smalkin requested discussion or a motion for the approval of the minutes of the meeting of November 18, 2021. No corrections or objections were noted. The minutes were unanimously approved.

EXECUTIVE DIRECTOR'S REPORT

Dr. Glass presented the Executive Director's and Deputy Director's expense report for the last month. The charge on these reports stemmed from the Deputy Director's participation in the Chesapeake Water Environment Association Conference.

The agency has completed the draft Greenhouse Gas report for the General Assembly which was distributed to Board members last week. Dr. Glass extended his thanks to Dr. Jahan, Mr. Razik and all the staff who helped write and review this report. Pending a few final minor edits, the report is now ready to be included in the package of documents to be sent to the Governor and the General Assembly.

Dr. Glass spent time over the last month engaging with several clients, including a trip to Western Maryland to visit with officials of Garrett, Allegany, and Washington Counties. He also visited MES Baltimore/Washington Thurgood Marshall Airport (BWI) maintenance shop for a tour. In addition, Dr. Glass met with the County Executive for Montgomery County.

Analysis of the Human Resources report led to several questions about vacant positions. A more thorough review revealed that old PIN numbers were not included in Workday and the request process for positions needed to be cleaned up. HR staff and Group Administrators have now gone through all old requisition requests in Workday. Workday can now be used to evaluate positions. Group Administrators and Hiring Managers will be trained to use Workday for this new process. The system will be updated every pay day. More accurate reports will be forthcoming.

The majority of current vacancies are in Water/Wastewater (19) and Environmental Operations (32). Most of the WWW vacancies are Operators in Training (OIT), and the Executive office is initiating outreach to vocational programs and colleges throughout the State. Secretary Neall suggested the agency also reach out to recruit retired military personnel. Environmental Operations has grown its total number of positions from 256 to 272 over the last 12 months. Many of the vacancies are in labor and technical positions. Seven positions have been eliminated on the Administrative side of the agency, helping to reduce overhead costs. Rumors of a cost-of-living adjustment by County governments, as well as the State government are being monitored.

Board of Directors Meeting
December 17, 2021
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The agency has begun the process of reviewing its Strategic Plan for FY23 through FY28, based on the three pillars - Safety, Level of Service, and Education and Training. Input and suggestions from the Board are welcome over the next few months. The goal is to have the draft Strategic Plan completed by the end of the fiscal year.

AGENCY ACTIVITY REPORT

Judge Smalkin presented the Agency Activity Report and asked if there were any questions. Ms. Slatnick addressed a question about the five-million-dollar contract with the Maryland Emergency Management agency. The MOU will cover a variety of tasks to be added over the course of this overall agreement.

FINANCIAL REPORT

The October financial statements were included in the Board packet. Due to the early meeting date, the November packet was not ready yet, however, Mr. Patel reviewed the preliminary November 2021 financial update. Labor sales were lower than FY21. Billable labor has been lower, but expenses have also been lower. The change in net assets is an increase of \$2.6 million, similar to last year. The total net assets by the end of the year are typically a 50/50 mix of invested capital assets and unrestricted net assets. This amount fluctuates throughout the year, but usually is near 50/50 at year end. Any increase in net assets at the end of the year can be used for BEST payments or investments in capital assets. The 2022 Financial plan provides the details for the Budget v. Actual report.

The Accounts Receivable past-due over 90 days is similar to last month. Collection activity continues.

RESOLUTION 21-12-1R

Mr. Coleman and Mr. Patel presented Resolution 21-12-1R to create the Eastern Correctional Institution (ECI) Energy Upgrade Project Reserve Fund. The fund is subject to approval by the Secretary of Budget and Management and would transfer money left over from FY21 reimbursable projects into the fund for future fiscal years. The fund cannot exceed \$2,000,000 at any time and may only be expended for the Energy Upgrade project at ECI. Expenses must also be approved by the MES Board of Directors. Any monies not spent by June 30, 2024 will be remitted back to the State. The work stems from the conversion of the ECI Energy plant from wood chips to natural gas. Ms. Hwang made a motion to approve the Resolution, Ms. Heller seconded. The resolution passed unanimously.

RESOLUTION 21-12-2R

Mr. Patel presented Resolution 21-12-2R for updates to the MES 401K plan administered by Vanguard. The IRS requires the plan to be evaluated and restated every 6 years. The updates do not change the terms of the plan but do more accurately reflect current practices. Mr. Patel then summarized the changes to the 401K documents. The documents are due by December 30 and will be effective January 1. The Office of Attorney General also had an attorney at Whiteford Taylor, who concentrates in retirement plans, review the documents and provide comments. Secretary Neall made a motion to approve the Resolution, Mr. Witt seconded. The resolution passed unanimously.

FY21 FINANCIAL STATEMENTS

RSM, the financial auditors have issued an unmodified opinion with no findings for FY21. The clean opinion is now complete and certified. The auditors noted no problems with internal controls. The report will now be included in the back of the agency 2021 Annual Report.

HUMAN RESOURCES REPORT

Ms. White presented the newly revised Human Resources report. The agency has 738 active positions. The vacancy rate is 7.75%. Now that the position control system has been activated in Workday, a snapshot report will be generated every pay day.

The STAR Commission recommended evaluating the relationships between MES and the Maryland Clean Energy Center and the Chesapeake Bay Trust. Dr. Glass will now be signing the timesheets for their Executive Directors and generally overseeing their workload. However, they each remain accountable to their own Boards.

RESOLUTION 21-12-3R

Ms. White presented Resolution 21-12-3R to make a one-time payment of \$100 to all employees who receive their Covid vaccination. This resolution is the same as the practice followed by the State earlier this year. Employees must prove their vaccination or exemption status. Ms. Hwang made the motion to approve the Resolution, Ms. Heller seconded. The motion passed unanimously.

PROCUREMENT ITEMS

Ms. Crosby presented Item 1. The procurement is a change order with ProAmpac Holdings, formerly Trinity Packaging Co. for \$299,600. It is for the final renewal period

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to purchase Leafgro® bags for the Montgomery County Composting Operation. There is a 0% Minority Business Enterprise (MBE) goal. Secretary Neall made the motion to approve the item, Ms. Hwang seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 2. The procurement is for preliminary and post-preliminary county-wide Risk MAP study data in St. Mary's County. Wood Environment & Infrastructure Solutions Inc. will provide the services at a cost of \$249,826. There is a 30% MBE goal. Ms. Hwang made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 3. The procurement is for site improvements at the Clements Convenience Center. Rainbow Construction Corp of Waldorf will provide the services at a cost of \$626,880. There is a 16% MBE goal. Ms. Heller made the motion to approve the item, seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 4. The procurement is for engineering services for the wastewater treatment facility improvements at Camp Fretterd Military reservation. George, Miles & Buhr, LLC will provide the services at a cost of \$397,900. There is a 18% MBE goal. Secretary Neall made the motion to approve the item, Mr. Witt seconded. No members were opposed, the motion passed unanimously.

Ms. Crosby presented Item 5. The procurement is a change order with Eastern Shore Forest Products for a not to exceed amount of \$10,906,800. It is for the purchase of wood chips for the ECI Co-Gen Energy plant. There is a 0% MBE goal. Ms. Hwang made the motion to approve the item, Mr. Neall seconded. No members were opposed, the motion passed unanimously.

The Board Notifications for Contracts, Purchase Orders, Amendments, and Change Order between \$25,000 and \$200,000 were reviewed.

LEGAL REPORT

Mr. Coleman reported there were no significant changes since last month. His office remains available to provide any assistance the Board may require implementing the recommendations of the Board assessment.

OLD/NEW BUSINESS

Judge Smalkin expressed his thanks to the MES staff and Board for their hard work over the last year.

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Dr. Glass announced that with this meeting, the agency has now completed all the requirements of the MES Reform Act. A final report will be submitted to the Governor and the General Assembly. He also expressed his gratitude to State Treasurer Kopp for her service on the Board and extended his welcome to incoming State Treasurer Davis as he joins the MES Board.

The next meeting of the Board is Thursday, January 27 at 9:30 a.m.

ADJOURNMENT

Upon motion by Judge Smalkin, the meeting adjourned at 11:07 a.m.



ROBERT L. WITT, II
SECRETARY



HONORABLE FREDERIC N. SMALKIN
CHAIR