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P R E S E N T

GOVERNOR MARTIN O'MALLEY, Presiding;

HONORABLE PETER FRANCHOT, Comptroller;

HONORABLE NANCY KOPP, Treasurer;

SHEILA C. MCDONALD, Secretary, Board of
Public Works;

ALVIN C. COLLINS, Secretary, Department of
General Services;

T. ELOISE FOSTER, Secretary, Department
of Budget and Management;

DARRELL MOBLEY, Acting Secretary,
Department of Transportation;

LISA WARD, Director, Land Acquisition and
Planning, Department of Natural Resources;

ZENITA WICKHAM-HURLEY, Special Secretary,
Governor's Office of Minority Affairs;

MARY JO CHILDS, Procurement Advisor, Board
of Public Works; and,

MARION BOSCHERT, Recording Secretary, Board
of Public Works.

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P R O C E E D I N G S

GOVERNOR O'MALLEY: Well, good morning.

It's October 3, 2012 and we have ample cloud cover as we begin this day and as we head towards the Baltimore-Washington World Series that each of us is hoping for. (Applause.)

GOVERNOR O'MALLEY: How very exciting! So we'll all be, we'll be rooting and we'll all be hoping. It's really exciting to see the Orioles in the playoffs for the first time in a long time, and to see the Nationals going there as well.

I have one little announcement, and it's this. Fresh off the press from WHAG in Hagerstown, whose wire must be more connected than other wires, Maryland has been named one of the top ten most energy efficient states in the country according to the American Council for an Energy Efficient Economy. How about that --

(Applause.)

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GOVERNOR O'MALLEY: And among the incentive programs, Be SMART and the Maryland Energy Assistance Program. These programs helped about 4,000 Washington County homes save 25 percent or more on their utilities each year, and those programs have been done all across the country. And Be SMART, is that the one that emerged, Bill, out of the weatherization?

MR. ARIANO: It was a completely separate program --

GOVERNOR O'MALLEY: Separate from the weatherization but one for which there was a competitive grant? That we competed for and we won, what, from the federal government?

MR. ARIANO: From the federal government, \$20 million --

GOVERNOR O'MALLEY: \$20 million from the federal government?

MR. ARIANO: -- got the award.

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GOVERNOR O'MALLEY: Good job. All right.

So anyway, just thought I'd share that good news with you. Madam Treasurer, Mr. Comptroller, anything as we begin?

COMPTROLLER FRANCHOT: I just recall the big article in the *Post* the other day about how the Washington Nationals have brought together the Republicans and Democrats in Washington. And I'm delighted the Orioles have brought O'Malley and Franchot together, too.

(Laughter.)

COMPTROLLER FRANCHOT: But I'm pleased that, you know, when I, I actually first mentioned this back in April, about a World Series. And I was kind of chalked up to there's just another politician. And back then it was just a fantasy, really. But it's come to pass. And now they are both in the playoffs, and the possibility of a World Series, Governor, is very much alive.

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And I happen to think that every baseball fan in the region is grateful for the historic season that we've witnessed. Think about it. The last time Washington was in the post-season was 1933. They didn't even have Major League Baseball in Baltimore then. So a long time ago.

The last time the O's were in the World Series, or were in the playoffs, was 1997 and there was no baseball team in Washington. So a lot has happened to really electrify the region and bring together long suffering fans in both cities.

I just want to salute the leadership of those two teams. I daresay that even Peter Angelos is getting some praise these days. I told him that he would be the last person ever to get any credit for this, and he didn't laugh at my attempted humor. But both teams have tremendous leadership. Davey Johnson is the manager of the Nationals and he now has taken four teams to Division leadership, fourth team to the

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playoffs. He has shown rock steady leadership. Davey Johnson is definitely going to go to the Hall of Fame, or should go to the Hall of Fame. Buck Showalter is in the process of reviving his third franchise. He has used seemingly every player in the Orioles system. Obviously every new name you see you don't recognize, but it's been fascinating to watch his leadership. Both of them have general managers who have focused strategy, who have made the right moves at every part of the season. And everyone in the front office has been working in synch. And obviously that's what separates the Nats and the Orioles from other rudderless teams. If you are a baseball fan, just look at the Houston Astros who muddled through another 100-plus loss season, have tremendous players but bad leadership and they are an absolute shipwreck.

So two weeks from now at the next Board of Public Works meeting I hope both teams have moved further into the playoffs, or one step closer to the Beltway Series. And if that comes to pass I'm sure

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that the Governor and Treasurer and I will be the first in line to buy our tickets. And watch these wonderful teams as they perform.

And I will say, and we'll put some information out at the end of the week on this, there is a slight uptick in the economy when these teams are doing well. Because people feel better. My stepmother out in Cleveland is a Cleveland Indians and Cleveland Browns fan. She's been morose the last month. So these teams have a big impact on the region and I think we need to just take a moment, I'm glad the Governor brought it up, to appreciate and acknowledge their success. Thank you, Governor.

GOVERNOR O'MALLEY: Thank you, Mr. Comptroller. Okay. Madam Treasurer?

SECRETARY MCDONALD: Good morning, Governor. we have a few presentations I thought you wanted to listen to --

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TREASURER KOPP: I was, I wondered, 88 years ago, what happened?

COMPTROLLER FRANCHOT: I don't know.

TREASURER KOPP: Don't you know?

GOVERNOR O'MALLEY: Somebody look it up. Eighty-eight years ago, what happened when the --

TREASURER KOPP: Yeah, it was 1924.

COMPTROLLER FRANCHOT: 1924.

GOVERNOR O'MALLEY: What, when Washington was in the playoffs?

TREASURER KOPP: Walter Johnson --

SECRETARY MCDONALD: I was going to say, Walter Johnson --

COMPTROLLER FRANCHOT: Walter Johnson?

GOVERNOR O'MALLEY: Hm.

TREASURER KOPP: You'd think I knew that, didn't you, the big train?

SECRETARY MCDONALD: Yes.

(Laughter.)

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SECRETARY MCDONALD: Yeah, he was a hero. Okay. But we do have a few presentations from two different departments. The first one is apparently going to be the response to the questions that were raised at last Board meeting about the tolls and the collections of the electronic tolling. I'll turn it over to Acting Secretary Darrell Mobley.

MR. MOBLEY: Thank you. Actually, I'd like to have Harold Bartlett, the Executive Secretary, come up. Mr. Bartlett is going to provide the presentation.

MR. BARTLETT: Thank you, Mr. Secretary. Let me start by a little bit of background. In the tolling industry electronic tolling and all electronic tolling is really becoming the way that the industry is going. And for Maryland that means either E-ZPass or video tolling. Let me explain just quickly what video tolling is.

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If you go through an E-ZPass lane without an E-ZPass a picture of your license plate is taken and you are sent a notice of toll due for the toll that you incurred, plus a 50 percent premium on top of that toll because you have video tolled. This is in fact become an acceptable method of payment for the MdTA. In fact, it has become the basis for roads like the Intercounty Connector where we have no toll booths and we count on both E-ZPass and video tolling as a method to pay your toll. And in fact the new ETL lanes that we'll be constructing north of Baltimore will also county on all electronic tolling. And we also video toll on our legacy facilities as well. We are actually looking at some of our legacy facilities with the thought of converting them to all electronic tolling.

But my focus today is to talk about how video tolling impacts our revenue collection process and focus on that revenue side of that equation. But I think it's important to note that there are

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operating budget cost savings associated with video tolling, as well as the fact that it's a tremendous impact on our throughput for the system. So even the people who pay cash currently do benefit in fact from the folks who are electronic tolling because of the throughput that we have. Next slide, please?

I want to start by saying there's no amount of unpaid tolls that we're happy with our satisfied with. It's our intention to collect every dollar of tolls and to go after the toll violators with every tool that's available to us. But I did want to size the problem for you today. Before you is the five-year revenue posture for the MdTA from fiscal year 2008 to fiscal year 2012. And as you can see in that five-year time period we collected some \$1.5 billion, with a B, billion dollars in tolls. And of that amount approximately \$19.3 million was video tolling. To break down the \$19.3 million you can see that immediately \$12.6 million of the \$19.3 million was

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paid. This leaves us with \$6.7 million, which was the number that was discussed last Board meeting, compared to the \$1.5 billion in tolls that we did collect. And I'd like to quickly run down for you what we are doing with respect to that \$6.7 million.

First of all we have sent \$1.2 million to the Central Collection Unit. That represented about 3,000 accounts. And what we have done is taken a kind of a hierarchical approach to this. We are starting with the biggest accounts and working our way to the smallest.

We have about \$1 million that is going to CCU next week. That actually represents about 100,000 accounts. So that's a much larger group and, as you can see, a small dollar amount per account.

We have kept out about \$250,000, for which I am personally in direct discussion with some leasing and commercial companies. And I'm pleased to say that just last week, in fact a check came in yesterday from one of the leasing companies, that actually eliminated

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four of the top ten outstanding accounts that we have. So I think those discussions have proved to be very successful. Incidentally, that discussion alone involved 776 separate accounts that we had to reconcile.

The last two lines are other unpaid that we are working our way through, and non-Maryland unpaid. And a little bit later I'll be telling you how some of the new legislation that we are going to be working on will address those accounts.

So let me tell you just quickly why we need new legislation. Under the existing statute for which we operate, a person becomes a violator as soon as they pass through a tollbooth without an E-ZPass or without paying cash. And as I indicated to you earlier, video tolling is in fact now an acceptable method for us to collect tolls. Which means that under the existing law every person who video tolled would have to be a violator and would have to

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immediately get a citation. On the ICC alone that would be a million violators when in fact we know that most of those people actually end up paying their toll.

We tried last year to get some legislation through that would address this issue. But quite frankly we came out of the, we came into the legislative session a little bit late. It was a very complicated piece of legislation and we did not get it through. We are ready to do that again. As a matter of fact, last year kind of to take a dual track we also tried to make this legislation be part of the BERFA bill. We were told at the end of that process that that did not really qualify as a BERFA type of activity. So, but we're ready to do it again.

I will tell you that even before this became an issue Delegate Malone and I, and Delegate Malone is the Chairman of the House Environmental Matters, Motor Vehicle and Transportation Subcommittee, we had been talking about this legislation. He is prepared to

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champion it. And he has actually said that he would be very willing to treat this as emergency legislation if we needed to.

Coming up we have two hearings associated with the legislation. We are going to Budget and Taxation Committee on October 17th. We're going to Finance and Transportation Subcommittee on the 30th. This legislation will address the video tolling issue, as I indicated. It does provide for a citation system. If you do not pay your toll within 30 days of getting a bill you will receive a \$50 citation. And it will work much like the, what you will actually get is something that looks very similar to a speed camera violation. It will be a picture of a license plate and the fact that you went through the toll facility without paying.

We have already talked to the court system about this. We know once the legislation is approved we are going to need to go back and finalize how the

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legislation actually got adopted but they are on board with it.

Probably one of the most important things is the new legislation will allow us to begin to flag MVA registrations and suspend MVA registrations, which is a very powerful tool for this. And as I indicated, there has been some discussion already relative to the possibility of making this emergency legislation.

Next slide?

I've structured this as if it were not treated as emergency legislation and used a July 1, 2013 date as the, kind of a dividing point between what we are doing now and what we would expect to do when the new legislation is approved. So today, as I indicated, we have sent many accounts to CCU. In fact the accounts that are there now are eligible for income tax intercept, which means any person who is a Maryland resident who was going to get a refund on their income tax, that refund will be able to be grabbed if you owe tolls. And I want to thank

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Secretary Foster, who has worked with me very well on coordinating activities with Central Collection and also Maryland Motor Vehicle Administrator John Kuo, who has been particularly helpful in that regard.

As I indicated we've also had discussions with, at the executive level with leasing companies. We are also planning on trying to change as aspect of the Public Information Act legislation. In that legislation there is a specific prohibition against MdTA revealing certain information about electronic tolling. We would like to change that legislation that will allow us to publish what we call the Hall of Shame. Many states in fact publish the names of people who aren't paying their tolls. But right now we are prohibited from doing that. And we have been in discussion with other toll agencies about methods that they have of collecting tolls.

On a go forward basis after the legislation is approved, and we are very, very confident that we

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will get this legislation, we plan to renotice all outstanding debt and make that, those renoticed accounts, be subject to the citation system that the new legislation will have. It will require the ability for a person who is given a citation to be able to go to court and contest it. However, the defenses that a person can raise are very limited. It will again allow us to have motor vehicle suspensions. In fact, under the new legislation one citation will allow your registration to be flagged. Three citations will allow us to actually suspend your registration.

It also sets the stage for a reciprocity, where we believe we will be able to enter into those agreements with adjoining states so that we can go after those persons in other states who owe us money. And conversely they will be able to attach Maryland toll payers who have not paid in their states.

And finally we still will have the ability to go to Central Collections even after the citation

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process and after the registration suspension. And the MdTA police force will actually use license plate readers to go after those accounts that have suspended registrations and immediately will be able to take the tags from those accounts and in fact impound the vehicle. So the new legislation is something that I think is going to give us back a lot of the teeth that we need to address this issue.

The last thing I wanted to share with you is merely where we stand in comparison to other transportation authorities that are adjacent to us. And you can see by the percentage of unpaid transactions that we are currently sort of somewhere in the mix on this. I want to end by repeating something I said earlier, which is even though these are small percentages, no amount of tolls unpaid is acceptable to us. And we plan to use every tool we can to collect all the tolls that are due this agency.

That concludes my presentation.

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GOVERNOR O'MALLEY: Questions? Mr.
Comptroller?

COMPTROLLER FRANCHOT: Yes. Thank you for that, Mr. Bartlett. And, you know, my agency, we have the ability that the Legislature gave us to withhold a business and professional license if someone has tax obligations. And that clearly is a stimulating provision. You might ask the Legislature to include that in their thinking about this.

But I guess my question is, would any of this have happened if the newspaper article hadn't been written?

MR. BARTLETT: Well as I said, Mr. Comptroller, even prior to this becoming a story Delegate Malone and I, and Motor Vehicle Administrator John Kuo and I had talked extensively about getting this new legislation put in place. We were very disappointed that we were unable to do that in the last session. And really with the opening of the ICC, the second phase of which occurred in November of last

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year, video tolling is becoming much more prominent. And had we got that legislation in January we would have been in a lot better position.

COMPTROLLER FRANCHOT: Mm-hmm. And you mentioned the rental car companies. That really caught my eye in that article because it, one of them, I think, we had sent 7,000 letters to? That seemed like an enormous waste of postage, at least.

MR. BARTLETT: I agree with you. It's a very cumbersome process. And when we say rental car companies, we are really talking often about multiple accounts.

GOVERNOR O'MALLEY: So it's 7,000 cars owned by those companies --

MR. BARTLETT: One of the questions that I posed in my personal discussions with the executives at these companies was, well what about E-ZPass? Why don't you get E-ZPass for these cars? And the answer was these cars could be in Maryland today, and Florida

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or California tomorrow. So it just, you know, it would be difficult for them to go there. That would clearly be an advantage to us.

One of the other trends that occurring with leasing companies is many of them now are going to third party brokers to handle this information, both tolls, speed light, red light cameras, speeding type cameras. So that rather than dealing with, you know, hundreds of entities for one leasing company, we would then have the ability to deal with one third party provider.

COMPTROLLER FRANCHOT: But these rental companies, what happens with a parking ticket or a speeding ticket? Don't they --

MR. BARTLETT: Well again, my understanding of parking tickets and speeding tickets is they have the statutory authority to flag and/or suspend registrations. And our current statute is written in such a way that the definition of violator doesn't fit

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our current operating environment and it just doesn't give us the ability to have that very powerful tool.

COMPTROLLER FRANCHOT: And these rental companies just say to you when you call, "Gee, we just blow off \$250,000 in tolls that are owed you, even though we have our, these credit card records of these individuals and we could easily put it on there and send you the money." What's the matter with doing the right thing?

MR. BARTLETT: Well I don't think it, Mr. Comptroller, is a question of doing the right thing. I think it's, for the rental car companies, it's a equally complex process. And I will tell you that very often we have settled with rental car companies, and then the process starts all over again. And they often have to track down multiple people who have rented cars from them, and match up the information that we give them with the information that they have.

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And so, I mean, for example the one that settled with me last week, we had been really in discussions with them for several months. And they have actually worked very cooperatively with us. It's just a question of them being able to reconcile and agree the information that we send them, and then them matching that up against their records.

COMPTROLLER FRANCHOT: Well that, I appreciate the complexity. But it's their customers that are breaking the law and causing a situation that's embarrassing for the State. Because we're raising tolls on people that are obviously paying their, the tolls as they should. And then we wake up and read about this situation. So if you could maybe quietly send our office the information about these rental companies that are cooperating or not cooperating? Because, you know, April 30th in my office is known as Restaurant and Tavern Day. Because that's the day when these business have either paid what's owed us in taxes or we pull their licenses.

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And you know, I just find it unbelievable that a major rental car company would say to you, "Gee, we have a, it's tough for us to add this amount to these folks' credit cards." They broke the law. And yeah, there's a, I guess a technical thing that prevents us from getting it from them. But boy I wish these, I can't imagine these companies, you know, not being more responsive. So you said one has settled. What about the other four or five?

MR. BARTLETT: I'm in direct discussions with two additional ones, and I believe I'm very close on the two additional. And the one that did settle in fact eliminated four of our top ten accounts that owed us money.

COMPTROLLER FRANCHOT: And they are settling for the full amount?

MR. BARTLETT: Yes. Yes, sir.

COMPTROLLER FRANCHOT: Well I obviously have great respect for your leadership, and am glad that

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you are jumping on this. But it is a real PR problem because of what is going on with ordinary folks, as you can imagine. And it certainly has got my interest from a corporate responsibility standpoint. And I just don't understand the complexity of, from a car company's perspective, of reimbursing the State and then they can go after their customer. But why don't you just keep me informed, if you would, on how they respond to you. And --

MR. BARTLETT: Yes, sir. Well I appreciate your suggestion about perhaps some other penalties in the new legislation. We'll certainly look at that. And I will also add that in my discussions with the rental car companies when I, I did use the interest of this Board as a convincing element for why they should be paying a little more closer attention to this.

COMPTROLLER FRANCHOT: Tell them the tax collector is interested, too. That sometimes --

(Laughter.)

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COMPTROLLER FRANCHOT: Thank you for that presentation, Governor.

GOVERNOR O'MALLEY: Thank you. Thanks a lot. Okay. What have we got now?

SECRETARY MCDONALD: There is a second presentation.

MR. COLLINS: Yes, there is.

SECRETARY MCDONALD: The Secretary of General Services was going to brief the Board on fuel management in the State of Maryland.

MR. COLLINS: Yes, Governor. I wanted to --

GOVERNOR O'MALLEY: Though I just noticed that we have, we have Jack Russell here, present, the Commissioners for DNR Agenda Item 3. I hate to make you --

SECRETARY MCDONALD: Go right ahead.

GOVERNOR O'MALLEY: -- sit, Mr. President. So I'm wondering if we might go out of order and take, and take the DNR Agenda Item 3?

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MS. WARD: Sure. Do you want to take --

GOVERNOR O'MALLEY: Come on up, Mr.

President.

MR. RUSSELL: Thank you.

MS. WARD: Governor, Item 3 is a request to approve \$5.6 million in Rural Legacy funding for fiscal year 2013.

GOVERNOR O'MALLEY: Okay. Mr. President?

MR. RUSSELL: And with that, we thank you.

And I, Jack Russell from St. Mary's County, I bring you Board of Public Works members, cabinet members, able staffers, greetings from St. Mary's County in Southern Maryland. And I will refer back to the opening here today about managers making all the right moves. I might say that you all have made all the right moves in trying to help St. Mary's County and the encroachment around our premier test flight facility in St. Mary's County. Protecting it from encroachment, whether it be air, noise, and the like.

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So we are here today to speak on behalf of St. Mary's County and on behalf of Rural Legacy money to protect air encroachment and the like, noise around Pax River. We also represent some of our sister counties on the Eastern Shore. After all, we are in a J use process now that has been initiated through the Tri-County Council. And that's a joint land use study to try to protect Pax River from encroachment of the areas. And we certainly thank you for your efforts in the past, especially and notably purchasing the several Jesuit properties. One of which at St. Inigo's was specific in the entitlement of encroachment mitigation around Pax River. And we have another one to preserve some of the historic beauty in Newtowne Neck. So we are here today to ask you please to look favorably on this.

And while I have got the pulpit here I would like to also say, Governor, that we have another very important project at St. Mary's City. It's an ADA

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project at Chancellor's Point. We would certainly hope that you would look favorably on this project as well.

GOVERNOR O'MALLEY: Is that part of the DNR Agenda?

MR. COLLINS: DGS. It's on my Agenda.

SECRETARY MCDONALD: It's Item 4, DGS.

TREASURER KOPP: Secretary --

GOVERNOR O'MALLEY: All right. You are here on that one as well, Mr. President?

MR. RUSSELL: Look, we're here from the motherland, the heartland, St. Mary's County. Now look, we had the first capital down there. It didn't stay there very long. It came up here to Annapolis. Now we've accepted this. But hey, while you're here we just, well, pushed all of our folks down here. And our sister counties on the Eastern Shore also.

GOVERNOR O'MALLEY: Well --

MR. RUSSELL: So thank you for entertaining us today.

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GOVERNOR O'MALLEY: Thank you, Mr.
President.

MS. WARD: Governor, on behalf of Secretary
Griffin, Hall, and Hance we appreciate the funding for
the Rural Legacy Program. And today we have sponsors
from all of the areas that were chosen in this. We'd
like to have them stand up --

GOVERNOR O'MALLEY: Sure.

MS. WARD: -- and on behalf of DNR and
Secretary Griffin we'd like to thank them for all of
their efforts that they put in at the grassroots
levels for us. So if they could stand up?

GOVERNOR O'MALLEY: -- involved with Rural
Legacy at Open Space?

MS. WARD: And they would like a photo with
you.

(Applause.)

GOVERNOR O'MALLEY: Anyone want to be heard?
No?

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(Laughter.)

GOVERNOR O'MALLEY: Just vote for it, huh?

Thank you all.

MS. WARD: Governor, is it possible, could we get a photo with you and the Board members?

GOVERNOR O'MALLEY: This just gets curiouiser and curiouiser. We haven't voted on it yet. Why don't we vote on it first?

(Laughter.)

GOVERNOR O'MALLEY: Then you can decide who you'd like in the photo.

(Laughter.)

GOVERNOR O'MALLEY: Let's, any other questions on, let's do the, the whole Agenda. Any other questions?

MS. WARD: Okay. We have four items today for your approval.

GOVERNOR O'MALLEY: Okay. And the one that President Russell was just talking about was one of several items on 3A, the Rural Legacy Program Grants,

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right? Okay. And then we had Community Parks and Playgrounds. City of Cumberland, City of Frostburg on that. Where else? Anne Arundel County. And I see you have an Open Space on the Casselman Basin Coal Company in Garrett County. Do you want to tell me anything about that? See the map?

MS. WARD: Do you see the map in the back there?

GOVERNOR O'MALLEY: Is this a reclaimed coal mine or something?

MS. WARD: No.

GOVERNOR O'MALLEY: No?

MS. WARD: This is an acquisition for 256 acres in Garrett County. It is the first property that's actually going to be the beginning of a new WMA for DNR.

GOVERNOR O'MALLEY: What's the new WMA?

MS. WARD: It is called the Cunningham Swamp Wildlife Management Area.

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GOVERNOR O'MALLEY: And we like calling it the new WMA?

MS. WARD: It's new. It's the first part of a wildlife management area.

SECRETARY MCDONALD: -- wildlife management area.

MS. WARD: Protection of this area is --

SECRETARY MCDONALD: It's a swamp.

MS. WARD: Well, we call it a swamp because we love to draw attention to ourselves. The swamp is, it's important to protect that because there's a number of endangered species there. It's important for us to have fee simple ownership of that so not only do we own it but we can effectively manage the resources on the property.

GOVERNOR O'MALLEY: Right. The Chesapeake Bay might say, "Your swamp, my lungs." Right? Okay.

TREASURER KOPP: So --

GOVERNOR O'MALLEY: -- I'll never call it a swamp again.

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MS. WARD: But you like that.

COMPTROLLER FRANCHOT: Governor, if I could just ask a question? So the reason this is important is because there's some risk of development?

MS. WARD: No, sir.

COMPTROLLER FRANCHOT: Then why are we buying it? Other than --

MS. WARD: Well I think the folks at DNR feel that it's important to protect our Natural Resources? And this particular --

GOVERNOR O'MALLEY: It's not a feeling. I don't mean to interrupt you. But we used to buy things on feelings. This had a score of 122 under the Program Open Space targeting system. Do you have that, the list in here of why that hit those bells and why it was objectively scored that way in terms of its value as habitat, wildlife, and part of the living system that is the Chesapeake Bay region?

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MS. WARD: Yes it was in -- thank you, Governor.

GOVERNOR O'MALLEY: You're welcome.

MS. WARD: I'm not sure what else I can say, that was so well done. It did score a 122. It is in a targeted ecological area through the GreenPrint process. And Comptroller, as you know all of our projects at this point are the best of the best. It scored a 122 and our threshold is about 80. It is protecting endangered species on this property. And although it is the first in this particular area it has been on the property list for DNR for a number of years. And we're actually very proud of it.

COMPTROLLER FRANCHOT: No that's, that's a good answer. But I have, continue to ask what are we protecting the endangered species from?

MS. WARD: Well if, when we purchase the properties we purchase them, I think most folks sometimes view it as under the threat of development. However, in an economy that is sort of flagging, and

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developing may not be occurring in that area, if we purchase the property it allows us, well if we purchase it in fee it allows us to do specialized things on the property that allow them to adjust to changes in the climate, changes in the natural resource of that area.

GOVERNOR O'MALLEY: It allows you to improve its value as habitat, right?

MS. WARD: And maintain.

GOVERNOR O'MALLEY: And this parcel happens to lie midway between Route 40 and Deep Creek Lake, correct?

MS. WARD: Let me check my map.

GOVERNOR O'MALLEY: I mean, I can see it on the map.

MS. WARD: It's south of Route 40, right.

GOVERNOR O'MALLEY: Mm-hmm.

MS. WARD: Thank you.

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GOVERNOR O'MALLEY: And Deep Creek Lake. So when you answered that it's not in danger of being developed, you meant not imminently in danger of being developed, correct?

MS. WARD: Yes, sir.

GOVERNOR O'MALLEY: Witness with you. I'm sorry, Mr. Comptroller?

(Laughter.)

TREASURER KOPP: Well, there's also all these mineral rights issues. I mean, according to what you are saying it's also protecting it from potential serious disturbance because of use of mineral rights which are --

COMPTROLLER FRANCHOT: Yeah --

TREASURER KOPP: -- as I understand it --

GOVERNOR O'MALLEY: Pretty hot and heavy, I would bet.

MS. WARD: In this particular, as you know, the department's position on severed mineral rights is that we do everything that we can if the rights have

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been severed to get those, either to have them released and put them in our ownership. In this particular case the department didn't feel like it was a risk. Because although the mineral rights are severed, they are substantially owned by the federal government and they work very closely with us to make sure it's managed in a way to protect the surface of property.

COMPTROLLER FRANCHOT: Yeah, no, I'm going to vote for these.

MS. WARD: Thank you.

COMPTROLLER FRANCHOT: Obviously they have all sorts of data, etc. But do you specifically have in your scoring system a category for vulnerability to development?

MS. WARD: I don't believe it's called that. I think that our, I think it's in your Agenda package. We have a landscape score, an ecological characteristics score, and then we make special

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adjustments for recreation, habitat, things of that nature. Having a background in real estate I think that when we look at the targeted ecological areas they are not necessarily chosen because we think they are going to be, we're not buying them because we feel like there are houses being put in that particular area. Our focus is on the ecological portion of it. That is a factor. And sometimes the threat of development would move it up in our priority order.

COMPTROLLER FRANCHOT: Because I notice Item 8, we're paying \$650,000 for Dorchester County Nanticoke Rural Legacy Area. I can pretty much guarantee you that that swamp land down there is never, ever going to be vulnerable to development. It just isn't going to happen. So, again, what is the threat to the ecology?

MS. WARD: I think there is a lot more things than development that can affect the natural resource of an area. Item, I think you are talking about Item 3, number eight in Dorchester County.

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There will be a number, when we ranked and scored these projects we did it by Rural Legacy Area and we list the top three projects. As well as we considered what projects were ready to go in those particular areas in Dorchester County.

It could be a combination of conservation easement and fee simple acquisition. When we do conservation easements it costs us a lot less and we protect more for that. In this particular case it includes one of the most pristine and significant watershed basins in the Mid-Atlantic. And that, the water is, we're trying to protect the water. And the water quality in areas around the water there.

COMPTROLLER FRANCHOT: Okay. I'm going to put my dark glasses on. Not because I want to, because I want to be able to look straight at you and I had Lasik surgery yesterday. So I can't pick my eyes up to look at you. I'm not saying anything about the item. I'm going to vote for it. But apologies.

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This is not a prank. I'm just protecting my eyes.

Thank you.

(Laughter.)

GOVERNOR O'MALLEY: Okay. And it's right there in Vienna, the historic Town of Vienna? Right? I mean, that's where that one that we were just talking about on the --

MS. WARD: Yeah.

GOVERNOR O'MALLEY: -- on the Marshyhope.

MS. WARD: Let's see, the Marshyhope?

GOVERNOR O'MALLEY: Which is right along Route 50.

MS. WARD: Yeah.

GOVERNOR O'MALLEY: And the Marshyhope is, I mean it's beautiful. I wouldn't say that that very productive farmland, though, is swamp. I feel like I have Roy Orbison singing --

(Laughter.)

COMPTROLLER FRANCHOT: Yeah.

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GOVERNOR O'MALLEY: All right. Well the, you know, it all comes down to whether or not you think we have a responsibility to preserve in, you know, in the balance that we currently hold onto with the other living systems of this area or not. If you, if you think we can live without living streams and without other living species, and without clean water and clean air, then I suppose you would look upon these as frivolous pursuits. But to all of these folks who have given their valuable time to preserve for future generations the remaining habitat and capacity of the Bay's green liver, green lungs, green kidneys to function and support our lives as well as other lives, these are important dollars that really belong to our kids and theirs. But I do appreciate the fact that never before, but now we actually do an objective ranking on each one of these. So that it's not just a matter of, hey we feel this would be nice to have.

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And I also appreciate, put the map back up there, would you K. Large? Zero in on it, if you would? You all can, no the next one. I mean, can you zero in on that other one that has the green and the dark green? This is from your GreenPrint. Maryland is the only state that I am aware of that has done an ecological ranking, habitat ranking, you know, sort of an ecological value of every parcel of land within our borders. The purpose for that was to show all of us, the 5.8 million and growing stakeholders in this corporation called the State of Maryland, where our remaining habitat is that needs to be preserved. Anything that is green is what we need to preserve. The areas that are white are already gone. They have been developed and they are not going to get undeveloped. The areas in dark green we have preserved either through federal programs or State programs. And they are pretty safe due to your good work and the conservation easements and the like.

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This one, as you can see, fills in and turns from a light green to now a dark green that red parcel which is right smack dab not only in the middle of a very large contiguous stretch of habitat, but it also happens to be -- go out a little more? Right between, almost equidistant, from Route 40 right up above and Deep Creek Lake. Which is already suffering so many of the effects up there, water quality from the runoff, from the homes, from all of these things that are being built there.

And hopefully we will find better ways to build homes that are net zero energy homes and that also absorb all of their stormwater runoff on that parcel itself. That's our, you know, only hope for our great-grandkids is that we figure out better ways to advance and accelerate green design as well as green preservation. And so that's who we are what we do, in this State among states.

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Any other questions on the DNR Agenda? All right. The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And now it is picture time with all three members of the Board of Public Works. Come on down! We rarely ever get people asking for pictures after we approve items.

All right. This is where I stand. Roy Orbison singing. Thank you, Mr. President. Thanks for your good work. Come on, squeeze in everybody. It will feel unnatural but it will look good.

(Laughter.)

GOVERNOR O'MALLEY: Thank you. That was fun. Thank you.

(Applause.)

SECRETARY MCDONALD: We can go ahead with the presentation on the State suite of alternative

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fuel vehicles and locations by the Secretary of Budget and Management and the Secretary of General Services.

GOVERNOR O'MALLEY: Sorry about that.

SECRETARY MCDONALD: -- right here for the Governor --

MR. COLLINS: Governor, if I might? Al Collins, Department of General Services. Governor, Madam Treasurer, Mr. Comptroller. At a previous meeting the Board expressed some interest in knowing more about the State fleet and the fuels that we use. So we're bringing to you this afternoon more in depth information as a joint presentation from the Department of Budget and Management and from the Department of General Services. Secretary Foster will speak about the role of DBM in this process, and my Deputy D'Andrea will represent the piece relative from DGS.

MS. FOSTER: So good morning. We've prepared a short power point presentation to address

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the questions that issues that were raised by the Board. The first slide just sets forth that we will provide an overview of the inventory and the purchasing history. DGS is going to provide an overview of the different types of fuels that exist, where they are located, and then some next steps.

The first slide that is shown basically shows that Maryland's fleet consists of almost 8,800 vehicles. Of those 8,800 vehicles 24 percent, or almost one-fourth of our fleet consists of alternative fuel vehicles and hybrid vehicles.

The next slide identifies the different types of alternative fuel vehicles that are included in our fleet. D'Andrea is going to go into much more detail about these. But briefly the fleet consists of EX55s, of flex fuel vehicles. These are vehicles which run on fuels that are made from plant based products. We have an electric vehicle which runs on a rechargeable battery pack. We have hybrid vehicles which are powered from advanced batteries and also

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efficient gas. And we've got compressed natural gas vehicles which run on compressed natural gas or gasoline.

Now the bar chart in this next slide just shows trends in State vehicle purchases going back from fiscal year 2007 through fiscal year 2012. And what this chart illustrates is that since fiscal year 2007 the total number of State vehicles that we have purchased have declined overall. But the good news is while we were purchasing vehicles at a lesser rate the number of alternative fuel vehicles and hybrids that were purchased increased during that period.

The bar graph on that next chart shows alternative vehicle purchases as a percentage of new vehicle purchases. And what that slide shows is that our purchases of alternative fuel vehicles and hybrids has grown from being 11 percent of our purchases in 2004 to over, to 79 percent of all new purchases in fiscal year 2011.

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GOVERNOR O'MALLEY: That's a good graph.

MS. FOSTER: Yeah. So it really shows that we've made significant progress.

TREASURER KOPP: Is that a trend out of the flex fuel and into the hybrids?

MS. FOSTER: Yes. And the next chart, our next slide will give you a breakdown. What that table shows is, it summarizes vehicle purchases over the past five fiscal years. It shows that during that period the bottom line is that 51 percent of the 2,700 new vehicles that we purchased were alternative fuels and hybrids.

I'm going to turn it over to D'Andrea.

MS. WALKER: These slides will just give you a little bit more background on the types of vehicles that we have in our fleet as well as alternative fueling sites. Here you can see the alternative vehicles that we have in our fleet. Currently we have four types of alternative vehicles in our fleet, which include E85s, electrical vehicles, hybrid vehicles,

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and CNG vehicles. It's important to note that most of our buses and heavy equipment vehicles in the State fleet are hybrids and use diesel fuel and CNG.

Some ethanol facts for you today. E85 is a form of automobile fuel composed of 85 percent ethanol and 15 percent conventional gasoline. Ethanol is considered an alcohol based fuel and ethanol is a sustainable energy resource as well as a renewable fuel.

Our ethanol sites across the State, we currently have ten ethanol sites across the State. Back in 2006 we had one. As of 2008 we have added nine additional ethanol sites.

TREASURER KOPP: I thought, I understand we started out with the flex fuel and with ethanol. I also understood, at least in the beginning and this goes some time back, that the flex fuel cars actually used mostly gasoline. They didn't take advantage of the flexibility. But when they did, aren't we also

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trying to trend out of ethanol into other alternatives?

MS. WALKER: I would say that we are trying to --

TREASURER KOPP: Corn ethanol.

MS. WALKER: We're trying to do a mixture --

TREASURER KOPP: Corn based.

MS. WALKER: We are trying to look at --

TREASURER KOPP: Do we have a policy regarding corn based ethanol?

MS. WALKER: No, we don't have a policy on ethanol.

MR. COLLINS: Obviously, Madam Treasurer, you are very close to this topic but there is no State policy in that direction. We're looking at the literature on it and looking at the science of it all.

TREASURER KOPP: Well I mean, you understand my concern?

MR. COLLINS: Oh, absolutely. Absolutely.

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TREASURER KOPP: I mean, there are all sorts of other complications involved in corn based ethanol other than mileage.

MS. WALKER: Definitely.

TREASURER KOPP: Do you, do you keep track of the proportion of flex fuel vehicles that actually are using something other than gasoline?

MS. WALKER: We do have stats that can show you which vehicles are using ethanol. And we could drill that down. It would be a consumption across the State of the vehicles --

TREASURER KOPP: I mean, I don't have to see all that.

MS. WALKER: Mm-hmm.

TREASURER KOPP: But I do know that when people started out with cars, including some quite large cars, that said flex fuel on them, they used nothing but gasoline. It was advertised. I'm saying this in general. I'm not saying this about the State

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of Maryland fleet particularly. But I think we do have to be candid about what we're actually doing.

MR. COLLINS: Absolutely. And I think when we get to the next step portion, you'll see that we have been paying attention to that. And to further that bar is the direction we need to pursue. Absolutely.

MS. WALKER: So that's an indication of ethanol sites that we have. We also, the next slide gives you an indication, you can flip to the next one, the next slide gives you an indication of the ethanol consumption versus the gasoline consumption. Go to the next one, Kevin?

Here you can see our ethanol consumption has increased steadily but not by much over the years, and our gasoline consumption has also increased over the years considering that our vehicle count has gone down. Next slide?

We also have electrical vehicles in our fleet. And electrical vehicle facts indicate that

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they are the mobility of the future, propelled by an electrical motor and powered by rechargeable battery packs. And they are considered to be environmentally friendly.

In the State we have a total of 114 electrical charging sites. Thirty-two of those electrical vehicle charging sites are at our State facilities. Most of them are located at the MDOT facilities. We were able to get these 114 electrical charging sites through federal grants through MDE. You can go to the next one, Kevin.

And we also have CNG vehicles in our fleet. CNG vehicles are considered natural gas vehicles and they use a clean alternative to other fossil fuels. And they run on either gasoline or CNG as the Treasurer mentioned. And most of our CNG fleet is considered buses across the State. We have two CNG locations here in the State, one at State Center and one at BWI.

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Some next steps for DGS and DBM, we are going to recommend required use of the E85 for our flex fuel vehicles with those that have a more routine access to ethanol pumps; monitor the compliance through our StateStat review of the agencies; and introduce a new policy. As it was mentioned earlier we don't have a policy, introduce a new policy as it relates to ethanol. And continue to promote the purchase of all types of flex fuel vehicles and alternative fuel vehicles.

That's the end of the presentation. Any questions?

MR. COLLINS: Questions?

GOVERNOR O'MALLEY: Is there something that shows what percentage of our, I'm just trying to, what percentage of the fleet is, can you go back to that earliest slide, Kevin? So what percentage of our fleet is gas fueled versus alternative fueled? Is that the next slide? No. Next one?

MR. COLLINS: It's nearer the front.

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GOVERNOR O'MALLEY: Those are new purchases.

MR. COLLINS: Farther than that.

GOVERNOR O'MALLEY: More to the front?

MR. COLLINS: Yes.

GOVERNOR O'MALLEY: Okay. So the E85 vehicles, as I understand it, are vehicles that run on a combination of gasoline and --

MR. COLLINS: Ethanol, yes.

GOVERNOR O'MALLEY: -- what is it, 15 or 12 percent ethanol? Something like that?

MR. COLLINS: Yes, sir. 85/15.

GOVERNOR O'MALLEY: Okay. And just that little bit of ethanol brings down the carbon emissions much more dramatically than that 12 or 15 percent, correct?

MR. COLLINS: That's correct. Arguably. There's --

GOVERNOR O'MALLEY: Pardon?

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MR. COLLINS: There's still some discussion about that.

GOVERNOR O'MALLEY: About how much, really?

MR. COLLINS: Yeah. Right.

GOVERNOR O'MALLEY: Mm-hmm. And the total number of hybrids is 104. And the natural gas is 65. All total that means 24 percent. I know that there is a consortium of, and how does the total number of vehicles today compare to the total number six or seven years ago?

MS. FOSTER: The total number of vehicles today, for fiscal year 2012, is about 8,800, compared to in 2008 it was 9,500.

GOVERNOR O'MALLEY: 9,500 to 8,800?

MS. FOSTER: So over the last several years, as a result of the fiscal crisis, we have bought less vehicles. But we have purchased a larger number of --

GOVERNOR O'MALLEY: And retired more.

MS. FOSTER: -- alternative fuel and hybrid vehicles.

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GOVERNOR O'MALLEY: Okay. I know that there is a consortium on, now this doesn't count, does this count Transportation Authority?

MR. COLLINS: The buses it does, yes.

GOVERNOR O'MALLEY: It counts the buses? So it counts the Maryland Transportation Authority?

MR. COLLINS: Yes.

MS. WALKER: Mm-hmm.

TREASURER KOPP: What does it not count? Are there significant fleets that it does not count?

MS. WALKER: There is a larger bus fleets. This includes I believe just the vehicles. These numbers came from DGS, I mean, from DBM. These include the vehicle purchases. The buses, the bus fleet, I think, is a much larger bus fleet in terms of the CNG buses.

GOVERNOR O'MALLEY: Mm-hmm. And they are not on here?

MS. WALKER: No.

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GOVERNOR O'MALLEY: Okay. There is a consortium of about 15 states that are all joining forces --

MS. WALKER: Right.

GOVERNOR O'MALLEY: -- to buy vehicles together --

MS. WALKER: An MOU to use CNG vehicles, correct.

GOVERNOR O'MALLEY: Yeah. Are, when can we join that?

MS. WALKER: We're looking, we're having discussions right now with Abby about signing on to that MOU, to join that consortium. Mm-hmm.

GOVERNOR O'MALLEY: I'd like to do a much quicker conversion than what we are doing now. I appreciate, though, that to the extent that we are buying vehicles they are alternative fuel vehicles. To the Treasurer's point, are they actually being used as alternative fuel vehicles or are we just gassing them up?

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MS. WALKER: Right.

MR. COLLINS: Not as much as we would like to, honestly.

GOVERNOR O'MALLEY: Mm-hmm.

MR. COLLINS: And we need to, that's the campaign, we need them out. And as we got, basically on your directions we've got more fueling sites out there now that can handle the flexible. Now we expect an uptick there.

GOVERNOR O'MALLEY: Mm-hmm. Because I still see the gasoline consumption is, although it's below where it was.

MS. WALKER: Right.

GOVERNOR O'MALLEY: Not much below. But it is where it was. Mr. Comptroller?

COMPTROLLER FRANCHOT: Yes. I agree with you, Governor, on CNG. I think that's a great direction to go. But I also really associate myself with the remarks of the Treasurer on ethanol. I

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think, I'm not, now I'm speaking for myself. I think it's a consumer boondoggle. Well intentioned, save the environment, clean up the air, but it's just proven to be a counterproductive measure. And I know it benefits, obviously, a couple of farmers out in Iowa. But how about the rest of us who have to pay high food prices because of this adventure? And so to the extent, if natural gas is an alternative, please. And the Governor supports that. Obviously, I'm very strongly in favor of that. I just think ethanol is a complete subsidy for a couple of folks that are out in the Midwest. And, you know, how about our consumers? We are, it's not all due to biofuel. I'll give that. But boy, it's a major chunk of increased expense. And so I'd hate to see us moving further in that direction rather than the natural gas, which makes a lot of sense.

TREASURER KOPP: Well there are other forms of ethanol.

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MR. COLLINS: Yes. Yes. We need to pursue the exact type of ethanol that we are using.

TREASURER KOPP: Could I ask another question? And this you hadn't anticipated and I apologize. But you are buying, you continue to buy, we continue to buy gasoline powered cars, obviously. But there are a number of, almost all gas powered vehicles actually are getting significantly better mileage, my impression is, than they used to. So if we're simply concerned about fuel efficiency, and reduction of spewing out things, are we looking at increasing the proportion of energy efficient gasoline powered vehicles as well?

MS. FOSTER: I think our focus, right, for the time being had been on ethanol fueled vehicles. But as we move forward we are going to be expanding and looking at other opportunities. Certainly even with the gasoline consumption, we realize that it has

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been about the same level that it was several years ago.

TREASURER KOPP: Which is --

MS. FOSTER: And toward that end I think one of the things that we are trying to do going forward is making sure that more of the State vehicles are using the ethanol fuel, putting into place a monitoring system, and then moving up and looking at other opportunities as well.

TREASURER KOPP: Well what I'm saying, for instance, is with a lot of American cars, they are significantly more, the gas powered, not alternative, are significantly more fuel efficient that they were a few years ago. And at least according to the President's and the EPA's plans, they will become more fuel efficient. So I would hope that we would go along both courses. Move over to alternatives, but also when we are buying gasoline powered vehicles to look at the fuel efficiency. The bottom line is we

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want to reduce the use of gas. You can do it both ways at the same time.

MS. FOSTER: We agree. And as we put together next year's list for your approval --

TREASURER KOPP: Yeah.

MS. FOSTER: -- we will see to what extent we can add other efficiencies that will allow us to use less gasoline.

TREASURER KOPP: Which also saves money on -

-

MR. COLLINS: Absolutely.

TREASURER KOPP: I really appreciate it. I think we asked some time ago for this briefing, and then kept bouncing it because of other things coming up. And I really appreciate being brought up to date on this. I think it's really important. I think Maryland is making tracks. People ought to know about it. And even in these tough times. I mean, it's very interesting actually seeing what's happened the past

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three or four years. But that the proportion is changing. I urge us, almost every car maker is coming out with hybrid versions now.

MS. FOSTER: We will pursue that.

TREASURER KOPP: Yeah. That's good. Thank you.

COMPTROLLER FRANCHOT: The Treasurer always teaches me new things. Apparently there are good based ethanol out there. I'm concerned about this corn based ethanol, which according to the United Nations the U.S. produces enough corn based ethanol that if instead it were used to feed people, it would feed, that corn, 412 million people for an entire year. That's what we're doing out there in the Midwest. So I would love to see a policy, if it made sense and people were in favor of it, where we just plain flat out stopped buying corn based ethanol. It's a boondoggle.

MR. COLLINS: Well we will certainly look at that as a policy suggestion, Mr. Comptroller.

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COMPTROLLER FRANCHOT: And I don't know, what other kinds of ethanol are there?

MR. COLLINS: Well there's beets and other kinds of fuel, yeah.

COMPTROLLER FRANCHOT: I didn't realize that.

MR. COLLINS: I mean --

TREASURER KOPP: Well actually Brazil, which was a path breaker, uses sugar beets and it's much more efficient.

MR. COLLINS: Right. And it's a matter of what's available.

GOVERNOR O'MALLEY: Sugar cane?

TREASURER KOPP: Sugar cane.

GOVERNOR O'MALLEY: I mean, their entire, Brazil's entirely, I mean, it doesn't use gasoline, right?

TREASURER KOPP: Yeah.

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MR. COLLINS: Right. So I mean, we can look at the mix of what's available and see what the price range is and come back.

COMPTROLLER FRANCHOT: 412 million.

TREASURER KOPP: -- switch grass.

MR. COLLINS: Yes.

COMPTROLLER FRANCHOT: Well, whatever.
Well, switch grass, yeah.

GOVERNOR O'MALLEY: -- figure out how to do switch grass.

COMPTROLLER FRANCHOT: Yep. And that was here when John Smith was touring up and down the Bay. But 412 million people could be fed for a year.

TREASURER KOPP: But to be fair,
Comptroller, also --

COMPTROLLER FRANCHOT: Yes?

TREASURER KOPP: -- it's not just the fuel based ethanol. The corn, the proportion of corn that goes into corn syrup and other products, actually not just straight into people eating.

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COMPTROLLER FRANCHOT: Yeah, I'm just talking, well that's good.

TREASURER KOPP: -- yeah.

COMPTROLLER FRANCHOT: I'm talking just BTUs.

TREASURER KOPP: But I mean, it really is unbelievably, but I mean, that's a different, yeah --

COMPTROLLER FRANCHOT: But I'm talking BTUs. Obviously there are other issues. But, you know, if you are on the edge of whether you want to go with beet based ethanol or something else, be my guest. The problem is from the consumer's standpoint everything goes up in price when we do this. And you know, natural gas sounds like a great compromise frankly. CNG. Thank you.

GOVERNOR O'MALLEY: I'm convinced that there's a lot of stuff we're not capturing on here, like all of the locomotives we purchased.

MR. COLLINS: Oh yes, they are not here.

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GOVERNOR O'MALLEY: They are not here.

MR. COLLINS: No.

GOVERNOR O'MALLEY: And --

MR. COLLINS: Heavy equipment would not be here, Governor.

GOVERNOR O'MALLEY: The heavy equipment is not on here. I'm not sure your buses, your MTA, I mean the bus fleet is a huge expense.

TREASURER KOPP: And a lot of that is going to --

SECRETARY MCDONALD: I don't think --

GOVERNOR O'MALLEY: And a lot of that is on CNG. I would like to see a more consolidated thing.

MR. COLLINS: Okay, sure.

GOVERNOR O'MALLEY: Did you guys work with StateStat on this?

MS. WALKER: We had worked with StateStat on this. They did review it.

GOVERNOR O'MALLEY: Because they track that greenhouse gas reduction thing and they do it across,

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by measuring the fleet conversions across everything
in that's the State and not just --

MR. COLLINS: Just vehicles.

MS. FOSTER: Right.

GOVERNOR O'MALLEY: -- the DGS.

MR. COLLINS: Right.

GOVERNOR O'MALLEY: So I think there is a
more, can you do me a favor and take a run to the more
consolidated report? It might even be online already.

MS. WALKER: Definitely.

TREASURER KOPP: But I do think that this
graph is very, yeah, is pretty dramatic.

MR. COLLINS: Sure. We'll be glad to,
Governor.

MS. WALKER: Yes.

GOVERNOR O'MALLEY: Thanks. Okay. What
were we on there? Department of General Services
Agenda. Anything else on Department of General
Services? Was that just the presentation?

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MR. COLLINS: That was just the presentation. (Laughter.)

MR. COLLINS: I only have 12 items, Governor. I only have 12 items. I'll be glad to do that.

GOVERNOR O'MALLEY: All right. As long as you are up, Al.

MR. COLLINS: Yes, sir. Governor, DGS has 12 items on our Agenda today and we'd be glad to answer any questions on any of them. And it does include Item 4-GM which Commissioner Russell referenced in his request.

GOVERNOR O'MALLEY: Item 4-GM. Anybody want to talk about Item 4-GM? St. Mary's folks? Give us the elevator version.

MS. FADEN: Well Chancellor's Point is a 66-acre property --

SECRETARY MCDONALD: Oh, I'm sorry.

MS. FADEN: I'm sorry.

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SECRETARY MCDONALD: We did meet you before but could you introduce yourself again for this --

MS. FADEN: Regina Faden, Executive Director, Historic St. Mary's City.

SECRETARY MCDONALD: Thank you.

MS. FADEN: Thank you, sorry. And thank you for allowing us to give you a few minutes overview. The Chancellor's Point project is a 66-acre site that's part of Historic St. Mary's City. So it's a State-owned property. It has been not used as much as it had been in the past because there had been some destruction of the property. So we're bringing back a nature center that's on that property and what we want to do is allow people to use it as much as possible.

We've partnered with the College. We're trying to do environmental programs there. But we'd also like to figure out a way for it to be more fully used. Because it is a pristine site. It's beautiful. Like I said, you look right over to Virginia. It was

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owned by Charles Calvert and that's where it gets its name.

So we have a grant through Access Maryland to create a boardwalk down to the River. This is one of the things that, you know, the National Park Service and other areas are interested in getting people access to the water so we could get a boardwalk down there. We also have some ADA spaces that are going to be there for parking so people can get to the site and then up to the nature center where we have some restrooms and we'll have some classroom facilities and things like that.

We're also working with the College, and this is part of the proposal, is to allow the College to have procurement authority for us. And we are very happy to work with the College. We have worked with them very well in the past. And we also hope to get the road finished. It's about a half mile road, so that people again can get access to this beautiful site.

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MR. JACKSON: Good morning. My name is Chip Jackson from St. Mary's College. And simply when the Department of General Services asked the College a little while ago if we would be willing to help out as a way of doing the project more effectively and efficiently since we're local, of course we said we'd be happy to step up. And so we're here to support both DGS and Historic St. Mary's City. Thank you.

GOVERNOR O'MALLEY: Thank you. Okay. Any questions, Department of General Services? None from the Comptroller, none from the Treasurer. The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We now go back to our regularly scheduled program. The Secretary's Agenda?

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SECRETARY MCDONALD: Good morning, Governor and members of the Board. There are 16 items on the Secretary's Agenda this morning, together with three reports of emergency procurement. We are withdrawing Item 12, which will return at the next meeting.

GOVERNOR O'MALLEY: Okay. Any questions? The Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move on now to, we did the DNR Real Property, right?

SECRETARY MCDONALD: Right. We need to do Budget.

GOVERNOR O'MALLEY: How about the Department of Budget and Management?

MS. FOSTER: Governor, Madam Treasurer, Mr. Comptroller, good morning again. There are five items

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on the DBM Agenda for approval. I'll be happy to answer any questions you may have.

COMPTROLLER FRANCHOT: None for me.

GOVERNOR O'MALLEY: The Comptroller moves approval --

TREASURER KOPP: Could I just point out --

GOVERNOR O'MALLEY: Sorry. Yep.

TREASURER KOPP: -- Governor that as Suzanne pointed out, that RGGI is Item 4, Regional Greenhouse Gas Initiative, and Item 5 is weatherization. Just two examples of the sort of thing we were talking about at the beginning, right before us this very moment, of the actions being taken for which the State is getting significant credit. Well deserved.

COMPTROLLER FRANCHOT: Absolutely.

GOVERNOR O'MALLEY: Thank you.

TREASURER KOPP: Yes. I mean, it isn't often that there is this coincidence of actually being able to see before us exactly some very prime examples

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of good energy saving steps that also help people in their homes. Thank you for bringing it.

GOVERNOR O'MALLEY: The Comptroller moves approval, seconded by the Treasurer. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We move on now to University System of Maryland.

MR. STIRLING: Good morning, Governor, Madam Treasurer, Mr. Comptroller. I'm Jim Stirling for the University System. We have five items on today's Agenda. I'll be happy to address any questions you have.

GOVERNOR O'MALLEY: Questions, University System of Maryland? Hearing none, the Treasurer moves approval, seconded by the Comptroller. All in favor signal by saying, "Aye."

THE BOARD: Aye.

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GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it.

MR. STIRLING: Thank you.

GOVERNOR O'MALLEY: We move now to the
Department of Information Technology.

MR. SCHLANGER: Good morning, Governor,
Madam Treasurer, Mr. Comptroller. Elliot Schlanger,
Department of Information Technology. This morning we
have three items on our Agenda. I'll be happy to
answer any questions at this time.

GOVERNOR O'MALLEY: The Comptroller moves
approval, seconded by the Treasurer. All in favor
signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. We
move on now to Department of Transportation.

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MR. MOBLEY: Good morning, Governor, Madam Treasurer, Mr. Comptroller. For the record, Acting Secretary Darrell Mobley. MDOT is presenting seven items. Item 5-M has been revised. And Item 8-GM has been withdrawn. We'd be happy to answer any questions that you have.

GOVERNOR O'MALLEY: Okay. Hearing none, the Comptroller moves approval, the Treasurer seconds. All in favor signal by saying, "Aye."

THE BOARD: Aye.

GOVERNOR O'MALLEY: All opposed?

(No response.)

GOVERNOR O'MALLEY: The ayes have it. And that concludes our Board of Public Works. Thanks very much.

(Whereupon, at 11:22 a.m., the meeting was concluded.)