

From: Springer, Darren [Darren.Springer@vermont.gov]

Sent: Saturday, September 17, 2016 1:02 PM

To: GPS

CC: Johnson, Justin; Miller, Lawrence; Allen, Susan; London, Sarah; Pepper, James

Subject: Highlighted weekly exec priv

Attachments: Weekly Reports - Executive Privilege 09 16 16.pdf; ATT00001.htm

Highlighted weekly attached.

Gov - see Stowe aviation item in DFR. And Hal update on waiver in AHS.

Keith just called with update on Winooski shooting. Off duty officer involved had body camera on. Deceased did not have weapon but was known to. More details to come. None of that is in media and all confidential.

Sue and Justin and Pepper notes for you.

Thanks

Darren

WEEKLY REPORTS

Checklist
9/16/16

Darren Springer

- ☒ Agency of Commerce and Community Development – Lucy Leriche
- ☒ Department of Financial Regulation – Michael Pieciak
- ☒ Public Service Department – Chris Recchia
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Education – Rebecca Holcombe
- ☒ Agency of Transportation – Chris Cole
- ☒ Agency of Natural Resources – Deb Markowitz

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Justin Johnson

Jessica Gingras

- ☐ Boards and Commissions – Jessica Gingras
- ☒ Department of Liquor Control – Patrick Delaney

Laura Gray

- ☒ Agency of Agriculture – Chuck Ross
- ☒ VT Commission on Lottery – Greg Smith

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Lucy Leriche, Secretary - Agency of Commerce and Community Development
Date: September 16, 2016
Re: Weekly Report

LUCY LERICHE, SECRETARY

- **EB-5 Press Inquiries:** I (Lucy) discussed EB-5 press strategies with Joan and agreed, as a matter of practice, to handle press inquiries with written statements until further notice. We agreed that more discipline in dealing with the press on all EB-5 matters seems like a better approach for ACCD at this time. This will give us more control over the message and will also allow us to run our statements by the Governor's staff before releasing to the press. I have not spoken with Commissioner Pieciak about our plan yet, and he may wish to speak directly with the press.

EB-5 Stowe Aviation CONFIDENTIAL: I (Lucy) just sent a letter out on Monday to Russell Barr informing him that we are denying his appeal of a public records request due to pending litigation. He wrote back with his opposition to our decision and it is clear that he will keep pushing. Having a call with Bill Griffin, Michael Pieciak, Joan and John Kessler to discuss how to best deal with Stowe Aviation. We have enough grounds to terminate their program. Will weigh out the consequences of how we go about it and timing, etc.
- **Act 171 Forest Integrity Study:** This legislative study group will produce a report with recommendations on how to amend ACT 250 to protect from forest fragmentation. The issue of taking value away from people's land is a big one, and I am concerned with how the committee seems to be stacked with enviros who may not care so much about this aspect. Additionally, I am concerned that ANR has done nothing yet to address the directives in the Governor's signing memo. The timing of this is important, and the study group will need the context of the work required from the signing memo to be able to do a responsible job with our recommendations. Will keep a close eye on this.
- **ACT 174 Solar Siting:** The concern here is that ACCD already pays the RDC's for the kind of work the DPS will be contracting for through this act. Chris Cochran is working with the DPS to see if a compromise can be found that will help ensure that we are being as responsible as possible with public dollars.
- **BHS Composites Ribbon Cutting:** We have heard from BHS Composites that they would be delighted to do a Ribbon Cutting at Saint Johnsbury with the Governor. They are thinking probably more likely a November event as opposed to October.
- **Kingdom Pellets:** VCDP and DED staff met with representative from Kingdom Pellets to discuss the cost of a required Phase 2 ESA that must be completed on the property that they intend to lease at the former Gilman Paper Mill site. The business is concerned that this requirement will negatively impact their potential development of a new wood pellet mill that would create up to 21 new jobs. The meeting focused on strategies to fund the escalating cost of the required environmental review and move the project forward to construction. One potential avenue for the business to pursue is for the Town to request an enhancement of their VCDP grant award, which would be sub-granted to NVDA to complete the Phase 2 ESA and anticipated remediation. Another option would be to forgo the VCDP award and go after an NBRC emergency grant and apply savings from purchase of used equipment recently available on the market instead of new which was originally budgeted.

- **Clean Water Fund:** Lucy will be taking over for Pat at these meetings and attended the last one as a way to get oriented. The meeting was short and efficient. The slate of recommendations for funding were approved swiftly and unanimously by the board. So now there is a public comment period before final adoption. Of special interest to ACCD is that one of the funding recommendations was for VCGI in order to match federal dollars for LiDAR.
- **Bristol—Kevin Harper:** Lucy went to Bristol at Kevin's request to tour a number of sites owned and developed by Kevin Harper, founder of Autumn Harp. Kevin sold the company but kept the real estate and redeveloped it into a medical campus and various food production facilities. He has 10 tenants and all of his spaces are occupied. Bristol is out of business/industrial space, and Kevin is working with the town to develop a \$13-million-dollar business park behind the new fire house in town on 30 or so acres. He doesn't yet have any tenants, but projects about 200 jobs will come of the development. They got a CDBG Planning grant and are now ready to dive in, but need some financing assistance. Bristol is all gravel and has no municipal waste water system, and no plans to develop one either. So far, ANR has been ok with that situation. Lucy reviewed possible financing options. They will likely come in for a CDBG Implementation grant.
- **Burke Opening:** The Governor did an amazing job in his remarks acknowledging the heartbreak of the Jay Peak fraud story and how we were able to succeed in the face of all of it. The hotel is a shining beacon of hope to the people of the region who clearly appreciate government's role and efforts in ensuring the hotel actually got built!
- **Vermont Business Magazine Business Growth Awards:** Lucy had the honor of standing in on behalf of the Governor to present the awards to all the winners at this year's 14th Annual Business Growth Awards (renamed from the 5x5x5 growth awards).

DEPARTMENT OF ECONOMIC DEVELOPMENT-

JOAN GOLDSTEIN, COMMISSIONER

- **Montpelier:** Met with City Clerk who has some ideas about utilizing EB-5 for a few of their slated projects. We will stay in touch as these get further developed. We may need a few good new stories to tell on the EB-5 front.
- **Bear Mountain:** Will have a follow up meeting next week with Steve Malone, Developer of Bear Mountain at Killington. He is an experienced snow resort developer and is in the midst of raising EB-5 funds for a Loon Mountain project in NH. Will be meeting with him next week as he is commencing permitting on the Killington project, and we know he wants to utilize EB-5 project and so would want to see if his project would be viable under our regulations.

Other - **CONFIDENTIAL**

- **Redstone:** Met with them regarding 453 Pine St redevelopment project. We will have a follow up meeting with ANR counsel to review whether or not ACCD can be the 'lender' under the clean water fund. If so, can we utilize VEDA to do the underwriting, administration, and terms of collateralization of such loan.
- **Magic Hat:** Coincidentally met with GM of Magic Hat, Mark Hegedus, on the same day as the Redstone presentation. Hegedus looking to house their operations at one facility and thought the 453 Pine project (adjacent to their current location) would be a nice location. Made the intro to Larry Williams, principal at Redstone.
- **PayPal:** Had a call with Devin Whitney who told me VT was still in the running. We need figures from him in order to update a VEGI preliminary and Fred Kenney has sent a follow up email. They are interested

possibly in BTV as a location. It will now be 600 employees and will be primarily operations: Ethics and Compliance, and some Customer Service positions.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- **Northern Border Regional Commission:** More 2016 grant awards finalized, including CEDF/REV, most recently. **Confidential: Still no reply from Guy Rouelle re: the lack of a grant agreement for the Newport State Airport project funded last year.**

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

Vermont Economic Progress Council

- On August 25, the VEPC Board:
 - Took comments from State Auditor Hoffer regarding the VEGI program and the Act 157 policy issues
 - Approved amendments to the Barre City and Burlington Waterfront TIF Districts
 - Affirmed the continuation of VEGI incentives approved for VERMED/Graphic Controls following the acquisition of Project Controls by Nissha Company
 - Approved two candidates to recommend to the Governor to replace resigning VEPC Board members

VEGI

- Continued to work with the following to file applications in Sept or October: Westminster Cracker (Rutland), Commonwealth Dairy (Brattleboro)
- Provided Pre Application estimate to Vermont Precision Tools (Swanton) and Hermit Thrush Brewery (Brattleboro)
- Continued to work on potential application for: Cadcut (Montpelier), Citizen Cider (Burlington), IBEX (WRJ), Inntopia (Stowe), and LED Dynamics (Randolph)
- Interviewed with Alicia Freese at Seven Days re: story on Mylan and epi-pen. She will include information on \$5.2 million in VEGI incentives authorized to Mylan.
- Contacted Prycyse Solutions and Maponics following acquisitions to get information required to affirm incentives

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Vermont Training Program currently has 5 new grant applications in process in the Intelligrant system: Autumn Harp, Precision Composites of Vermont, Vermont Castings, Vermont Mechanical and Vermont Sustainable Jobs Fund.

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ John E. Adams, Director

- **Tax Department & VCGI:** John met with the Director of Property Valuation and Review, Doug Farnham, to discuss program updates and future partnerships. VCGI will be helping the Tax Department's transparency improvement task force with some mapping needs and by providing some education on orthoimagery to assist with various enforcement problems related to using unreliable imagery sources.
- **Act 174 Renewable Energy Siting Standards:** John met with Public Service Department (PSD) staff and Chris Cochran to review the department's draft standards which are scheduled to be made public next week. VCGI is advising the PSD on proposed mapping standards and will be part of the department's upcoming stakeholder meetings related to mapping.

- **VTrans ROW:** Steve is working with VTrans' staff to configure and test their capabilities to make public their scanned Right-Of-Way (ROW) maps using VCGI's ArcGIS Server "image services" extension. If successful, this will save VTrans and VCGI by sharing the cost of one Image Service extension instead of purchasing and maintaining two separate ones.

DEPARTMENT OF TOURISM & MARKETING

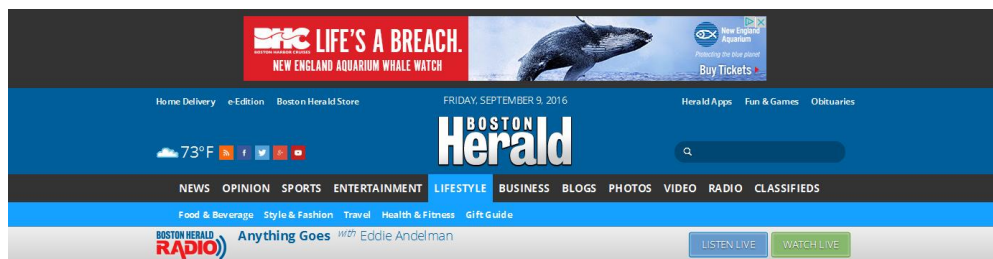
Megan Smith, Commissioner

- **End of Summer:** The storm on the coast over Labor Day brought many last minute visitors to the Green Mountains. All regions are reporting strong summer visitation straight through the holiday weekend.
- **Shires of Vermont Summit:** Megan attended the Shires of Vermont Summit along with 50 members of the Bennington County business community. This four-hour meeting was extremely productive and ended with 100% consensus that the communities would like to take a regional approach. The next decision is whether they want to work as a county or reach out to Windham with a "southern Vermont" approach. The next steps will be a survey of those who attended and those unable to make it about which approach they want to pursue. A short-term plan wasn't made to fill the void left from closing the Manchester Chamber and that is a big concern. At this point, there is no marketing planned for fall or winter.

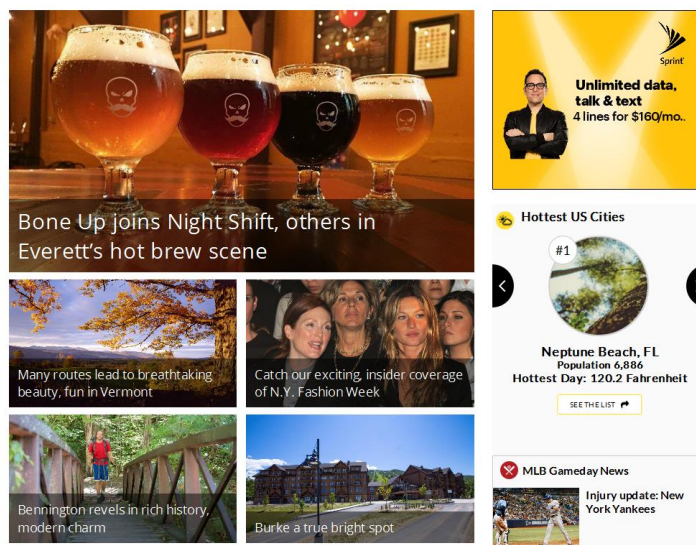
Steven Cook, Deputy Commissioner

- **Fall Promotions:** VDTM's fall advertising campaign is in full swing. September 9th launched a significant cooperative advertising campaign on BostonHerald.com. This year VDTM had far more participation in this program. Coop partners are: [Stowe VT Area Association \(two-page section\)](#); [Bennington VT Chamber \(new partner\)](#); [Burke VT Chamber \(six-page section\)](#); [Montpelier Alive \(two-page section\)](#); [Vt Brewers Association \(two-page section\)](#); [Southern VT Deerfield Valley Chamber \(two-page section\)](#); [Rutland VT Chamber \(two-page section\)](#); [Lake Champlain Region Chamber \(two-page section\)](#)

Below is an image of the lifestyle homepage section of the Boston Herald.



Lifestyle



COMMUNICATIONS ♦ Philip Tortora, Director of Communications

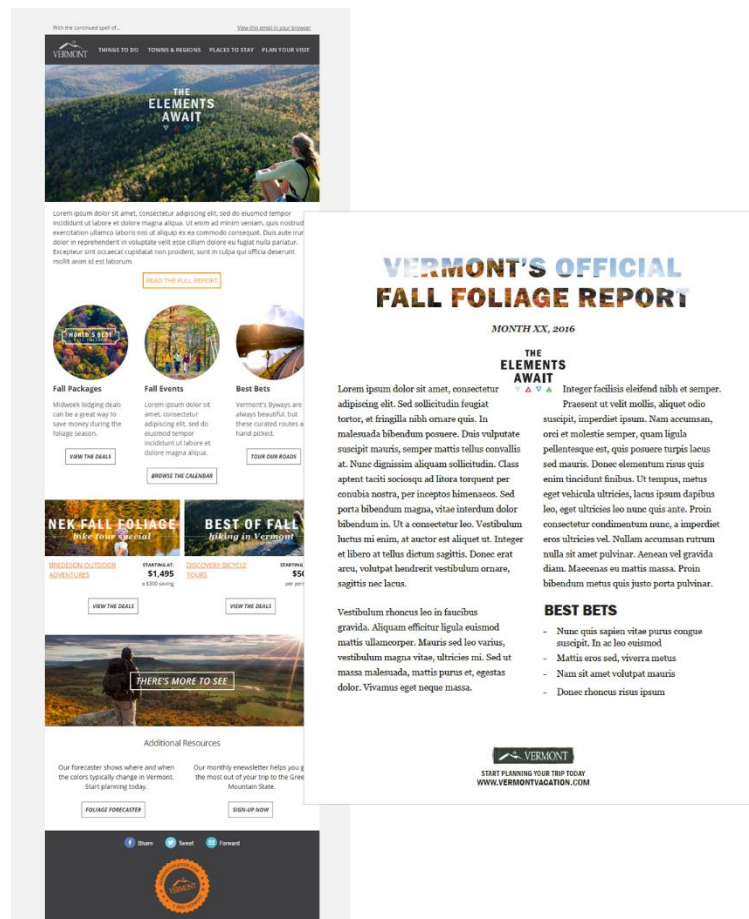
- **FAM Trip:** Toured several Burlington-area attractions with New Zealand Herald travel writer Audrey Young. Stops included Burlington Segway Tours, the Spirit of Ethan Allen cruise, Shelburne Museum and Shelburne Farms. The Herald is the largest newspaper in its country.
- **Localvore Today Meeting:** Met with reps at the Burlington-based magazine for planning a “Vermont Serves Maine” event in November, to be held in Portland, ME. The event will bring Vermont artisan food producers and other businesses to Maine to showcase their products. VDTM is a sponsor of the event, and assisting with promotion.
- **Social Media:** Met with folks from Fish and Wildlife and ANR for a monthly collaboration on some of our social media efforts. A goal of the group is for improved sharing of content that may be relevant to more than one department or agency.

MARKETING ♦ Hilary DelRoss, Heritage and Recreation Specialist

- **Byways:** A revised *Explore Vermont Byways* mother brochure was produced by the Chief Marketing Office in collaboration with VDTM. The brochure features a description, selection of attractions, map detail, and url for each of the state’s 10 designated byways. The last edition was produced in 2014, and the 2016 edition will be circulated through our distribution channels upon delivery from the printer in the coming weeks.

MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator

- ***The Elements Await, Fall Campaign 2016* | Fall Foliage Report Development:** Each year the Department of Tourism sends out weekly fall foliage reports to a segmented list of consumers. David has been offering strategy and design direction and supporting assets for this year’s series of fall foliage reports. Direction has included the addition of price point options to drive attention to packages, catering the layout to include more resources for consumers through additional modules, inclusion of Byways to complement the best bets VDTM usually includes and a summary strategy to drive consumers back to VermontVacation.com by prompting them to read the full report. This is important because each report will have its own landing page where consumers can read the full report, download a printable pdf (shown below), order a free vacation packet, and more. This page will also link back to VermontVacation.com/Fall where we have visibility to Apples to iPods, events, hikes, fall travel tips, foliage forecaster and so on (you may also sign up for the report on this page). Big thanks to Patrick MacCormack for helping execute the live version of the email and the corresponding web updates.



- The Big E Booth | Rejuvenating the Booth:** Preparations are in their final stages for the first day of *The Big E*, Friday September 16th. The trailer full of maps, guides, and brochures has been shipped. Finishing-touches are being put on the renovations to the Vermont Tourism booth. Tickets and parking passes have been mailed to the 60+ volunteers. Kathleen is cleaning, organizing, and stocking the booth in preparation for the over one million fair-goers that will pass through the Vermont Building from Sep. 16 – Oct 2.





- ***Student Mailer | 2016 Direct Mail:*** The direct mailer has gone out. Overages were sent here, whereas David coordinated the distribution of the remaining 4-season, VDTM inserts to be offered at college campuses when Kathleen has a booth-presence.

SALES ♦ Kathleen Kolva, Sales Manager

- ***Gendron Tours:*** Kathleen has pulled together resources from across the state (Brewers Association, Cheese Council, VTN) to provide Gendron Tours the information needed to develop a three-day weekend Vermont Beer Tour that will be launching in May 2017. Gendron Tours is a Montreal-based tour operator that owns their own motorcoach. The initial idea for this tour was planted during Kathleen's visit with Jonathan Gloutnay, Travel Director, during her May 2016 sales mission to Montreal.

VERMONT LIFE ♦ Mary Hegarty Nowlan, Editor/Sky Barsch, Associate Publisher

- ***Yankee Stadium:*** Mary, Sky and Chris are working with Steve Cook to answer a request from the New York Yankees about Vermont promotional materials to be placed in sky boxes at Yankee Stadium.
- ***Advertising:*** Last week we continued our final push for the Winter 2016-'17 issue. We stood as of Monday at \$87,800 in sales, which represents an 18% increase over our last issue, Autumn 2016, and a 56% increase in sales since our Summer 2016 issue. We are still working on a few loose ends, with possible additional sales to follow before the deadline. Sky was also working with Agriculture to co-ordinate a holiday season ad photo shoot. Tom is currently assisting in collection and processing of advertising materials for the Winter issue, among other regular tasks and projects.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partnership Report

- **ANR/VEIC – Drive Electric Stakeholders:** Chris and Gary joined ANR staff to brief the electric vehicle stakeholders on the Volkswagen draft emissions settlement. If Vermont agrees to the terms, the state would receive nearly \$18 million to fund a short list of eligible activities to reduce nitrous oxide emissions from vehicles. In August, ACCD, VTrans and ANR submitted joint comments to the DOJ requesting more flexibility on how the money is spent. While we anticipate few, if any changes to the decree, the good news is 15% of the fund is dedicated to electric vehicle charging infrastructure. We expect nearly \$2.6M in funding could be available by mid-summer of 2017. ANR, DHCD and its partners plan to offer this funding as electric vehicle charging station grants to eligible businesses, non-profits and local governments located in state designated centers.
- **Efficiency Vermont – Housing Pilot:** Chris and Gary met with EVT leadership to identify funding partners (Green Mountain Power, Vermont Gas Systems) and to launch a housing improvement program based on Burlington Electric Department's Energy Champ model. The BED program successfully improved the quality of nearly 200 apartment buildings by offering incentives that were too attractive for building owners to ignore. We plan to pilot similar incentives in Vergennes in the coming months. Next steps are to expand program into other areas based on lessons learned.
- **VTrans – Bike/Ped Program:** Richard served on an interagency selection committee that reviewed grant applications to improve walking and biking opportunities. The selection committee reviewed 18 grant applications requesting almost \$8 million (with only \$4 million available) in funds to design and construct sidewalks, multi-use paths, and bike lanes in community centers across the state. The press release announcing the winners goes out next week.

HISTORIC PRESERVATION ♦Laura Trieschmann, State Historic Preservation Officer

- **Route 22A:** Laura received information from Stephanie Toothman, the Keeper of the National Register of Historic Places and the Associate Director of Cultural Resources for the National Park Service, in regard to an inquiry from the owner of Mountain View Stock Farm, who expressed great concern about the two projects being undertaken by VTrans on Route 22A. Laura reached out to VTrans (Andrea Wright and Kyle Obenauer) who talked with the district garage, which had started marking the right-of-way and clearing brush despite no review for cultural and natural resources (as in Bats). The property owner has great concerns that the proposed road widening will cause more traffic, the vibrations of which could be harmful to her historic property. Laura has referred the property owner to Andrea Wright, who will keep VDHP updated. The road widening project is still in the planning stages. In addition to the Bats and above ground resources of significance, this area of Benton is very archaeologically sensitive. Work by the district garage was suspended for the time being.

State Archaeologist

- Jess attended the Vermont Commission on Native American Affairs meeting yesterday; these meetings are now being held in the basement conference room of National Life rather than at the Capital Complex. Because there are currently three open spots on the commission, the election of officers and certain action items were tabled, but the commissioners reported significant progress on other items from last year, including better communication among the tribes, the organizing of a Native Traditions conference, and work toward programs related to opiate addiction and college scholarships. One application for a commissioner has been forwarded to the Governor's Office for consideration and the other two are pending.

State Architectural Historian

- **WCAX Interview:** Devin appeared on WCAX's "The :30" program on Monday evening to discuss the recent fires that destroyed the Robillard Round Barn, the Old Dairy Barn at Shelburne Farms, and the Cedar Swamp Covered Bridge in Cornwall-Salisbury. Interview is online [here](#).

State Historic Sites & Historic Sites Section Chief

- **Chimney Point:** We're pleased to report that our Lake Champlain Bridge heritage area, which includes us, Crown Point SHS, Crown Point campground, and NY Visitor Center, has a brand new quest made possible by the Champlain Valley National Heritage Partnership. Visitors can pick up a quest map and walk around the area, answer seven questions on the map, and return it to the Lake Champlain Visitor Center to receive a handsome bridge heritage area quest souvenir coin. We also have a brand new joint rack card, made possible with funding from the heritage partnership. We hope this will help in our efforts to promote the area as a destination as well as a drive through. Thank you Heritage Partnership!
- **Bennington Battle Monument:** The days are still rather quiet at the Monument, motor coach traffic is picking up, with quite a few visitors from the UK and Germany. The new elevator has been running smoothly, Bay State was here to check it and he did not find any problems. There was also a visit from the boiler inspector and that was also a good report. Marylou met with the Lung Association to plan for next season's climb for air, there was discussion about changing the spring date to later in the season, no definitive date has been set. Two more Fridays will be spent in Rutland for the training and after that we should see a busy couple of weeks.

HOUSING ♦ Arthur Hamlin, Housing Program Coordinator / Shaun Gilpin, Housing Policy Specialist

- On Wednesday, Arthur participated in the Manufactured Housing Innovation Program working group meeting. To date, 18 Vermod Homes have been sold in mobile home parks. Since these are modular homes they are not legally "mobile homes" by definition, meaning that the rights and protections for mobile home residents and parks may not apply. However, changing the definitions to allow non-mobile homes (which could include tiny homes, etc.) in parks could have serious unintended consequences vis-à-vis existing rights and protections for mobile homes and parks. This is likely to become a legislative issue as the VHCB and VEIC hope to put many more Vermod's in parks. Construction has started at McKnight Lane in Waltham, which is a rental development of "duplex" Vermod Homes on the site of the former Gevry Mobile Home Park. An open house is scheduled for October 19. To date, 34 Vermod Homes have been sold and 7 additional homes are on order, not including the homes going into McKnight Lane and Evergreen Manor. VEIC has also started to reach out to other modular home builders about getting into the niche market of net-zero homes. Brian Pine gave an update on the USDA Pilot manufactured housing loan program. There is concern about the length of time it takes to approve loans, and the fact that several months into the two-year pilot only two loans have been made. The first Irene Cottage is being built in Wilder. Unfortunately, the family that was planning to buy the cottage has recently experienced a job loss. The cost of the home without planned solar panels is coming in at more than \$250,000. VEIC hopes to get the sale price down to around \$200,000.
- We received petitions for both of the Richford mobile home parks signed by large majorities extending their negotiation period to look into the feasibility of buying the parks. The residents subsequently decided to form one cooperative corporation that would purchase both parks. The two parks are directly across the road from each other, and already managed as one park by the current owner. The 120-day negotiation period runs through January 13, 2017.
- Shaun has been attending or calling in to the meetings of the Council on Pathways from Poverty subcommittee on housing and homelessness. The group is finalizing a draft of their legislative priorities for 2017, which are likely to include a proposal for an occupancy fee on hotel rooms to raise funds for affordable housing development and homeless services.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

- **Town of Waltham:** Approved a requisition (\$165,382) for the Town's \$498,000 Implementation Grant to redevelop the blighted Gevry Mobile Home Park with 14 duplex style Vermod rental homes. Addison County Community Trust and Cathedral Square are celebrating the project with Congressman Welch on Wednesday, October 19th at 1:00pm at McKnight Lane in Waltham.

State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101
www.dfr.vermont.gov

For consumer assistance:
[All Insurance] 800-964-1784
[Securities] 877-550-3907
[Banking] 888-568-4547

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor 
From: Michael S. Pieciak, Commissioner, Department of Financial Regulation
Date: September 16, 2016
Re: Weekly Report

Captive Insurance Division:

Captive Receivership: On Thursday morning, the Department filed an *ex parte* petition in Washington Superior Court to seize the assets of Doctors & Surgeons National Risk Retention Group IC, Inc. ("Doctors"), a Vermont licensed captive insurance company. On Thursday afternoon, Judge Toor granted the order. Now that Doctors' assets have been seized, the Department will likely seek a rehabilitation order and then liquidation through receivership. The Captive Insurance Division had been working closing with Doctors to rehabilitate its financial condition, but it became clear this week that Doctors was teetering on insolvency and it was the appropriate time to intervene.

Insurance Division:

Ex Parte Insurance Licensee Revocation: The Department has filed an *ex parte* order to suspend the insurance license of Deborah LeFaivre of St. Johnsbury. DFR received a complaint last Thursday from a customer of the Caledonia Insurance Agency who had purchased three policies from Ms. LeFaivre. The complainant suspected that premium payments were not being submitted to Union Mutual Insurance Co. An investigation revealed that no policies had ever been issued by Union Mutual and that Ms. LeFaivre, owner of the agency, had also not paid property taxes or Social Security taxes, and held no insurances for the business. The investigation is still under way to determine if there are other clients who falsely believe that they have insurance coverage through that agency. Ms. LeFaivre has 30 days to respond.

Securities Division:

Stowe Aviation Revocation: ACCD, the AG's Office and DFR are coordinating on the Stowe Aviation project. This week the project failed to provide information that ACCD had requested (a requirement under its MOU), coupled with its failure to raise significant EB-5 capital after 24-



months marketing, ACCD and the Department have lost confidence in the project and its principals. ACCD and Department are planning to liaise with USCIS on the termination of Stowe Aviation and then issue the notice to the project. The project will have a 30-day cure period as provided under the MOU. Independently, the Department is initiating an investigation into certain representations made to investors and the Vermont Regional Center.



Privileged and Confidential

MEMORANDUM

To: The Honorable Peter Shumlin, Governor
Sarah London, General Counsel

From: Christopher Recchia, Commissioner

Date: September 16, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VY – We are meeting next week internally, and likely the week after with Entergy and Northstar, to discuss their ability to meet our financial assurance requirements.

Broadband Fees for Transportation Rights-of-Way

Justin

This week, Department leadership met with AoT leadership to discuss AoT's plan for charging broadband and wireless providers for use of the transportation rights-of-way. Act 41, which was supported by the Department, contained language giving AoT the authority to assess fees on telecommunications providers that use the transportation rights-of-way. These fees are deposited into the transportation fund. The law allows AoT to waive these fees if both AoT and the Department find that the telecommunications assets provide a "comparable value to the state so as to meet the public good." AoT provided a rate schedule and a template master lease agreement, which called for charging cable owners \$1.56/foot of cable in the right-of-way. The charges were based on a study by a consultant appraiser. Department leadership approved of the philosophy behind AoT's initiative, but raised concerns over the proposed pricing. The Department tentatively offered to enter into an MOU with AoT. AoT's plan, however, raises several impediments to the growth of broadband availability statewide, and contradict the mission of the Department to promote broadband. We need the MOU to recognize that fiber or

access rights of way fees we deem necessary to advance broadband goals needs to be waived, and any benefit of those leases need to go to the Connectivity fund. The business prospects in much of Vermont are already tenuous. The added cost of charging for use of the rights-of-way will only diminish the ability of the private sector to serve rural areas. The rates that AoT proposes for cabling far exceed the value of the cable. The state should consider the full impacts of AoT's proposal before it is implemented.

Act 174 Development of Standards – The Department has been working furiously to complete a draft of the standards for the determination of energy compliance for Regional and Town Plans under Act 174. We have informally shared our draft with some interested stakeholders and received substantial feedback. The Department will release a draft late next week and will announce at least one public hearing. Final standards are due Nov. 1.

CPG Complaint Protocol – The Department completed and posted a new CPG Complaint Protocol as called for in Act 130. A press release announcing this new protocol will go out today.

Meetings This Week:

Sep 12 – VT Citizens Advisory Committee panel discussion on digesters, VCRD Vernon meeting on possible large energy project

Sep 13 – GMP Innovative Products, Board Workshop on Base Rates

Sep 14 –

Sep 15 –

Sep 16 – NECSOE Call-in,

Meetings Next Week:

Sep 19 – Internal VY Meeting; Darren Springer meeting,

Sep 20 – VT Joint Utilities/State Agencies Emergency Prep. Prog. Meeting, VEDA Board Call-In meeting

Sep 21 – Vernon Waste Pyrolysis Plant meeting – Millers, here

Sep 22 – NDCAP meeting

Sep 23 – DII-VOIP Project

Media: VPR – Taylor Dobbs on impact of Brexit on GMP Rates, VT Digger on NOAV for VGS regarding pipeline safety issues

Public Official Contacts: None

Everything Else:

PERD

Act 174 / RPC Planning

- Act 174

- Reviewed RPC scope of work, which is acceptable to DPS, but which is meeting with resistance from ACCD. This could pose consequences for getting a contract going in October to allow for work (at least one training) to happen in December.
- Received draft standards document comments from Jim Sullivan. Shared with sister agencies.
- Set up various meetings with other key stakeholders to review draft standards.
- Revised and continued working on standards document. Ideally, we'll be able to issue the document, along with draft recommendations, some context, and public hearing date(s) no later than Friday, 9/23.
- Attended meeting with EAN and Jim Sullivan to discuss how community energy dashboard might be used by RPCs in their energy plan analyses.
- Completed draft of RPC analysis guidance document and shared with VEIC for review. The version resulting from review will be presented by DPS (jointly with VEIC) to RPCs at a meeting on 9/20.
- Prepared and presented at ANR's Municipal Day on municipal participation in energy siting decisions, to an audience of about 50 municipal representatives. Not everyone was happy with the pathway laid out in Act 174.

Heat Saver Loan/Thermal Energy Finance Pilot

- Completed draft metrics from pilot program period of November 2014 to June 2016. This data will be used to inform the forthcoming evaluation of the Heat Saver Loan program experiences. Reviewed the data with PERD and CEDF staff. Next steps are to start drafting the report.
- PERD staff have agreed to work with VEIC on the transition of how the Heat Saver Loan will connect with the residential lending products under the RUS.
- Reviewed beta test site for the new Find-a-Contractor tool at the EVT site. The revisions fundamentally improve the search capacity, which will serve HSL program partners well. No launch date was announced, but staff assume the tool is nearing ready for roll out.
- Updates to HSL website

Energy Efficiency Loan Guarantee Program (VEDA)

- Staff decided to work with VEIC on a model that incorporates the \$500k reserve fund now parked at VEDA into the emerging RUS profile. Division leaders will communicate with VEIC, DOE and VEDA regarding next steps.

Clean Energy Development Fund

- Met with VT Division of Air Quality to discuss the joint stove change-out program to be administered through the SSREIP. Air Quality is developing the forms and program details and hopes to have those completed in next couple weeks so the change-out incentives could be made available this fall.
- Provided estimates for CEDF's FY '18 budget/expenditures to Administrative Services.
- Additional comments on draft of the Vermonter's Guide to Residential Solar. CEDF staff are reviewing options for printing and dissemination.

Other Items

- Participated in monthly interagency energy check-in. The draft net metering rule – which would cap a customer’s or a group’s ability to net meter to 500 kW – is problematic for BGS and VTrans, who would like to be able to continue to net meter their facilities, but who might be considered individual “customers” for the purposes of the cap (as might the State of Vermont, for that matter).

Engineering

Update on VY Groundwater Management Issues

As of 9/8, approximately 330,000 gallons of intrusion water have been shipped offsite. The current one truck per week (~5,000 gallons) shipping rate will continue for the foreseeable future. In preparation for the new campaign to reseal the Seismic Gap between the Reactor and Turbine Buildings, the Turbine Building basement’s North Trench has been drained. This has increased the water intrusion rate to almost 950 gallons per day. (The water previously in the trench created a back-pressure that prevented some additional intrusions.) Workers for the resealing effort vendor are currently being trained for unescorted access within VY’s Protected Area. The resealing effort is expected to begin on 9/19.

Second VY Independent Spent Fuel Storage Installation (ISFSI) Construction Activities

Establishing electrical and data connections between the VY Control Room, the new (to be constructed) and existing ISFSI pads, and the newly-installed Security Diesel Generator unit continue. Much of this effort presently involves running new underground cables through existing and recently relocated wiring conduits around the VY site. Construction of the new concrete driveway between the two Dry Fuel Storage Transport Turning Pads near the VY Containment Access Building (CAB) continues.

Energy Department (DOE) Cooperative Effort for Spent Nuclear Fuel (SNF) Shipping Procedures

On 9/12, the State Nuclear Engineer teleconferenced with other members of DOE’s National Transportation Stakeholders Forum (NSTF) Rail/Routing Ad-Hoc Working Group (AHWG) to plan a revision of the Federal Railroad Administration (FRA) Safety Compliance Oversight Plan (SCOP) for SNF. The SCOP revision is a first step for creating a reciprocal rail inspection procedure for commercial SNF shipments. Three DOE SNF transportation experts from the AHWG will use SNF railcar design requirements, current rail routing rules and the implementation of positive train control to create a first draft. The AHWG will review the draft in late October and hopefully propose SCOP update to the FRA at a National Association of State Rail Safety Managers meeting tentatively scheduled for November.

NRC Conducts Public Meeting for Potential Revision to Backfit Regulations

On 9/13, the State Nuclear Engineer monitored an NRC Public Meeting / Webcast that discussed whether changes to its Regulations and Procedures for Backfitting are necessary. Backfitting is the process by which the NRC determines whether new regulations should apply to individual nuclear facilities that it regulates. The NRC hopes to assure that its Backfit processes are implemented as consistently as possible with regards to maintaining public safety. The State Nuclear Engineer used the meeting to direct the NRC participants to Vermont’s extensive comments on Backfit provided in response to proposed rulemaking for reactor decommissioning (filed in mid-March), as well as several additional suggestions to improve State and local

participation in NRC regulatory processes.

Vermont Gas Systems Addison Transmission Pipeline Project Construction

Approximately 12,113 feet of pipeline was installed by open-trench method last week by the primary construction contractor for the project. Total 2016 installation between Williston and Middlebury at the end of the week was approximately 23.5 miles. During this reporting period the Department Pipeline Inspector performed inspections of construction for ANGP and construction to do with the VGS looping project Phase 7. The Department Pipeline Inspector observed welding in process, as well as ditching and padding on both projects. As part of Phase 7 project the Pipeline Inspector inspected grounded and ungrounded AC voltages with the site Safety Professional.

Public Advocacy

Coolidge Solar 20 MW in Ludlow & Rule 4.100 Contract Request – Dockets 8685 & 8586

The petitioner is scheduled to file rebuttal testimony on September 14. Discovery questions on the rebuttal testimony are due by September 21.

SunE Solar Rutland – Docket 7957

The CPG holder was ordered to show compliance with testimony (incorporated into the CPG) that it would preserve a 20-foot fire lane. The compliance affidavit did not demonstrate compliance and the fire chief is particularly concerned for the safety of the occupants of the onsite building. Since the parties are all working cooperatively to resolve the safety concerns, the PSD has requested an additional extension from September 8 until September 22 to file comments.

Swanton MET Tower Penalty Investigation – Docket 8561

This case involves a meteorological tower constructed in Swanton for the purpose of investigating the feasibility of a wind generation facility that was erected without prior Board approval. Respondent recently filed a notice of appeal to the Vermont Supreme Court of the Board's Order Denying Reconsideration of the Hearing Officer's decision grant intervenor status to Christine and Dustin Lang. Mr. Belisle's response to the Supreme Court's Order to show cause why an interlocutory appeal is appropriate, was due on September 1 and no response has been received by the Court. The PSD filed a Motion to Dismiss the Appeal on September 13, citing Appellant's failure to prosecute and failure to comply with the Court's order, pursuant to V.R.C.P. 41 and V.R.A.P. 42.

VEC Request for Approval of Special Contract with Devost – No Docket

On August 16, VEC filed a request for approval of another special contract with Steve Devost, a sugar-maker, as part of its Clean Air Program. The PSD filed comments on September 13, recommending approval of the special contract.

Otter Creek Solar Interconnection Dispute – Docket 8775

This case concerns a dispute among GMP and a solar net metering developer over GMP's treatment of a solar project for which the developer changed its location and GMP subsequently deemed the project's application withdrawn for reason of a "material change." The Department

responded to discovery served by Otter Creek on September 6. A technical hearing will be held on September 16, unless a settlement can be reached (GMP is in discussions with Otter Creek).

City of South Burlington 1.55 MW Solar Group Net-Metered Facility on the Closed Landfill – Docket 8722

The Board issued an order on September 8 identifying a significant issue in the docket relating to transportation systems and public investments with respect to the City of Burlington and Burlington International Airport's concerns over a potential future access road at the site. The Board has scheduled a technical hearing for September 20.

VGS Rate and Alt Reg Filings – Docket Nos. 8710 & 8698

The PSD filed testimony on August 22. The PSD is the only non-petitioning party to file testimony in this case. (AARP and CLF are parties but did not file testimony.) On August 29, VGS and AARP filed discovery on the PSD's testimony. Responses are due on September 12. PSD staff responded to VGS's questions on September 12 and was granted a one-week extension from AARP to respond. Those responses are now due on September 19.

GMP Base Rates Filing – No Docket

The Larkin Report was filed on August 15. The next step is for a PSD recommendation on September 15. In the interim, the Board held a workshop on September 13. Due to a scheduling error, Bill Schultz was unable to attend by phone. While the Chairman was not pleased about this, ultimately, there were no questions for Bill. A follow-up conversation with AARP resulted in their conclusion that notwithstanding reservations with alt reg, they would not seek an investigation in this proceeding. PSD staff agreed to meet with AARP (including relevant experts (Schultz and Dismukes) in advance of taking a filed position on an extension of GMP's plan.

Additionally, the PSD issued an RFP for a hydro appraiser to assess the value of the dams that were excluded from this year's rate case but that GMP intends to purchase. Four responses were provided on August 31. After review, staff has selected an appraiser to retain and is working on a draft contract to bring the appraiser on board.

GMP Innovative Products Tariff Filing – Docket No. 8794

On July 25, GMP filed a request for approvals of tariffs related to heat pumps, heat pump water heaters, and its Connect DER product. The PSD recommended an investigation. The Board accepted that recommendation and a prehearing was held on Sept 9. A schedule was not agreed on at that point and filed schedules are due on Sept 16. In the interim, on September 14, the PSD sent GMP a letter identifying issues that should be addressed in initial testimony.

Standard Offer Wheeling Workshop – Docket No. 8693

The Board established a second workshop on standard offer wheeling charges. An initial workshop was held in March and attended solely by utilities and the PSD. It was agreed that a second workshop should be held to directly solicit developers as any result may impact them. The Board's notice does directly solicit developers to attend.

BHC Solar LLC – Docket 8692

Enforcement action to investigate false or misleading statements on the application for a 150kW net metered solar project in Vergennes pertaining to the existence of Historic Sites adjacent to or near the proposed project. The Respondent was unable to complete review of proposed drafts by September 9 so the PSD moved for an additional 7-day extension. Respondent remains unresponsive. If no response is received by Friday, the PSD, on behalf of the Division for Historic Preservation and the Intervenors will file a Proposed Statement of Material Facts along with a suggested procedural outline.

GMP Supplemental Net Metering Program – No Docket

The Board has, at the request of PSD, the Division for Historic Preservation and ANR, provided confirmation of which projects in the program have already filed CPG applications with the Board. However, the Board has not ruled on whether it will extend the deadlines for filing comments on those projects. The PSD typically does not review solar projects of 15-150 kW, as projects of this size do not often create significant impacts under the criteria we typically analyze for such projects (System Stability, Aesthetics, Orderly Development).

Charlotte Solar Enforcement - Docket 8638

Parties participated in an informal site visit on September 12 to review and observe current conditions with respect to installation of landscape mitigation and to assess compliance with the revised plan. The PSD will confer with our expert landscape architect to determine whether the installation substantially complies with the approved revised landscape mitigation plan, and if not if we will file testimony and a recommendation for increased sanctions.

Commercial Building Energy Labeling – Docket 8488

The PSD participated in a planning meeting with the Working Group to craft responses to Board questions about the Working Group recommendation seeking a Board Order to direct utilities to aggregate energy use data to facilitate commercial building energy use labeling and benchmarking. The Board will hold a workshop on this matter on September 16.

Encore Renewables Net Metering – 16-0046-NMP

Thurston East 500kW solar project. Upon receipt of ANR Comments on this project the PSD discovered it had never received the application. After review, the PSD determined that the 45-day notice was no longer valid because more than 180 days had elapsed between the notice and the filing of the application. The PSD filed comments requesting the Board seek an explanation from the applicant about the validity of the 45-day notice and extend the comment deadline to provide the PSD an opportunity to review the application.

Seymore Lake Solar Net Metering – NMP-6633

The Board issued a CPG approving this 500 kW solar project in Morgan on August 26. On September 12 the Town of Morgan filed a Motion for Reconsideration alleging the project created numerous undue adverse impacts and that the Board erred in granting a CPG for the project.

Orchard Road Solar Net Metering – 16-0042-NMP

Orchard Road Solar 500 kW solar project in Middletown Springs. Following submission of the PSD's comments finding no significant issues with any of the substantive criteria the PSD

typically reviews, ten individuals, the Town of Middletown Springs and the Middletown Springs Historical Society filed motions to intervene. The Rutland Regional Planning Commission also filed comments. The PSD will be reviewing the Motions to Intervene to determine whether we intend to comment in support of or in opposition to any of the motions.

Telecommunications

FairPoint Petition to Investigate 5903 Service Metrics (Docket 8701)

FairPoint has petitioned the Board to allow it to modify its existing service quality metrics and reporting requirements. FairPoint is requesting that it be permitted to report on service quality only for addresses where its customers do not have access to an alternate landline provider. FairPoint is also requesting that the Board modify the troubles cleared metric so that it is measured at 48 hours instead of 24 hours. The Department served its first round of discovery on FairPoint on August 25. FairPoint's responses are due by September 8. The Department's first round of testimony will be due September 22. The Department is working with its retained consultants to prepare its first round of testimony and analyze FairPoint's discovery responses. FairPoint did not provide significant amounts of data and information that the Department requested in the discovery requests. The Department's consultants are determining whether they will be able to fully analyze and make recommendations on FairPoint's petition based on the amount of data that has been produced.

VETC Designations (Dockets 8416 and 8542)

These dockets involve certifying incumbent local telephone companies as Vermont Eligible Telecommunications Carriers ("VETCs"), which would enable the companies to receive high cost support from the Vermont USF. The first docket includes the rural telecom companies and the second involves FairPoint. Comcast intervened in both dockets. The Department, Comcast, and the telephone companies finalized an MOU for filing with the Board which will allow the companies to be designated as VETCs and outline a procedure for initial disbursements of high cost funds. The MOU contemplates that many of its provisions will be superseded once the Board issues a final procedures order for the high cost fund.

Burlington Telecom CPG Renewal (Docket 8719)

The Department filed its Community Needs Assessment Report on September 8, 2016, which supported renewal of Burlington Telecom's CPG. Burlington Telecom has already reached an MOU with the Burlington AMOs, which were the only intervenors in the docket. Now that the Department has completed its CNA report, it is working with Burlington Telecom and the AMOs to present a stipulated proposal for decision for the Board. Burlington Telecom has agreed to include all conditions that were recommended by Department witnesses in prefiled testimony, and there are no remaining areas of dispute between the parties. A technical hearing is scheduled for the end of September, but the parties will request that the Board not convene the hearing if it is willing to adopt the parties stipulated proposal for decision.

Charter Tariff Investigation (Docket 8715)

In response to two consumer complaints, the Board initiated a proceeding to determine whether Charter is complying with its line extension tariff. Two consumers complained that Charter is imposing costs on consumers that should be borne by the company when it completes line extensions (such as overbuilding existing cable lines and installing new nodes). Charter

requested that the Board extend the deadline for filing a proposed schedule on September 15. Charter also advised the Department that it is attempting to settle the complaints that precipitated the Board investigation. The Department informed Charter that if Charter resolves the pending complaints, then the Department will support a request for the current docket to be dismissed. The Department, however, is concerned about this issue generally because the same issue arose with other cable companies in the past. Accordingly, the Department advised Charter that if the Board dismisses the pending docket, then the Department may seek to open a generic docket with the Board regarding the manner in which line extension costs are allocated among consumers.

CoverageCo CPG – CPG No. 955

In August, the Board issued a proposed order to revoke CoverageCo's telecom CPG unless CoverageCo filed an objection. The basis of the Board's order is that CoverageCo is delinquent on annual report and gross tax obligations. CoverageCo did not file an objection to the Board's order. The Department filed comments requesting that the Board allow CoverageCo an additional 60 days to come into compliance with its regulatory requirements. The Department understands that CoverageCo will satisfy its reporting and gross receipts obligations by the end of this week.

FairPoint Broadband Data

The PSD reiterated its request that FairPoint provide broadband availability data at two speeds, basic (at 768/200) and at 4/1 or better, on an address basis for each location in its territories. The PSD provided FairPoint with an inventory of information that it already has that could be useful in the process, and asked FairPoint to engage in a discussion on the issue.

CoverageCo Outreach Plan

PSD staff developed and proposed to CoverageCo a Joint Outreach Plan. The plan calls for CoverageCo to develop a coverage map depicting coverage from all of the active transmitters in the state. Once this is submitted to the PSD, the PSD will prepare flyers for each town in which the map shows coverage. These flyers will be submitted to the town offices and the pertinent regional planning commissioners and legislators.

VTA Assets Operations Cost

The Department inherited from the VTA several telecommunications assets, including about 100 miles of fiber optic cable, 9 solar panels, and hundreds of wireless antennas. The Department needs to maintain these assets and this maintenance costs money. With regard to the fiber, the Department will need to pay for pole attachment fees, repairs, and forced transfers. The solar panels also need a maintenance vendor on call. CoverageCo is under contract to repair the radio antennas, but the company has proven unable to do so adequately. Staff is formulating an annual budget for these assets this week.

Centralized Database of Telecommunications Facilities

On July 21 Administration Secretary Johnson sent an email to the secretary of the Agency of Transportation and the commissioners of Buildings and General Services; Forests, Parks and Recreation; Public Safety; and Information and Innovation advising them that he wants to create a complete inventory of all telecommunications facilities either owned by the state of Vermont,

or located on state of Vermont-owned land, buildings or property, in accordance with responsibility assigned to his office under 30 V.S.A. §§ 227b and 227e. Secretary Johnson asked the secretary and commissioners to provide site coordinates and location(s) of telecommunications facilities, as well as copies of leases and other agreements, rate schedules, and Agency/Department-specific contract terms, to the Public Service Department's Division of Telecommunications and Connectivity who will compile the information and create the inventory database. Information was to be submitted to the Division no later than Tuesday, September 13. By close of business on that date, the Agency of Transportation and the Agency of Natural Resources had submitted information to the Division Director. No information has yet been received from the departments of Public Safety, Buildings and General Services, or Information and Innovation. Staff has been reviewing information provided by both agencies, as well as information maintained by the former Vermont Telecommunications Authority, and has begun populating a new centralized database with information available. Staff has also identified issues requiring further investigation, one of which involves a 2013 executed license agreement for antennas on a state-owned tower on Pierson Hill in Topsham. The agreement instructs tenant VTel Wireless Inc. to send annual license fees of more than \$10,000 to the Commissioner of Buildings and General Services for property transferred by Executive Order 03-08 in 2008 to the Department of Public Safety. It appears that license fees are being remitted to the incorrect state authority. The Division has set a goal of completing the central inventory database by the first week in October for review by Secretary Johnson. However, this deadline is jeopardized by lack of receipt of information from three state of Vermont departments.

VTRS Social Media Coordinator

Staff has been in discussions with the TRS vendor, Sprint, regarding the monitoring of the Vermont Telecommunications Relay Service social media accounts. Staff approved the designation of a social media coordinator through the current vendor contract to help manage Vermont's social media accounts. This position will help to oversee and run the Vermont Relay page with posting, commenting, ad campaign/strategies, banner design, etc.

PSD GIS Server

A GIS server with associated hardware and software is required to process broadband availability information in addition to other ad hoc reports and mapping requests internally. Staff concluded that contracting with Stone Environmental would be the best solution to meet the current and future software and hardware needs of the Department. Staff sent the completed sole source contract to PSD Administration where the contract has gone through the first level of review along with legal review and has been sent to the Attorney General's Office and the Agency of Administration.

Connectivity Initiative Grant Proposals

Staff reviewed and scored all of the proposals received. A list of conditional awarded projects was developed and staff spent time creating project area maps for each of the 14 projects for presentation at the Telecommunications and Connectivity Advisory Board meeting on later this month. In developing the individual project area maps a few anomalies, such as gaps in the address lists provided in the bid submittals, were discovered that staff need to follow up on prior to the meeting.

2016 Broadband Data Collection Initiative

As part of the statutory mandate 30 V.S.A. § 202e (e) which requires the Public Service Department to submit an annual report of the state of broadband availability in Vermont to the legislature. A formal request for broadband availability data went out to over 40 providers on August 8th. Staff has followed up with all of the providers on an individual basis, if data existed, by sending most the providers maps of their territories and a list of addresses that PSD considers served along with offering any assistance needed to compile this information which is due September 30th. Eleven providers have responded; four provided updated service area information, one provider has had no changes in the past year and the remainder were requests for further information.

CoverageCo Project

Vanu CoverageCo is a company who was awarded the VTA and EDA Resiliency Projects to provide cellular service in unserved areas of Vermont.

Project Activities

CoverageCo received a quote from TDS to provide backhaul services for 3 years in the Roxbury area. CoverageCo is pursuing a quote for 1 year which is delaying the rollout. The department is pushing CoverageCo to at least get the resiliency site at the Roxbury town garage up and running as soon as possible.

Field testing was done in the Woodstock area last week. Five new sites went into operation to make a total of seven sites in the Woodstock and South Woodstock area. Two of the seven sites were found to be down. CoverageCo continues to be plagued with a large percentage of sites being down. CoverageCo is writing an algorithm to solve this problem long term.

Department met CoverageCo at the Readsboro and Whitingham Resiliency sites to investigate why the sites were down. It was found that Readsboro was down due to a circuit breaker being tripped in the Northern Reliability equipment, an AC line which the CoverageCo equipment is connected to. By resetting the breaker, the CoverageCo equipment was recovered and no issues found that would cause the breaker to trip. Further work is required to identify the problem.

Whitingham site has no power and requires further investigation as well.

As a result of the Resiliency site issues, previously discussed issues with CoverageCo wiring that result in noncompliance surfaced and was addressed. The CoverageCo equipment must work off the Solar battery backup when grid power goes down however the sites currently do not. This has been addressed with Northern Reliability and CoverageCo. There are two options, Northern Reliability can modify their system to provide AC backup or CoverageCo can change their product to source from DC. As a result of a meeting, CoverageCo will have until 9/26 to make a decision on which option to use to become compliant.

The department met to create a plan to support CoverageCo with an outreach program to promote the coverage that CoverageCo has in Vermont. The plan will be submitted to CoverageCo this week. CoverageCo will need to provide a map with their coverage in Vermont and then department will provide a template which will be used to make flyers for each town with coverage.

CAP

Report period for September 4 to 10, 2016

GMP Innovative Tariffs (8794) – CAPI attended the hearing, participated in discussion about potential questions for GMP and provided questions for the Department to ask GMP about the proposed tariffs.

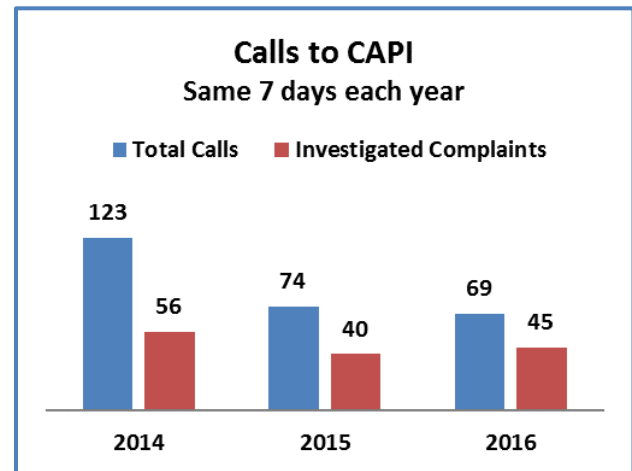
Electric Assistance Program -- CAPI met with representatives from GMP, AARP and ESD to discuss potential changes to the Program in anticipation of the filing deadline in October. Potential options include increasing the discount, raising or eliminating the 600 kwh cap, refining how the Program works in relationship to other assistance programs and continuing arrearage forgiveness. The group will meet again in two weeks.

Dynamic pricing consumer education -- CAPI met with PERD staff to discuss collaboration on consumer education for dynamic pricing.

CASES OF THE WEEK

Green Mountain Power -- A consumer with a net-metered solar installation was seeking an exemption from having unused credits transfer back to GMP after 12 months. She said that GMP told her that her only options were to use more electricity or transfer the credits to someone else. The consumer researched and found an energy loan program that could be financed using excess credits. However, she won't be able to close on the loan until October and will likely lose several months' worth of credits (around \$200). CAPI explained that it is unlikely the Board will grant such a waiver. The consumer asked how to file a petition with the Board to ask for the waiver, which CAPI provided.

FairPoint – A consumer called CAPI because her Fairpoint bill is always showing that she owes them a past due amount when she has already paid the bill. Consumer stated that she has called Fairpoint about changing her due date but Fairpoint says that they cannot change her due date. CAPI reached out to Fairpoint and did receive an email back saying that the due date is the same for everyone in certain locations and that it cannot be changed. CAPI is still working on this case.



Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: September 16, 2016

Secretary's Message:

A substantial part of my week has been spent on the renewal of the 1115 Medicaid Global Commitment Waiver. We just completed a 2 ½ hour meeting with CMS and we think we've addressed every issue in the Waiver. There are a few tweaks left and teams on both sides will be working over the weekend to complete whatever is necessary. CMS let us know that they will give us an answer on Monday regarding your 20 million dollar ask on top of their MCO investment offer. On Thursday, Selina Hickman and I did testify to JFO regarding the progress of the Waiver renewal. They were, of course, most interested in the financial impact, the connection with the APM and our transition/management plan. We kept it at a very high level.

This week, my office and DCF Office of Economic Opportunity jointly released a request for proposals to expand intensive Family Supportive Housing services to Vermont families transitioning from homeless to affordable housing. This is a focused RFP, targeted to Washington and Bennington Counties. Both regions have higher rates of family homelessness and currently lack on-site case management for families struggling with homelessness and other risk factors. This year's RFP was a first for the program as it formally incorporated the Medicaid reimbursement mechanism. We anticipate that new providers will enroll in Medicaid during October and November and be ready to work with families in December. Using Medicaid for Family Supportive Housing Services is a new and important step for us. Over the course of a year, it will double our capacity to provide the service and encompass the entire state.

Acting as Chair of the newly convened Commission on Offenders with Mental Illness, this week I set a series of meetings for the Commission to conduct its work on a report that has been commissioned by the Joint Legislative Justice Oversight Committee to address "the acute and complex set of issues arising from treating and housing offenders with mental illness within the correctional system." The Commission's work is intended to culminate in a preliminary report of its findings, on or before November 15, 2016, as to a host of questions posed by the Justice Oversight Committee regarding the State's treatment of incarcerated inmates with mental illness. The Commission is comprised of various members of the advocacy community and three AHS Commissioners (DOC, DMH and DAIL), led by myself. The first meeting of the Commission is set for Friday, September 23.

As has previously been reported, the Civil Rights Division of the US Department of Justice (DOJ) has this spring, made independent inquiry of AHS seeking data relating to the number of persons in DOC custody, or housed in other residential settings, having a mental impairment or disability. Several productions of data have been made to DOJ. The work of the Commission should prove helpful in addressing any concerns ultimately expressed by DOJ regarding treatment of that population.

AHS Highlights:

Vermont Department of Health (VDH):

EpiPen Cost Increase

In response to recent increases in the cost of auto-injector epinephrine, Vermont Department of Health's Emergency Medical Services is working on a project to expand the scope of practice for EMTs and make other, lower cost forms of the drug available for administration in an emergency. When complete, this project will expand access to this life saving drug.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH census is at 25 this week. Acuity is again up with the addition of a new patient with repeated assaultive behaviors upon staff and other patients since admission. Fortunately, none of the patient assaults resulted in physical injury and the staff assault injuries have been minor and moderate levels. Staffing levels, however, remain stable at this time with the increased acuity. Electronic Health Record(EHR)implementation remains on schedule for a Go-Live date of 10/3/16. Lastly, the hospital submitted its required 60-day plan of correction response on 9/11 to the Joint Commission and anticipates hearing back that it has been accepted by the end of next week.

Emergency Departments

This week saw 29 people in need of inpatient psychiatric hospitalization and 23 individuals admitted. There remain two involuntary adults waiting for inpatient placement, one waiting less than 24 hours, the other less than 72 hours. Currently, there are two court-ordered evaluations to determine if hospital level of care is needed; and those individuals have been waiting less than 72 hours and will be evaluated later today. Eleven of the 12 voluntary adults presenting for hospitalization this week were placed in 72 hours or less. There is one child on involuntary status who has waited less than 12 hours. While this week, like the past several weeks, has seen an increase in people needing hospitalization, less wait time was experienced by individuals needing hospitalization. The overall occupancy rate in the adult inpatient system of care has been averaging 95% occupancy, while the child and adolescent inpatient system of care has had an average occupancy of 94%.

Department of Disabilities, Aging and Independent Living (DAIL):

Public Records Request

DAIL staff and attorney are engaged in a massive public records request from the attorney for concerned citizens in Danby angered by the opening of the Path at Stone Summit. As you will recall, there was a great deal of media coverage and inquiries from legislators in relation to DAIL's licensing authority for this proposed facility. The license to operate has been granted and the public records request comes on the heels of that licensure. I am certain that it will continue to be a public issue. DAIL's licensure will allow for quality visits and reviews once the facility begins operations.

Department of Corrections (DOC):

Clinical Rounds Program

We are developing a new Clinical Rounds Program with Vermont Technical Center and UVMHC's psychiatry program. This will expose RN and psychiatry students to the DOC environment and make it less intimidating. By increasing their familiarity and comfort level, hiring between DOC and local medical training/education programs will hopefully increase and benefit both inmates and staff.

Centurion has indicated a willingness to devote the financial resources necessary to increase staffing levels and purchase necessary equipment, such as computers. This should help address challenges that remain in recruiting and retaining medical and mental health staff.

Population

The Department's incarcerated population averaged **1795** for the previous week. Last year at this time, the average was **+78** over the current number.

The Department's incarcerated male population averaged **1651** for the previous week. Last year at this time, the average was **+62** over the current number.

The Department's incarcerated female population averaged **144** for the previous week. Last year at this time, the average was **+16** over the current number.

The Department's overall detainer population averaged **457** for the previous week. Last year at this time, the average was **-46** under the current number.

The out of state population is currently at **251**. Last year at this time, the out of state population was **+39** over the current number.

Department for Children and Families (DCF):

State Auditor Report on Benefit Fraud Released – Likely to be Revised

The State Auditor's Office released a report this week on the vitality of the Economic Services Division Benefit Fraud Unit. Much media attention has been garnered by this report this week – Both Auditor Hoffer and Deputy Commissioner Sean Brown responded to interview requests Wednesday September 14th. During this process it was found that there are errors in the report data concerning the total amount of dispersed benefits from the 3SquaresVT program for fiscal year 2015. Brown and Hoffer have conferred on this and it is likely that a revised report will be released by the State Auditor's Office.

Department of Vermont Health Access (DVHA):

Provider Enrollment

In accordance with federal regulations, all participating Medicaid providers must be screened upon initial enrollment and all existing providers must be revalidated by September 25, 2016. DVHA is experiencing delays in processing. Over the last six months, 784 new providers have been enrolled to the participate with Vermont Medicaid. In addition, DVHA has revalidated about 9,000 out of 14,000 current Medicaid providers. Revalidation of current providers has taken a considerable amount of time to comply with new ACA standards; however, DVHA anticipates being in full compliance with the requirements (revalidating all providers) by September 25, 2016.

Legal Report

Accountable Care Organization negotiations continue. We are working towards an agreement on payment. Once we do this we will need one more meeting hopefully to resolve final chapter of agreement.

Burlington Lab- We have not executed the document but will do so this week. BL will pay some 6.75M over 7 years. Federal share will be paid first year so that federal deadline of federal payback in one year is met without state penalty.

Favorable legal decision from Judge Toor affirming Commissioner Costantino's 2015 decision on hospital tax regarding 9 Vermont hospitals.

Other Agency Report Items for Consideration:

Agency of Human Services Central Office (AHS CO):

ADO

Substance Abuse Treatment Coordination-Confidentiality Training is happening September 28th and October 14th. The training is designed to help AHS staff to understand how to give clients informed consent and then have them sign multi-party release information to assist with substance abuse treatment in the community. This is the first training and will be done across the state as we implement Substance Abuse Treatment Coordination in all districts. This is a joint effort with the Health Department, ADAP, the AG from AHS CO and the Field Director in St. Albans.

BDO

Thirty-seven individuals attended the quarterly meeting of the Chittenden County Homeless Alliance last evening at the Bobbin Mill Community Center on Pine Street in Burlington. One-quarter of the attendees were those currently experiencing homelessness. The bulk of the meeting was spent in conversation regarding the work done by a Funders Collaborative seeking input on six ideas that have surfaced to help eliminate homelessness. Reactions to these concepts - which included things like an information hub, collaboration of service providers and including those with lived experience in the design of the system - will be collated and distributed to participants and used to inform the funders as they move their process forward.

Quality Improvement Collaborative

The Springfield Medical Care Systems' Quality Improvement Collaborative includes seven medical practices who participate together to improve their outcomes. Today they focused on COPD patients who continue to use tobacco as their targeted vulnerable population. They have agreed on goals to reach for this population and strategies for reaching them. Successful practices were shared and ways to improve discussed. They also addressed other areas of treatment and shared information including assessing patient satisfaction. The Field Services Director was invited to attend to further develop the collaboration between the medical field and human services, particularly for our most vulnerable populations.

Dental Group

A group of medical providers, VDH, AHS Field Services, school nurses, and others led by Southern VT AHEC have been meeting to find ways to increase access to dental services in the Springfield, Rockingham, Londonderry areas. Several options are being pursued including additional operatories through Springfield Medical Systems and a mobile unit for the larger area. A funder and a local rotary are interested in providing and locating additional funding for a mobile unit. The group left with

assignments to pursue both paths and another meeting is set for next month. Progress has already begun with additional capacity in the Chester dental clinic.

Enhanced Collaboration

There is enhanced collaboration happening among a variety of initiatives taking place in St Johnsbury and the surrounding communities. The Promise Community Initiative has more formally aligned itself with the Resiliency Collaborative, and both have presented at the Caledonia/Southern Essex Accountable Health Community collaborative which is using a Collective Impact strategy to address the social determinants of health. There is much to be learned as these partnerships develop, but it is exciting to contemplate the possibilities of so many organizations working together towards a common goal.

Vermont Department of Health (VDH):

Child Passenger Safety

As motor vehicle crashes (MCV) is the leading cause of death in children ages 5 to 24, MCV's are the second leading cause of death in children one to four years of age, it is vital the community and families ensure that children are safe on the road. A community car seat check event was hosted by the CPS Conference on September 11, 2016. The event allowed for local families to ensure their children were properly secured in the correct seat. The event also allowed local CPS technicians to work side-by-side with technicians from other states. For more information about getting your car seat or booster seat checked, please visit beseatsmart.org.

3-4-50 Events

Last spring, the Office of Local Health (OLH) created a 3-4-50 planning committee to help coordinate district office 3-4-50 outreach activities statewide. The OLH 3-4-50 planning committee developed talking points for OLH staff, updated 3-4-50 presentations with notes to make it easier for OLH staff to use the presentations, created a 3-4-50 tracking form for all districts to input their outreach activities, and created expectations for all districts to complete by the end of the summer.

As of September 2016, district offices have designated primary points-of-contact for 3-4-50 activities, shared the 3-4-50 talk points and presentations with OLH staff, and have brainstormed community groups to share the 3-4-50 message with. Over the summer district offices mentioned 3-4-50 at 31 different meetings using the 3-4-50 talking points, and full 3-4-50 presentations were given at 17 different meetings. All district offices report having plans for additional 3-4-50 outreach this fall.

Rape Prevention and Education Program Grant

The Division of Maternal and Child Health administers the CDC Rape Prevention and Education Program grant that supports primary prevention of sexual violence. As a result of this work, the Vermont Intercollegiate Council on Sexual Violence has been formed. The Council meets quarterly on different campuses across the state. Topics covered include sharing best practice approaches to prevention on campuses, program models, connecting campuses staff with local advocates, leveraging training opportunities, supporting partnerships, clarifying requirements related to Title IX and the Clery Act, and sharing pertinent data.

Department of Disabilities, Aging and Independent Living (DAIL):

Governor's Commission on Successful Aging Wraps Up

The Governor's Commission on Successful Aging was established by Executive Order No. 15 – 11 on November 8, 2011 and is set to expire on November 30, 2016. The Commission was established to make recommendations to the Administration related to health reform as relates to healthy aging, to examine how to optimize the potential of Vermont's older workers in the labor force and to promote the creation of more livable communities for all ages. To fulfill its charge, the Commission established three subcommittees: Health Reform, Workforce and Livable Communities.

The Health Reform Subcommittee developed detailed recommendations to improve dental health and mental health of older Vermonters and to promote falls prevention activities. A written report was submitted to Governor Shumlin and reviewed with him in February of this year. Since then, AHS has established an internal work group to focus on Health Aging across the aging and to follow through on the recommendations contained in the report.

The Workforce Subcommittee developed a detailed strategy to encourage the engagement of older Vermonters in the labor force and was pleased to have initiated the first Governor's Award for Business Excellence in Supporting Mature Workers, which was presented last week. It is anticipated that this subcommittee will continue to meet and collaborate to promote the maximization of the mature workforce.

The Livable Communities Subcommittee presented their findings and recommendations at last week's full Commission meeting and will be submitted to the Governor's Office soon. AARP is playing a lead role in Vermont in advancing the creation of livable communities and will continue these efforts working in collaboration with communities statewide. Given its success in completing the assigned charges, the Commission held its final meeting this month and will look to the avenues described above to continue to advance efforts across health reform, workforce and livable communities.

Vermont Council for the Deaf, Hard of Hearing and Deaf Blind Inaugural Meeting

The first official meeting of the Vermont Council was held on Tuesday, September 13th. As designed by state statute, the Council will be focused on system of care recommendations for individual who are deaf or hearing impaired. It's first tasks will focus on the development of two reports due to the legislature in January of this year; one related to global recommendations and the other specific to potential licensure and regulation of interpreters by the Office of Professional Regulation

Association of Senior Centers of Vermont Conference

Vermont's Seniors Centers are gathering for a conference this week to engage in planning for the future. The DAIL Commissioner is scheduled to present the keynote address and will focus on the role of Senior Centers in promoting and sustaining healthy aging for older Vermonters.



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CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin *PS*
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: September 16, 2016

Atlantic Rim Collaboratory

I spent two productive days in Iceland. I had good conversation with the leadership in California about ESSA and strategies under ESSA. Also, I made some good contacts with some European nations that have done interesting work in some arenas of interest to us. For example, Scotland has done some good work around supporting children of parents who abuse opiates. Many are grappling to develop indicators of child wellbeing, given that health and happiness are precursors to school success. This work can inform some of our state school quality work. We can learn from these others' systems. I came back with some concrete action steps for Vermont.

AP Test Fees Federal Award

The reimbursement we received from USED for AP tests taken last year is \$7,000 short of what we expended. We have been told there will be no award next year. Absent new revenues, we will not be able to afford to offset fees for students who live in poverty to take these tests next year.

Prekindergarten fingerprinting

— P e P P e v

I have received several emails from superintendents thanking me for the clarification and flexibility. My perception is that the email may help, at least based on what I am hearing so far. I am hopeful this will enable us to move forward. This is too complicated to discuss off the cuff. Reporters need to read the memos. We will echo the language of the memo if called. We will not go beyond the memo to avoid confusion and to make sure we don't go beyond already shared communication with AHS. I did successfully reach Mullin, Ashe, Kitchel, Sharpe and Cummings by phone. All seemed fine.

FOIAs

Oliver Olsen continues to FOIA. His particular objections include that he considers the terms "private school" and "voucher" inflammatory. I told him we would use the word independent school for K-12 programs that get public funds. The PKs are commonly referred to as private providers, so we can't really avoid that word in that context. I think his comments are ridiculous, but will strive to be sensitive.

Media Contacts:

Adam Federman, VTDigger: Adam is a new reporter for VTDigger covering Rutland. He called to talk on background about Rutland schools and get story ideas. Haley suggested he look around the website to find topics, such as FRL, assessment scores, etc., then come back with specific questions.

Nicole DeSmet, Burlington Free Press: Nicole called to find out if Orchard Elementary in South Burlington is the only school that has decided not to give homework to students. The AOE does not track this.

Megan Carpenter, Local 22/Local 44: Megan asked if any other schools have banned homework or will ban it, and if this initiative is something the AOE recommends or sees as beneficial. The AOE does not track this and cannot comment on whether it is beneficial.

Matt Hongoltz-Hetling, Valley News: Matt asked for a copy of the DLM memo from Secretary Holcombe. Haley provided a copy and set up a time for Matt to talk to Deputy Secretary Fowler. She later sent him a blurb from the Assessment Team that had a lot of background information about how long Vermont has been a member of the consortium, the cost of the assessments, etc.

Tiffany Pache, VTDigger: Tiffany asked for the announced tuition document (on the website), a quote about FRL data, the date the school-level SBAC data will be released, and the percentage of white students in Vermont (on the data tool). Haley showed her around the website to answer her questions and sent her the media advisory with the SBAC information. She also asked for a copy of the DLM memo and any memos related to the AHS/AOE/DCF fingerprinting discussion.

Bruce Parker, Vermont Watchdog: Bruce sent several email addresses that he wanted added to the AOE's media contact list to receive press releases. Haley added them.

Glenda Fuchs, MCH Strategic Data: Glenda emailed Donna asking about Act 46. Donna and Stephanie drafted a response with the background information of the law, statistics, and the next steps. Haley sent Glenda the response. She said she would digest the information and get back to us with any questions.

Karen Richards, Human Rights Commission: Karen reached out to Shirley Rawson with questions about pre-k – the number of prequalified providers, the responsibilities to a student with an IEP or otherwise in a school that is not pre-qualified, what SPED services are required, etc. Kate Rogers provided answers to Attorney O'Shaughnessy for review prior to responding to Karen.

Chris Peak, Quartz: Chris, a freelance reporter, is working on a story about homeschooled communities, particularly communities that have *only* been homeschooled. He asked if any towns in Vermont have homeschooling as a standard practice. Brynne said there are some communities where homeschooling is on the rise, but she is not aware of any that are *only* homeschooling.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, September 16, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Memorial Request

I received a request from a Weathersfield artist to erect a memorial at the Exit 8 Park and Ride on I91 for Romaine Tenney who was a farmer who committed suicide in 1964 as a result of the State condemning his farm to construct I91. She has been in discussions with the Tenney family who she has indicated support this effort. I have indicated that I will vet the request with VTrans staff and determine whether the State has a process for these types of memorial requests for State property. This will be a slow process to make sure there aren't any unintended consequences but I do see a nexus between the families desire for a memorial on property that was formerly the Tenney farm. I've briefed Sue Allen who will be informed on this request as it proceeds to either yes or no.

Little WACR

The rail line between Montpelier Junction and the Rock of Ages quarry in Barre, is known as the little WACR (Washington County Railroad). This line was shut down two years ago to make emergency repairs to three of the bridges. There is a rock sculpting business in Barre that employs 65 people that receives large pieces of rock that economically can only travel by rail. There is also a large amount of granite at the Rock of Ages quarry that they are hoping to sell as marine rip rap that can only be sold if the rail line continues to operate. We received word last week from a bridge inspector that one of the bridges wooden truss beams had deteriorated much faster than had been expected from the last inspection and our engineers informed the railroad that the bridge was not safe to hold heavy loads. It is now the railroads responsibility to act upon that information. I've put a hold on repairing the bridge until I understand the cost benefit of state taxpayer expense of continuing to invest in this line that doesn't move a lot of commodities. I've encouraged the railroad to begin to have conversations with Rock of Ages and their business partner, Northeast Materials, to assist in the expenses of maintaining the railroad. You may get a call. I've also asked my staff to research the costs associated with using a different rail ROW that doesn't have as many

bridges to maintain. I anticipate this will generate some consternation and conversation but the simple fact is Vermont doesn't have adequate resources to maintain all the rail line the State owns and at some point we need to make some hard decisions. I've also offered to sell this rail line to the rail road.

NOTES FOR STAFF

Executive Staff Retreat

I conducted an Executive Staff retreat to review the myriad of initiatives we have going to prioritize which one's leadership determined were the most important and aligned the best with our Strategic Plan. It was a good discussion amongst leadership at the Agency. Most of the discussion was around continuous improvement with a focus on process improvement and maintaining momentum on key Agency initiatives through the transition. With our asset performance exceeding our targets, we have been focusing on organizational improvement, innovation and customer service.

Route 100 Rock Cut

VTrans Geologist was on routine inspections of some rock cut locations and noticed significant movement since the previous inspection of a large slab. This location was previously identified a high risk and needing immediate attention. VTrans Operations was notified immediately and have met with the geologist on site to discuss the risks and options. This one needs to receive prompt attention given the size, the movement and its proximity to the road. The location is VT 100 in Duxbury.

Barnard Road Classification

VTrans staff coordinated with Fish & Wildlife staff in the development of a response document to the Barnard Selectboard regarding the classification of roads in town and related matters of F&W ATV enforcement (which will not be addressed in the letter from VTrans).

CIRC

VTrans Policy and Planning Director Michele Boomhower will be meeting with staff from the CCRPC and Colchester, Essex, and Williston to review the Chittenden County Circumferential Highway Right of Way and Mitigation Site Management Plan. This briefing will be followed by a briefing with Joel Banner Baird of the Burlington Free Press who has already written an article on this topic from the perspective of the Town of Colchester and Senator Mazza. In addition to discussion of the Management Plan, the regional/municipal staff will be briefed on the status of the CIRC Alternatives projects. We developed this plan based upon requests from the municipalities to use portions of then Circ ROW for purposes other than transportation. FHWA required that we have a management plan before allowing any alternative uses because we have to preserve the ROW for a future transportation project or until such time as the Circ is officially cancelled.

Solar Planning

The VTrans solar consultants submitted the initial draft of their report on September 13. The new net metering rules limit an individual entity's net metering capacity to 500 KW. This means that VTrans can undertake very little additional net metering. Dan Edson, the energy engineer at BGS, indicated that they would be petitioning the Public Service Board in the coming months to exempt state government entities from this limit.

DMV Officer in Action

Inspector Beebe was driving through a parking lot in Brattleboro when he observed a mother holding a little child. When the mother saw Inspector Beebe she came running toward him and said her child was choking. Inspector Beebe administered first aid and dislodged the item the child was choking on. The child regained normal breathing.

Flaggers

We had an issue with American Flagging and Traffic Control (AFTC) on the Middlesex project. Essentially the three flaggers walked off the job and left traffic stuck in queue. The flaggers planted their paddles in a traffic cone with the STOP direction facing traffic and left. One of our consultant inspectors discovered this and took action to get traffic moving again. They ended up flagging until the contractor could clear the road and open it up to two-way traffic. We are chasing down the persona non-grata flaggers names and will take appropriate action.

Construction

We have 49 active work zones: 21 bridge, 8 safety, 11 paving, 3 reclaim, 3 roadway and 3 rail. We anticipate 90 contracts active this year.

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Deborah L. Markowitz
Agency Secretary

Trey Martin
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: September 16, 2016
Subject: ANR Weekly Report

Governor Level Issues:

Morrisville Water Quality Certification: The Agency issued a water quality certification to Morrisville Water & Light (MWL) on Tues, August 9 to continue operating its three facilities. The water quality certification includes conditions necessary for the Agency to find reasonable assurance that the project will be operated in a manner which will not violate the Vermont Water Quality Standards. Last week, as expected, MWL and the American Whitewater and Vermont Paddlers Club appealed the water quality certification.

In response to MWL public statements that the conditions in the water quality certification could compromise the safety of the Green river dam and downstream communities, the Federal Energy Regulatory Commission (FERC) issued a letter to MWL requesting additional information about the dam. The Green River dam is inspected annually by FERC dam safety engineers. Additionally, a comprehensive dam safety analysis was conducted by an independent consultant (hired by MWL) which was completed in January 2014. FERC and the independent consultant both found the facilities to be in good overall condition and no items were identified as needing immediate action by Morrisville, nor were any found to pose an immediate hazard to public safety or property.

FERC and the Agency have repeatedly requested this information from MWL through the relicensing process. Morrisville did not provide additional information to FERC or the Agency to evaluate. FERC concluded that the Green River facility would continue to be subject to regular inspections from FERC Dam Safety. The FERC request is another attempt to get Morrisville to comply with providing the previously requested information.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Act 171 Forest Integrity Study Committee: Commissioner Snyder held the second in a series of meetings with this group on September 13.

Press Issues/Releases:

Universal Recycling Law Boosts Fresh Food Donations: Vermont Foodbank and food donation network partners saw a 40% increase in donation volumes of fresh food in 2016.

Foliage Season: Commissioner Snyder sent the first weekly foliage report of the season, including information gathered from FPR County Foresters, to Vermont Travel & Tourism for inclusion in their press release and weekly website update, and he was interviewed by ABC 22 / Fox 44 News for a story on foliage season.

FWD Press Releases: Enjoy Dead Creek Wildlife Day on Sat., Oct. 1; VT's Archery Deer Season Starts Oct. 1; VT Grouse, Woodcock Seasons Start Soon; and FWD Asks Hunters to Avoid Shooting Collared Bears.

Significant Events/Meetings:

New Mountain Bike Trails to Open at Little River State Park: As a result of collaboration among FPR Parks and Forestry divisions, Vermont Mountain Bike Association (VMBA) and its local chapter, Waterbury Area Trails Alliance, three miles of new multi-use mountain bike trails have been built at Little River State Park. It is a significant project that highlights a commitment from all partners to support the burgeoning interest in this popular activity. "This is truly an exciting time for outdoor recreation in Vermont," said FPR Commissioner Michael Snyder. "With our dedicated staff and volunteers, state parks and forests are excellent places to host public, sustainably built trails, and we are so excited to offer more miles of mountain bike, multiple-use trails at one of our most popular state parks, Little River." On September 23 at 1:00 p.m. state officials, VMBA and WATA will host a Grand Opening of the new trails. The press and public are welcome to attend, and are invited to meet at the History Hike Trailhead.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of the General Counsel (OGC)

Moretown Landfill Closure - Act 250 proceeding: On September 7, the District Commission issued a recess order requesting supplemental information on whether Moretown has sampled groundwater for PFOA and, if so, the results of PFOA sampling. The Agency confirmed that Moretown has not sampled for PFOA at the landfill, but that the Agency recently issued a letter to all landfills that collect leachate requesting they sample the leachate for perfluorinated compounds, including PFOA. Moretown responded to the District Commission's request with frustration, asserting that the request re PFOA is outside of the scope of the closure proceeding.

Ranger Solar 20 MW Coolidge Solar Project in Ludlow/Cavendish: Ranger Solar filed rebuttal testimony in the Public Service Board docket on Wednesday, September 14. ANR reviewed the language in Ranger's testimony prior to Ranger filing and concurs with the summary. Ranger has addressed to ANR's satisfaction nearly all of the issues raised in ANR's direct testimony, including deer wintering habitat, fencing, riparian buffers, and vegetative maintenance. The last remaining item that the parties are working to address is analysis of the Project's greenhouse gas impacts. Ranger and ANR have made steady progress in negotiations on this final issue, and the parties have agreed that Ranger will submit a greenhouse gas life cycle analysis using agreed-upon methodology to ANR by the end of September to enable ANR to make a determination that the Coolidge Project will not have an undue adverse effect on the natural environment. The parties hope to be able to reach an agreement on this issue in October 2016.

Office of Planning and Policy (OPP)

Swanton Wind: Swanton Wind formally filed their petition for a Certificate of Public Good with the PSB on Thursday, 9/8. The petition proposes a 7-turbine, 20MW facility. It is interesting that there are currently separate petitions for a 20MW wind and 20MW solar facility pending before the Board. The Agency will begin to engage actively once the Board schedules a pre-hearing conference.

Anbaric Green Line: OPP has scheduled a meeting for Monday, 9/19 for FPR park staff, DEC lakes and pond staff, Anbaric's technical team and representatives of the Friends of Kingsland Bay citizen group. FoKB sent a letter to Anbaric and ANR in late July expressing a concerns with the project's potential impacts on a long standing boat mooring field and day use of the bay by boaters. The intent of the meeting is for Anbaric to address the concerns and for ANR to facilitate resolution of issues. Many of the concerns raised by FoKB may also be addressed in the DEC lake encroachment permit.

Support for AAFM: Act 174 requires the Agency of Agriculture (AAFM) to appear as a party before the PSB for energy generation projects greater than 500kw that impact prime agricultural soils. AAFM has had limited involvement in PSB proceedings in the past, so they have asked ANR to provide guidance on process and strategies for effective engagement. OPP staff had an initial meeting with Ag this week to share our project tracking database and general explain the process, a more detailed meeting including legal staff is scheduled for next week.

New Applications: During the week of September 5th, OPP received 2 new Act 250 applications and 3 new Section 248 petitions.

Environmental Conservation (DEC)

DCF Considering Lean; Judiciary Utilizes DEC Lean Resources: DEC and VTrans business process improvement staff provided a brief overview of Lean to DCF's Family Services Division (FSD). FSD is considering doing a Lean event on foster parent licensing in the next few months and will follow up with next steps. At least two staff from FSD will participate in the Judiciary Lean event (below), for training/orientation purposes. The Judiciary is currently utilizing DEC's contract with Leanovations to facilitate a four-day event. DEC business process improvement staff will help prep the Judiciary staff for the event.

ECO AmeriCorps: The 2015-2016 service year ended on August 31. Eighteen of our original twenty members successfully completed their service. Over the past year our members served more than 32,670 hours to the State of Vermont. Twenty-four new members started this week. They will be working on water quality and materials management issues.

Ozone Good Neighbor SIP: [EPA is proposing to approve](#) the 2008 Ozone Good Neighbor SIP that Vermont submitted last November. The Good Neighbor SIP demonstrates that Vermont does not contribute to ozone nonattainment or maintenance issues in other states. We relied predominantly on modeling previously done by EPA, but also built up a "weight-of-evidence" case using other tools at our disposal.

St. Albans Wastewater: DEC staff met with the Town of St. Albans and Dubois & King, Inc. to discuss a potential 330,000 gallon per day indirect discharge system for the Town. The Town currently sends all of its wastewater to the St. Albans City wastewater treatment facility, but they are looking at alternative disposal options for a number of reasons. Test pits excavated during the site visit revealed that the proposed site could only support very large mound leachfields.

Vermont Rail (Shelburne): A public hearing has been scheduled for the company's stormwater Multi-Sector General Permit application on October 13. The public comment period has been extended through October 14.

Stormwater Discharge (Montpelier): A State contractor located another illicit discharge in the Montpelier stormwater system discharging to the Winooski River. The City will work to correct this.

Fish & Wildlife (FWD)

Deer Activity: First significant deer case of the fall was made on a tip from last year's season. A confession was obtained from an individual who shot an 8-point buck the night before archery season started last year and failed to report it. A nice mount was seized and numerous charges brought upon the individual. It is safe to say that he will not be hunting again for some time.

Woody Habitat in NEK for Trout and Flood Resiliency: Staff worked with Trout Unlimited to strategically add large woody material to Paul Stream that runs in the West Mountain WMA. The large woody material should help to restore natural stream functions, improve brook trout habitat, and improve flood resiliency by slowing runoff to the Connecticut River.

Developing new MOU for Utility Companies on State Land: Staff met to discuss how to deal with utility companies that have easements on ANR lands. Often times utility easements are decades old and don't have much detail beyond the deeded right to have a line on the property. There is no mention of lengths, widths, or location, which makes it difficult for the landowner, ANR in this case, to have a good handle on if, when, and how utility maintenance operations are conducted. Staff are working towards developing an MOU that would provide more detail on utility line maintenance and a better process for communication.

Forests, Parks and Recreation (FPR)

AMP Rulemaking: The Final Proposed AMP revised rule was considered by LCAR at the September 8, 2016 meeting. After a discussion of questions concerning the legal framework of the Clean Water Act, Water Pollution Control Act and the Vermont Water Quality Standards regarding enforcement of violations for discharges to state waters on logging jobs and violations of the AMPs, a motion was made to approve the Final Proposed Rule. However, a representative from the Associated Industries of Vermont (AIV) and the Vermont Woodlands Association (VWA) requested an extension of consideration of the Rule by LCAR to allow the parties time to review the Final Proposed Rule and submit comments and testimony to LCAR. LCAR was concerned that the Rule was publicly noticed and the parties requesting the extension were also notified by FPR the previous Friday and could have complied with LCARs procedural requirements of requesting, but LCAR ultimately agreed to postpone action on the Rule until the September 22, 2016 meeting. AIV and VWA may submit written testimony.

Davidson Donation: Issues regarding a boundary line adjustment and draft proposed deeds were resolved and FPR is waiting to receive final deeds and surveys from Davidson's attorney to confirm all other comments from the FPR surveyor and FPR counsel were incorporated. An amendment to the Donation Agreement will need to be signed. Closing could occur very soon.

State Land Transactions: We are continuing to make good progress on the Bean Pond acquisition and hope to close on this property by the end of the month. We also expect to close on the Schwartz property in Woodstock (addition to Coolidge State Forest) later this month. Work continues on other priority ANR land transactions including multiple Forest Legacy

easement projects, transfer of Woodchuck Mt. property to the Town of Newbury and transfer of the “hospital block” of Camel’s Hump State Park in Duxbury to the Town of Duxbury.

State Parks Visitor Numbers: State Parks attendance is still just 4% behind 2015 to date. About one half the campgrounds in the system are fully operational through Columbus Day.

State Lands Management: Forestry Staff report that timber harvests seem to be in a dramatic slowdown as prices continue to drop and markets limit what they take in. On an up note, conditions for all kinds of operational and field work have been near perfect, which among other things has aided in completing road maintenance projects.



State of Vermont
Department of Public Safety
103 South Main Street
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www.dps.state.vt.us

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: September 15, 2016
Subject: Weekly Report

Priorities:

CJS

Forensic Lab-

1 DNA analyst (grant-funded) position open, checking references of top candidate.

Apparent allergy-like reactions in lab (sneezing, etc.) – desire to request BGS to review

VCIC-

The Record Check Section continues to see a high volume of fingerprint-supported record check requests due to the implementation of Act 166 requirements. Current processing times remain within the established two-week window and limited (less than five hours per week) overtime is being utilized to maintain this target.

Discussions were held with Legislative Counsel (Erik Fitzpatrick) concerning conducting fingerprint-supported record checks for Legislative Paige host families. These would likely qualify under the National Child Protection Act but represent an incremental volume increase (total volume is unknown but not expected to be near the scale of Act 166).

At this time two of the Marijuana Dispensaries (Brattleboro and Brandon) have initiated limited delivery options and all four continue to develop procedures and make physical structures changes to accommodate providing service to more than one patient simultaneously.

- Reprow

Valcour reports making progress on outstanding NIBRS issues with Kristy Lynch of the Franklin County Sheriff's Office taking a significant leadership role as a Valcour user (as opposed to NIBRS staff, who are not end-users within the Valcour system). Areas for review include adding missing offenses, correcting mis-labeled offenses, returning error messages appropriately, updating property definitions, and enhanced search capabilities.

DEMHS

Director, COS and Chief of OPS will be in Senegal to assist the Senegalese government with the design of the national EOC as well as offer training in ICS. This is in conjunction with the Vermont national Guard in and the State partnership Program.

Director and Deputy Director attended supervisor training.

R&M Chief (and two other DEMHS staff members) attended week-long E0209 Recovery Planning Course at EMI.

PAO sent out an Applicant Update to all town contacts on 09/12, announcing upcoming four regional PA seminars in early October.

Implementation of final changes to the Local Emergency Management Director Certification program will occur this week in preparation of course delivery at the Emergency Preparedness Conference.

There have been a significant number of requests for CERT activations. All related to traffic control.

VT ALERT presentation was provided to the Grand Isle Fire District this week and notifier training was provided to the town of Clarendon.

CI Planner and Planning Section Chief attended LEPC 1 meeting on 9/13 where Sec. of State Condos presented regarding Public Records Laws and the relationships to Emergency Operations Plans.

CI Planner conducted two THIRA workshops with Rob Evans and UVM Medical Center on 9/14 and 9/15, respectively.

EM Planner attended School Crisis and Addison Northwest Supervisory Union Safety meetings on 9/13. Planning and Operations Section Staff met with FEMA partners on 9/14 to align plans and provide reciprocal training in DLAN/ WebEOC.

DEMHS Staff attended Radiological Emergency Preparedness meeting held with VDH on 9/12.

Local Emergency Operations Plan submission rate is now at 88%; higher than the 2015 submission rate.

Op-Ed from DEMHS Director on the importance of preparedness in the home sent to local media. Local newspapers printed and VTDigger ran as a commentary.

SHMO updated Congressional staff in response to further inquiries regarding Waterbury's 5 Healy Court HMGP elevation project. FEMA's determination is "in final review."

Fire Safety

The Division received \$11.9 Million in new plan review construction valuation collecting \$92,000.00 in permit fee revenue.

Director Desrochers will be on the Across the Fence Program October 6, 2016 speaking about smoke and carbon monoxide alarms and public fire safety education.

Over the past year the Vermont Division of Fire Safety in partnership with the New Hampshire State Fire Marshal's Office and the Carbon Monoxide Alliance (Dartmouth Medical Center) have been discussing strategies and building partnerships with other interested organizations including the Red Cross to bring forward an awareness to the CO problem. There has been a lot of work completed in regards to gathering data, survey heating technicians and others to better understand the preventable, structural, and personal causes of carbon monoxide incidents. On November 30, 2016 there is a CO Summit being sponsored by the CO Alliance at the Fire side Inn, Lebanon, New Hampshire more info to follow.

Assistant Fire Marshal Paul Cerutti was served a subpoena. DPS staff attorney Thomas Tarnow is aware of this and the case involves a gasoline fire suppression system accidentally discharging. The suppression system activation caused a woman in a car to accelerate out of the way running over a pedestrian. The pedestrian dies as a result. The suppression system company did some work to get the system back on line and it may have discharged again accidentally. Senator Vincent Illuzi is representing the family. We will provide records of the inspection and so forth likely validate the inspection reports, but Thomas will have more info shortly on this.

Joint Fiscal called referencing our fee for plan review.

Vermont State Police

A Troop-

FF

20 Total Arrests, 6 DUI

Adult male swimming in Bolton, got into swift water and clung to a rock until rescue arrived and brought him to shore.

Armed robbery in Highgate, search warrant led to a confession.

BCI

Follow up on a suspicious case. Female came to the barracks reporting she was told by a coworker that her uncle had admitted to killing a person. D/Sgt assigned.

15 year old female alleging she was sexually assaulted in the Town of Johnson. D/Tpr assigned.

Robbery investigation in Highgate. Lone male entered a store and grabbed female and escorted her to the cash register. Male then garbed over \$500.00 in cash and fled on foot. Lengthy investigation ensued with uniform and BCI. Male suspect arrested on 9/9/16. More arrests to follow.

Untimely death in Fairfax. Elderly female found unresponsive at her home by a case worker. D/Sgt assigned. Natural death.

Assault case at NWCF. Inmate on inmate. D/Sgt assigned.

Suspicious case in Northfield. 13 year old male transported to the CVH after going unresponsive at a friend's house. Believed to be a possible overdose. Male was transported to UVM Medical Center and treated. D/Sgt was called out to investigate. Initial information showed the male had possibly taken his mother's, boyfriend's medication before going to his friend's house. Northfield Police department keeping case. Male was believe to be a potential fatal overdose but was brought to the hospital in time for immediate care. Northfield PD conducting interviews on 9/11/16 with family and male victim.

Sex Asslt investigation. Two children ages 7 and 9 were taken to ER after disclosing to mom that their father had been assaulting them. Tpr Crick assigned.

B Troop-

FF

12 Total Arrests, 6 DUI

The new Troops in Derby have successfully completed their FTO period and are now working the road.

PC's have all been working on projects related to increasing motor vehicle enforcement, patrol areas, school outreach and community business outreach.

Sgt. met with teachers at the Derby Elem. School and Lake Region School in Barton for public speaking events.

Arrested an employee at Jay Peak resort for burglary. This was an investigation which started several weeks ago and through the investigation it was learned that the male subject burglarized a restaurant at the resort.

BCI

Report of from the Danville school alleging that a staff member was in possession of Child Pornography- Unfounded/ false allegation.

Report of child abuse in regards to a child reportedly being handcuffed and high on heroin. Investigation determined all allegations were unfounded.

Correctional center case involving a visitor bringing in contraband to an inmate during visiting.

Sex assault investigation. Female alleging that she was sexually assaulted 38 yrs ago when she was 11 yrs old by two 12 yr old males.

Report of a 3 yr old female stating she was touched by her father. Mother recorded her daughter responding to questions she was asking.

Assist NYSP with identifying a suspect in sexual assault case in NY.

Death Investigation in Fairlee, VT 89 yr old male – Natural

Death Investigation in Thetford, VT 64 yr old female – Natural.

C Troop-

FF

15 Total Arrests, 2 DUI

Investigation of a fatal ATV crash in Tinmouth.

Assisted DCF with an ECO and the removal of three minors from a residence in Florence.

Tpr. conducted a consent search of a vehicle w/ATF on a firearms dealer who was in possession of approx. 75 firearms under suspicious circumstances. ATF is going to continue the investigation.

Tpr. executed a search warrant on a property in Poultney where he recovered 31 marijuana plants.

Missing person complaint fielded by Sgt. and BCI. The 40 year old female (in parents' custody/guardianship) was located in Washington DC, as she was trying to travel to Texas.

Assist to NIU resulting in 10 bags of Heroin.

Executed a Search Warrant at a residence in the Town of Bennington which resulted in an arrest and recovered 12 lbs of marijuana, 11 lbs of THC extract oil, 49 ounces of BHO Hash Oil, 2 lbs of edibles, 72 prescription pills, 34 marijuana plants from an indoor grow operation, and 10 firearms to include several semiautomatic weapons. Troops were assisted by BCI, and BPD for the execution of the SW.

Provided two K9 drug assist to BPD for searches.

Conducted a full day of firearms combat training at the Barracks incorporating first aid and trauma in the field during combat.

BCI

New Case/Special Investigation.

New Case/Dead Body; Death of a ninety-year old male at his residence in West Haven. Death deemed natural; no autopsy.

Assist by photographing injuries to a one-year old child relative to a child abuse investigation in Proctor.

Follow up consultation with family regarding suicide by firearm in Pittsford.

ATL witness in Bristol for interview relative to embezzlement investigation.

Followed up with next-of-kin on suicide guns in evidence.

New case. Missing person. 40y/o Laurie Bassett, suicidal, mental health issues, parents Larry & Karen have guardianship. Later located on a plane from Albany to DC, ultimate destination Dallas. Held by Reagan Airport Police until arrival of parents.

New Case –Sex offense – 4 y/o male reportedly disclosed to bio mom that bio dad “tickles his penis.” Interviews conducted with Bio mom, bio mom’s boyfriend and 4 y/o male. No disclosure from 4 y/o. Follow up interview to be scheduled.

Case follow up - Pornography – received call from POI’s mother after having left several messages throughout the summer months. Scheduled to meet on Monday, September 19 at New Haven Barracks.

Continue scan of Shaftsbury evidence.

Work on Rutland evidence room.

Executed search warrant on residence in Bennington. Large indoor grow, prescription pill, BHO and other THC extraction products found. Two people arrested and charged.

Assisted NIU with cultivation of CI and a control buy in Bennington.

Completed case for pursuit/possession of control substance.

Collected evidence from correctional center reference assault on staff.

Attended Sexual Assault Response Team meeting.

New Case: Sex offense involving 16-year-old male and 46-year-old male that occurred three years ago. Investigation continues.

New case: Report of subjects using child to transport contraband into the correctional center. Investigation continues.

New case: Altercation between two inmates at correctional center.

New case: Reported assault on correctional staff. Review of video and consultation with S.A. revealed not an assault.

Follow-up with family on 2003 sex offense.

Sexual Assault Response Team (SART) Meeting.

Trial preparation with Victim (Age 12), SA’s Office and DCF.

Case Follow-Up: Sex Offense. Town of Brandon. It was reported a 23-year old male subject sexually assaulted a 23-year old female subject. Witness Interviews conducted and reports.

Scheduled meeting with Randy Watson, Board Director of the IAAI, regarding fire investigation from 2013.

Assisted Hartford Fire Marshall with his fire investigation in West Hartford.

Called out for Cornwall Covered Bridge Fire.

D Troop-

FF

12 Total Arrests, 4 DUI

Responded to a vandalism complaint in Weathersfield; upon attempting to investigate, a domestic occurred between the victim of the vandalism and her son; she was subsequently arrested for Domestic Assault.

Responded to a one vehicle crash on I91 in the work zone in Brattleboro; arrested one for DUI.

Stopped a vehicle going 100 mph on I91 in Rock. Arrested one for Excessive Speed and Cruelty to a Child (infant and young juvenile in the vehicle).

Responded to a report of a vehicle parked in the road and arrested the operator for DUI.

Responded to a disturbance in which a female had threatened another female with a knife.

Stolen vehicle was located in Hartland.

BCI

Death Investigation-Ginseng Ln Brookline-87 yod female-natural causes-no autopsy.

Sex assault @ BFUHS-16 yod victim, 18 yod offender-both students at the high school; interview victim at CAC, deal with school administrators, and attempt to make contact with offender.

After action de-brief for Putney shooting.

Transferred evidence to WRJ for Westminster homicide.

Worked on evidence logging at Westminster.

Assault at Southern State Correctional. Correctional Officer hit by inmate. Under investigation.

Missing 16 year old from Bondville, VT, interviewed family, friends, associates, witnesses, collected security video footage, evidence, etc., subsequently located at the end of the week on the evening of 9/9

Assigned sex assault 17-year-old female allegedly sexually assaulted by 15-year-old male at a home in Bethel during Labor Day. FI with victim done. SANE kit collected and delivered to VFL.

TOPS-

CV Fair and clean up.

POLYGRAPH-

5 pre-employment polygraphs for OPD.

Prepared for potential criminal polygraph for Hartford PD.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: September 16, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Montpelier – 115 State Street – State House Flowerbeds: On September 16th, Landshapes will install the fall flower scheme. With the Commissioner's review and approval, Tricia ordered the tulip and hyacinth bulbs for Grounds to plant the last week of October.

Randolph – VAEL – New Construction: Still waiting for the decision from District 3 Commission on our Act 250 Permit application. They should be deliberating this week and, hopefully, close the hearing. We will keep you informed on progress. DRB Appeal Status Conference is scheduled for September 19th. We have heard back from Pierre's attorney. He apparently is too busy to meet this week, but they provided some thoughts for our consideration. They also included concerns with the VTC Digester, so our attorney will be discussing with Bill Griffin as to our approach. We can live with some of the suggestions, but we should discuss further as to what we can agree to. We need to discuss the Status Conference with the attorney so we know what to expect.

West Springfield, MA- BIG E – Vermont Building: The outbuilding and interior renovations are complete. The Fair begins September 16th. The Master Plan Design team will visit the Fair on Friday morning, September 23rd.

RUSF – Ice Rink on State House Lawn – Risk Management & Capital Complex Commission: Judy is waiting to hear back from the Capitol Complex Commission to schedule a meeting with them, the City and Risk Management. Capital Complex Commission is to meet after any Risk Management issues are addressed. The City has submitted a proposed MOU – that includes BGS conditions and it needs to be reviewed by legal.

Surplus Property – Hoskinson House – Plymouth (adjacent to Calvin Coolidge homestead): Property Management has issued an RFP for disposal of pole barn, garage, house. To go "as is, where is." BGS Maintenance invited to look at generator/tools.

Operation Plans: Have executed plans for Fair Haven, Bennington, and Randolph and signed by Signed Exit 4 Randolph – Sammis: There has been no recent news/communication that I am aware of. Should BGS be reaching out to Mr. Sammis? The Commissioner contacted Sammis for an update on status of the project back in May. Sammis indicated displeasure with level of contact/support in June.

FINANCE AND MANAGEMENT

Nothing new to report.

HEALTH CARE REFORM

Nothing new to report.

HUMAN RESOURCES

Issue Updates:

- Coordinating rationale regarding charging fees for certain inspections of public records with Governor's Counsel and Attorney General's Office.
- Conducting interviews for attorney study.
- The migration to the new VTHR/Vision storage environment is going very well so far. During initial testing by functional users, some processes did run faster than when on the old storage system.
- Work across all divisions to assist Workers Compensation on the transition to PMA. There is much left to do on a very short timeline.
- The new statewide Learning Management System will be called SOV LINC: Lead. Innovate. Navigate. Connect. It will go live by the end of the month.
- The change to auto enroll new employees into life insurance will take place in the beginning of October.
- Progress made on benefits premium rate development. Recommendations will be made soon.
- Mapped out a plan for moving to a new talent acquisition module which is the tool applicants and managers use to navigate the hiring process. The goal is to get an RFP out this winter.
- The flu shot website went live this week. So far there is a lot of interest. The site can be viewed here: www.passporthealthusa.com/LiveWellVermont.

INFORMATION AND INNOVATION

Evolving Issues:

AOA Worker's Comp System:

- DHR and DII ERP Technical services are working to implement integration and operational processes for the new Worker's Comp system.
- Implementation of the new system has a hard completion date of October 2nd.

Web Updates:

- The new Green Mountain Care Website will be launching as soon as staff have completed final review.
- The new Veteran's Affairs Website will be launching as soon as final review is complete.
- The new ACCD Website is now live at accd.vermont.gov.
- A Web Portal Board Meeting has been scheduled for 10/14 at 3:00.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

Air BnB Agreement: Press materials went out this morning. Answered a couple calls.

Online Travel Company: Assessments, in the aggregate, \$5M, went out; law firm believes from other state experience some companies will pay now, or after administrative hearing – before it goes to court anyways.

Meeting JFO: Steve Klein had many complementary things to say about Tax – our successful IT project and our data team in particular. He would like to push the Dept. of Revenue concept – ironically, first championed by Tom Pelham, but Steve's point being that with our IT and staff Tax is in the best position to collect money for other agencies. The groundwork has been laid with a Collections Study and regs that Sen. Ashe had us prepare; Steve suggested a White Paper as the next step. Steve is conflicted about property tax data work – Deb Brighton has only two years left as JFO consultant. Steve and Deb are very comfortable with Tax taking over Deb's functions in estimating property tax adjustments – he is just concerned that then JFO will have no way to run scenarios for legislators.

Operations Update:

Personnel/Union Issues: Union sent a very leading survey to employees at home (in the, “when did you stop beating your wife” vein) – some employees expressed annoyance.

VTax Project: Team continues to report high stress among project staffers, but no immediate red flags. There is some discussion of scaling back our next/last Phase and adding a Phase 5 so the VT project team can catch their breath, and do a deeper dive on learning everything about the system before the full FAST project team pulls out. We are going to strategize how we might re-negotiate the contract – FAST already has suggested it is amenable to tailing out of Vermont on a slope rather than cliff. However, they just won another huge contract – California – so they will have personnel pressures.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: September 16, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates:

Nothing to report

Press Issues/Releases/Contacts:

Nothing to report.

Significant Events/Meetings:

The Liquor Board met via conference call on Wednesday September 14. Proposed regulations updates will be filed via the APA process in October; this update will address off-premise delivery of beer and wine by Class 2 licensees to private residences.

Summary of Key Department Activity:

Agency Issues:

We await the upgrade of our IT systems and further progress with the new operational policies and procedures for our existing 80 agents before adding new agents.

Staffing:

Interviews are mostly scheduled for the week of September 26 for applicants for the Principal Assistant position.

D.C. Kessler has recommended waiting to submit the RFR for reclassification of the warehouse supervisor's position, until after he has met with DHR to discuss their findings in the Warehouse Worker I & II upgrade requests.

The proposal to upgrade a warehouse 2 position to a supervisor position has been tabled until the current, singular Warehouse Supervisor position has been reclassified.

The Temporary Warehouse Driver position recruitment is now closed, with decisions being made as to an offer.

Warehouse Reorganization:

New shelves have been labeled and inventory is starting to be placed in the new storage area.

Commissioner's Commentary: Arrangements to do a VDLC operational change presentation in Detroit, Mi. at a national event in mid-September, have been finalized, with me traveling September 19 & 20.

Departmental arrangements for an October N.A.B.C.A. Administrator's Conference in Burlington are nearing completion.

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Chuck Ross, SECRETARY

**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: September 16, 2016

Secretary Ross went to Washington DC to meet the Congressional Delegation and discuss upcoming Farm Bill.

Agency filed the Required Agricultural Practices (RAPs) with LCAR on Wednesday, September 13, 2016. LCAR has scheduled review of October 20, 2016.

Kristin Haas, State Veterinarian, communicated with the Joint Fiscal Office this week regarding the approval of a new federal grant that would enable VAAFM to engage in necessary education and outreach re. the topic of drug residue avoidance in meat products originating in VT.

Kristin Haas, State Veterinarian, taught a portion of the Level 2 Animal Cruelty Investigation course that was offered at the VT Police Academy for humane officers. The presentation focused on the ways in which humane officers work with VAAFM during cruelty investigations.

Produce Program Collaboration with UVM Extension - Abbey Willard, Shelley Mehlenbacher & Kristina Sweet - met with UVM Extension staff and leadership to develop a plan for collaboration on implementation of the Food Safety Modernization Act (FSMA) Produce Safety Rule.

Lauren Masseria and Stephanie Smith, VAAFM attended the Northern New England Chapter of the American Planning Association annual meeting and made a presentation alongside Ken Belliveau, Director of Planning, Williston on farmland protection strategies at the state and local level in Vermont. They shared Vermont's approach to protecting farmland including Act 250 mitigation, farmland conservation and the diversity of technical services and some funding opportunities available to farm and forest business operators in the state.

The VAAFM counsel submitted an entry of appearance to the Public Service Board (Board) in the Otter Creek 1 Solar Project (4.99MW) and will do so for Otter Creek 2 (1.2MW) proposed in Rutland town on a 54.61 acre parcel containing approximately 20.8 acres of important farmland soils as mapped by the Natural Resource Conservation Service, USDA. The VAAFM now has a duty to appear, provide evidence and make recommendation to the Board in proceedings regarding whether there will be any undue adverse effects to natural resources with due consideration given to impacts to "primary agricultural soils" (PAS), in addition to other concerns raised by the Board. The VAAFM is just beginning this review and will work with counsel to participate in the proceeding. At this time the Agency believes there are two other projects for which it participation will trigger.

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**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: September 16, 2016

Significant Meetings:

- Kristin Haas, State Veterinarian, taught a portion of the Level 2 Animal Cruelty Investigation course that was offered at the VT Police Academy for humane officers. The presentation focused on the ways in which humane officers work with VAAFM during cruelty investigations.
- Produce Program Collaboration with UVM Extension - Abbey Willard, Shelley Mehlenbacher & Kristina Sweet - met with UVM Extension staff and leadership to develop a plan for collaboration on implementation of the Food Safety Modernization Act (FSMA) Produce Safety Rule. The team discussed Extension and VAAFM produce safety program development and funding, a shared model for strategic program planning, a potential digital resource for Vermont on-farm food safety resources, and upcoming training opportunities for technical assistance providers and regulators. The group will meet every 2 to 3 weeks in the coming months to collaboratively implement future programming for FSMA implementation and ensure all Vermont produce growers have the resources they need to meet state, federal, and buyer-driven food safety requirements.
- Assistant State Veterinarian administered an oral practical exam for a Certified Euthanasia Candidate at a Registered Animal Shelter. VT Human Euthanasia for Animals regulations requires shelters performing euthanasias to be inspected and registered and have a certified euthanasia technician on staff.
- Lauren Masseria and Stephanie Smith, VAAFM attended the Northern New England Chapter of the American Planning Association annual meeting and made a presentation alongside Ken Belliveau, Director of Planning, Williston on farmland protection strategies at the state and local level in Vermont. They shared Vermont's approach to protecting farmland including Act 250 mitigation, farmland conservation and the diversity of technical services and some funding opportunities available to farm and forest business operators in the state.

Evolving Issues:

- Kristin Haas, State Veterinarian, worked with a dairy farmer in Pawlet who found a raccoon in his dairy calf barn that subsequently tested positive for rabies. Due to the circumstances, a quarantine was not established, but close monitoring of the heifer calves for up to 45 days was recommended, and the farmer was urged to vaccinate his herd for rabies.
- A pre-hearing meeting was held this week with a licensed livestock dealer who had illegally imported multiple horses from NY. A complicating factor in this case was that NY was dealing with an outbreak of Equine Infectious Anemia (EIA) at the time, and the imported horses were not EIA tested as required by VT import rules.
- Kristin Haas will serve as Secretary Ross' designee on the Animal Welfare Investigation Board, which is tasked with making recommendations to the Legislature by January 2017 for improving VT's animal welfare investigative process.
- Kristin Haas, State Veterinarian, communicated with the Joint Fiscal Office this week regarding the approval of a new federal grant that would enable VAAFM to engage in necessary education and outreach re. the topic of drug residue avoidance in meat products originating in VT. It is important to be able to begin this scope of work on time in order to meet the expectations in the grant and providing needed resources to the VT agricultural community. The grant is currently awaiting approval from the Governor before being routed to JFO.
- Animal Health Section is working with USDA Veterinary Services to investigate a farm the illegally imported swine from NH. As this is a first time offense, staff will visit with the producer to provide education around VT import rules. Staff will also take the opportunity to discuss disease prevention practices with the producer.
- Animal Health Section received an animal welfare concern regarding a petting zoo and refereed the complaint to the VT Humane Federation and USDA Animal Care, as the facility is licensed with AC. The AC website has a section for reporting complaints.

Summary of Key Agency Department Activity

Administration:

Land Use Section

New VAAFM Role Section 248 Review under Act 174

- The VAAFM is developing procedures (review and bill back procedures), templates, and systems for its involvement in Section 248 review under Act 174. This week it met with a member the Office of Planning and Policy, ANR and heard about its role, process and resources used for review of net-metered energy generation facilities, including a demo of ODIE, its workflow/case tracking database.

Act 174 Department of Public Service Planning Standards

- The DPS shared a draft of the enhanced planning standards for municipal and regional plans. The VAAFM included comments primarily addressing three points: planning process- the draft standards only addressed planning outcomes and not process; balancing land uses against competing needs as outlined in the CEP- the draft standards did not address balancing commercial, residential, and industrial development with energy generation siting development; and incorporated more emphasis in biogas/ digester heating and electrical generation as a renewable generation option that also has

the potential to address needs identified in universal recycling and improving water quality, two other important state policies goals.

Section 248 Project Review

- The VAAFM counsel submitted an entry of appearance to the Public Service Board (Board) in the Otter Creek 1 Solar Project (4.99MW) and will do so for Otter Creek 2 (1.2MW) proposed in Rutland town on a 54.61 acre parcel containing approximately 20.8 acres of important farmland soils as mapped by the Natural Resource Conservation Service, USDA. The VAAFM now has a duty to appear, provide evidence and make recommendation to the Board in proceedings regarding whether there will be any undue adverse effects to natural resources with due consideration given to impacts to “primary agricultural soils” (PAS), in addition to other concerns raised by the Board. The VAAFM is just beginning this review and will work with counsel to participate in the proceeding. At this time the Agency believes there are two other projects for which its participation will trigger.

Act 250

- The VAAFM is working with NRB enforcement on LUP #5W1480 Windy Wood, Barre, Vermont to address a payment of \$149,000 for off site mitigation which has not been received prior to commencement of construction.
- The Agency will respond to a hearing recess order for LUP #4C1284-2 on a request for precedent and statutory language that proposed onsite mitigation “on a project parcel be readily accessible, when the same parcel that is not readily accessible can be considered primary ag soils.”
- The ANR Atlas now contains the polygons of each individual onsite mitigation area protected via an Act 250 permit condition since 2006. Other information available through the Atlas via a live link to the ANR permit database are the land use permit and the onsite mitigation map, when available. The VAAFM has copies of all documents if not available in the database. The Agency will share this information with regional planning commission, municipalities and others to assist land use planning work and explore the options or ways to these lands for agriculture.

Food Safety and Animal Health and Consumer Protection:

Animal Health:

- Animal Health Section completed Pullorum and avian influenza for the poultry exhibit at the Tunbridge Fair. Monitored livestock with import and identification compliance. Applies Scrapie tags to unidentified goats (per state and federal rule, all sheep and goats must be identified with Scrapie tags if they leave their farm of origin) and assisted another producer with obtaining tags for her sheep. Section also worked with a pig event producer to properly import his animals from NY into VT to perform at the fair. Staff also assisted the poultry super in setting up a separated exhibit space in the poultry barn for NPIP participants showing their birds.
- Animal Health Section continues to promote the swine biosecurity initiative and appreciates the support from the Communications Team regarding advertising, social media notices, and partner emails.
- Animal Health Field Staff
 - Provided an inspection and base level flock testing for a new National Poultry Improvement Plan participant in Sharon.
 - Provided animal identification and movement supplies to a veterinary clinic in Franklin County.
 - Completed 2 farmers market inspections
 - Staff worked at the Vermont Bird Fanciers Swap in Waitsfield and completed PT testing and avian influenza sampling. Staff also provided information on the biosecurity initiative for swine and set up appointments with poultry producers at the swap who also happened to have swine. Everyone has swine.
 - Completed animal traceability surveillance activities at a livestock facility in Enosburg.

- Completed an annual inspection of an NPIP participant in Northfield, and completed required Pullorum and avian influenza testing to maintain producer's status in the program.
- Assisted a humane agent with the Addison Co Humane Society regarding welfare of cattle in Cornwall.

Meat Inspection:

- PHV completed humane handling annual reviews.
- Following up with Katie Pohl in the AGs office regarding the agency's civil rights complaint process.

Compliance:

- Sales of uninspected meals that contained meat and poultry at a retail location in Milton that were produced at the Owners restaurants in Fairfax and St. Albans.

Produce Program:

- Produce Program Coordinator Kristina Sweet conducted a fifth and final produce safety audit for the 2016 season on a Chittenden county farm participating in the Vermont Vegetable & Berry Growers Association (VVBGA) CAPS (Community Accreditation for Produce Safety) program. Hannaford has agreed to accept CAPS accreditation in lieu of Good Agricultural Practices (GAPs) certification for farms that undergo CAPS accreditation with the addition on-farm audit. The audits are part of a pilot component for the CAPS program. Five CAPS farms underwent audits this year; advisors from VVBGA, UVM Extension, Hannaford, and the Agency of Agriculture will evaluate results from the pilot in order to refine the audit component in future years.

Agricultural Resource Management:

Vermont Agricultural and Environmental Lab (VAEL)

- VAEL's Lab Evaluation Officer, Wendy Blackman, has been out in the field this week to do a supplemental evaluation of the lab at St. Alban's Co-op and an initial evaluation of the Hillside Creamery's new lab.
- Kristen Needham is developing the capability to test for Powassan Virus in the ticks collected by Alan Matthew's group in Plant Industry. She is in contact with the Wadsworth Lab in New York state to get positive control materials and should have cost estimates for the test procedure by the end of October.
 - The lab has ordered a new multi-channel thermocycler that will make it possible to test for the multiple strains of the virus.
- An updated method for detecting neonicotinoid pesticides in bee pollen is under development by Dave Crosby in VAEL's Organics Department. Candace Barber is providing backup to Dave to allow him to focus on this new method.
- VAEL has posted a position for a chemist to work in the Inorganics Department's Metals Center to run tests for feeds and fertilizers and assist with metals detection.

North Lake Contractor Initiative:

- Bills have been submitted for payment, were approved and the business office is processing those requests
- Activation letters continue to come in and have been submitted for signature and several others are currently under review.
- Staff continue to coordinate with North Lake contractors as projects move forward.
- Onsite visits continue with North Lake Contractors, farmers and AAFM staff.

- Staff continue to meet every other week for status updates. NL contractors will be invited to call in to these meetings if they wish to discuss programmatic or farm specific issues.

Small, Medium and Large Farm Operation (SFO, MFO and LFO) Programs:

- Staff are continuing to develop and test the FoodSafety Water Quality database.
- Staff continue to review 5 applications for LFO permit amendments or applications to become an LFO.
- Staff continue to analyze data for developing territories for the SFO program.
- Inspection report write-ups on Medium and Large Farms are numerous and ongoing.
- Staff are working on use cases with the Agency GIS team
- Staff continue to attend WQ Communications meetings
- Meetings continue with staff concerning the enforcement process and developing protocols
 - A written policy and procedure was presented to the inspection staff for review and comment. Final draft will be out soon.
- Staff continue to develop RFP program deliverables and framework for Alternative Phosphorous management.
- Staff members continue to review inspection reports to be submitted to the enforcement team; these meeting will be ongoing throughout the field season.
- Several field days were held by UVM Ext covering a variety of topics; VAAFM staff attend and provided the latest VAAFM informational handouts to attendees.
- The Vermont Citizens Advisory Committee was attended by several staff members
- 4 MFO inspections were conducted by staff in Caledonia, Addison and Franklin County
- 1 SFO complaint investigation was conducted in Franklin County
- 1 SFO technical assistance visit was conducted in Franklin County
- Staff provided final comments on Missisquoi and Lamoille Basin plans
- North Lake Farm Survey Data continues to be processed by staff
- Supervisors continue to develop work flow plans for staff
- A Phosphorous Index Stakeholders meeting was held in which Agency staff attended
- Staff attended meetings with DEC for Ag BMP tracking
- RCPP meeting
- Staff submitted comments on RAPs
- Farm location data sets being compared and edited in preparation for uploading to database

Secretary's Report:

Secretary Ross went to Washington DC to meet the Congressional Delegation and discuss Upcoming Farm Bill.

Secretary Ross attended the Vermont Feed Dealers and Manufacturers Association meeting and was part of a panel discussion on the topic of "Agriculture Adapting to a Changing Climate".

Secretary Ross and Deputy Secretary Bothfeld held a Dairy Leadership Meeting giving dairy leaders the opportunity to share their concerns with the Agency.

Secretary Ross and Deputy Secretary Bothfeld participated in a panel discussion entitled "More Than Milk: Dairy's Impact in Southern Vermont" held at the Vermont Agricultural Business Education Center in Brattleboro.

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To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: Sept 16, 2016
Re: Weekly Report

Status of Governor's Priorities:

none

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

none

Significant Events/Meetings:

none

Evolving Issues:

none

Summary of Key Agency Department Activity:

After two months our sales and profits look like this:

Year To Date	Actual	Budget	Last Year	Diff to Budget	Diff to LY
Sales	\$19,100,000	\$17,600,000	\$17,700,000	\$1,500,000	\$1,400,000
Profits	\$ 3,900,000	\$ 3,200,000	\$ 3,400,000	\$ 600,000	\$ 400,000

We continue to try new offerings with variations of prizes. Later in Sept we will receive some research results that were modeled after very similar research from 8 years ago and 4 years ago, hoping to see some response that support what we are doing and what we are planning.

We have selected two new hires that should be starting within a few weeks. This will refocus us on training and be a relief to our efforts to cover the duties.

Executive Director's Commentary:

VLC continues to review break open ticket sales info to determine what efforts will be made this year to reverse the restriction on lottery licensing in privately owned bars and restaurants. We have receive guidance from AAG on how to proceed with sales data.

Sent from my iPhone