

WEEKLY REPORTS

Checklist
1/16/15

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☒ VT Commission on Lottery – Greg Smith

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London

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

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Mike Hogan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: January 16, 2015
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

VCFA: We met with Bill Kaplan of VCFA, his attorney Chris Roy of DRM, and Jay Ancel of Black River Design along with our historic preservation team. We came to a resolution on all issues. We need to do follow up regarding mitigation measures. But we seem to have found a path forward. Tom Greene was not in attendance which is probably why we made progress.

Brattleboro Memorial Hospital: This week I met with Steve Gordon and Dr. McGraw of BMH. They are angry that they did not receive any Windham County Economic Development funding despite being the top scorer through the VEPC process. I relayed to Steve many times that he is not a capital importer, not providing transformative change or entrepreneurial activity that is sustainable, yet he persists. He argues he is providing transformative change in the healthcare industry by providing primary care doctors, their most difficult to attract and retain, with “advanced medical assistants” who can provide technical support for the doctors giving them more time with the patient. He says this is being done elsewhere in the country but not New England, and will help him attract and retain primary care physicians. He makes a compelling argument as he and the Brattleboro Retreat are now the largest employers in Windham County after the closure of VY. I keep telling him he's a square peg in a round hole with this funding source and he insists he is a "business" that is creating jobs. Therefore I asked him to consider a loan. He could get attractive financing terms but it would be a loan. Further to consider a smaller amount so he could start with fewer than 7 advanced medical assistants. A loan would be more palatable if in fact he wants to be considered a business. I'd appreciate your thoughts.

IBM/Global Foundries: Janette Bombardier is unable to consider our R&D proposal till Friday or next week. I relayed her concerns regarding route 22A to the Vtrans team. She reports she's overall happy with the workforce activity that is happening, but wishes she had a single resource to go to for veterans, unemployed, training etc. She said it's great to find the resources, but it requires 4-5 calls not just one. I will relay this to Annie.

Much of the week was prepping for the budget address, wrapping up reports and legislative overviews.

LEGISLATIVE ACTIVITY

- **Act 199 (S.220):** As of this writing, Lucy and Lisa are in House Commerce for their review of Act 199, last year's economic development bill and will report back to Sue Allen with a summary of any issues that may arise. Pat is in Sen. Econ. Dev. Friday to discuss the Vt. Training Program and Tourism study, parts of Act 199.
- **Economic Development Bill:** Lucy and Pat met with David Hall of Legislative Council at the request of Chair Botzow to begin moving forward on drafting language for ACCD initiatives for this session. Namely, the VEGI changes and the Vermont Strong Scholars language changes. The tourism funding changes were not yet decided at the time of the meeting, and will be included in subsequent drafts.
- **Technical Changes to Act 190:** Kiersten, with Public Service, drafted language to support small changes to last year's H.297. Generally, changes reflect details associated with establishing the Division for Connectivity at Public Service and also suggested adjustments to the high-cost fund. Also reviewed legislative counsel's draft E-911 language.
- **9 (L)**
 - Noelle joined Sec. Markowitz, Jon Groveman and Trey Martin from ANR and Chris Cole from AOT in a meeting with several Rutland County Legislators to discuss 9 (L), review of solar development and other the pressing need in Rutland County for jobs and economic development.

- Noelle will attend a joint meeting of Senate Natural Resources and Economic Development, Housing and General Affairs Committees next Wed. Jan 21st. Meeting with Jon Groveman and Trey Martin of ANR to discuss messaging and strategy. Ron Shems has been asked to testify. Sen. Bray has been in touch as requested a meeting to ‘get up to speed’.
- Noelle met with Reps Klein and Ellis to discuss how 9 (L) has been implemented.
- Jen provided an overview of DHCD’s Housing Work and the *2014 Housing Budget and Investment Report* to the House General, Housing and Military Affairs Committee.
- Jen provided a presentation of the Highlights of the Housing Needs Assessment to the Senate Economic Development, Housing and General Affairs Committee.
- On behalf of the Housing Council, Jen provided a presentation of the *Report on Vermont’s Renter Rebate Program* to House General, Housing and Military Affairs.
- Jen also met with Ways and Means Committee member Adam Greshin to discuss the Renter Rebate Report and presented the report to the Vermont Affordable Housing Coalition at its monthly meeting.
- **Energy in Affordable Housing Report:** In a meeting led by the Public Service Department, Jen participated in the review of a legislative report describing recent efforts to streamline, enhance and coordinate energy efficiency incentives and funding for single and multi-family affordable housing. The Report to the Legislature was the result of a compromise between weatherization programs and affordable housing nonprofits brokered by DHCD in the thermal efficiency bill of 2013. As outlined in the nearly final report, significant progress has been made.
- Lisa Gosselin responded to Sec. 7, Act 199 and prepared and submitted on January 15 the required report on "Financing and Networking Initiatives." The 17-page report identifies more than 25 events that reached over 700 entrepreneurs. It also details the many partners and outreach, ranging from lending partners, to technical assistance to pitch contests. Jared Duval also prepared an excellent report on the update on the Wood Manufacturer's Tax Credit. Lisa testified on Thursday, Jan. 15 before House Economic Development on the One Stop Shop portal requirements in Act 199 and also on the Networking Initiatives report. On Friday, January 16 Lisa testifies before Senate Economic Development providing an update on our department activities. In addition, Lisa worked with a team on the Budget Address.
- Jared finished Wood Products Manufacture study and submitted to legislature (House Ways and Means and Senate Finance). ACCD is recommending extension of the existing Wood Products Manufacture Incentive for an additional year, with an allocation of \$150,000 for FY16. Any comparative policy analysis and broader/prospective recommendations will wait until after the Working Lands Enterprise Board’s systems analysis of the forest and wood products industry is complete (summer 2015).

LUCY LERICHE, DEPUTY SECRETARY

- **Vermont Strong Scholars:** Lucy, Jess Simon, and Heather Pelham from the CMO's office, and Jill Remick from the Education Agency met to begin mapping out a marketing plan for this program. To begin, Heather will work with Jess to mock up a creative which we will use to begin a conversation with VSAC, who is reluctant to dedicate resources to this effort before any funding is committed. We have no budget for marketing, so we will create a plan using in-kind resources and networks. We expect students may begin applying to the program in July of 2015.
- **Amazon:** Amazon cut off Vermont companies from their affiliate program. Lucy is working with Cairn Cross of Fresh Tracks Capital to outreach to affected businesses in coordination with Commissioner Mary Peterson.
- **Burlington Town Center Redevelopment:** Members of ACCD, ANR, and VTRANS met with the developer and consultants on this exciting Burlington mall redevelopment project. We were all encouraged and impressed by the developers thoughtful approach and let them know we will do whatever we can to help facilitate an efficient and coordinated regulatory review.

KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

Telecommunications

- **VTA Transition:** Transition activities related to the VTA are ongoing and this week, a great deal of time was spent with VTA staff reviewing their plans to hire a third party to manage their (and soon-to-be our) fiber assets. We were able to simplify their proposal and asked that they revise their RFP to seek a firm that will manage and maintain the fiber, as well as deal with repair issues. Their initial proposal also sought the creation of a quasi-

oversight body to assist, which we rejected. We view this responsibility as analogous to a property management contract. Next steps will be to review the projected revenue from each segment and ensure that total revenues can cover the cost of the contract.

- **VTel:** I have begun working more closely with VTel as the deadline for their WoW project draws closer. With Public Service, we are strongly encouraging them to participate in weekly calls so we can define and solve roadblocks. We are also helping them identify backhaul options.

Brownfields

- **Fonda:** Now that the Mylan/State Office Building Project has been completed, attention will turn to redevelopment of the Fonda site. We secured funding to support the clean-up and I'll be meeting with the City soon to determine next steps.
- **New applications received:** Pearl Street, Burlington (\$300k loan); 20 Summer Street (\$151k grant).

Recruitment

- **BHS Composites:** provided additional information to this client, both via their consultant and directly. BHS seeks about 30k sf in VT and will create about 50 jobs. They are also considering forming a partnership with a NEK based company.
- **Torbel:** with Fred Kenney, met with this Portuguese-based company seeking to establish a US presence. Their initial interest is setting up a sales office, then will work toward setting up a production facility.
- Wrote/revised submissions to various eco development directories and publications.

Other

- **CONFIDENTIAL:** traveling to a GLOBALFOUNDRIES Supply Chain event next week in Malta, NY. Have let GF folks know that a couple of Vermonters will be present. Also asked if it was possible to visit the fab. Waiting on response. Additionally, have been doing a great deal of follow-up with VTrans and incentive proposals that will support IBM/GF.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay and Deputy Commissioner Hollar

Commissioner MacKay

- **CONFIDENTIAL: EDA and Vermont Economic Resiliency Initiative:** Trying to work out the billing issues with TRORC as they relate to indirect costs which are not an approved line item in the budget. Have been talking to EDA and will schedule a call with EDA/TRORC's Ex Director Peter Gregory and Noelle to see if we can find a path forward.
- **Solar Development:** Met with Luke Shullenberger of Green Lantern Development along with representatives of Winstanley Enterprises to discuss current solar development policies. They reached out to me per Rep. Ellis as they are interested in solar development in industrial parks. They were meeting the same day with Chris Recchia who I suggested is the best person to respond to their concerns, but that I would loop in the ACCD senior leadership team and check in with Chris.

Deputy Commissioner Hollar

- **Housing Needs Assessment:** Bowen National Research presented the Statewide Housing Needs Assessment to Housing Council late last week. The presentation generated a lively discussion and ongoing analysis and synthesis of the data will follow. Bowen is now completing reports for each Vermont county.
- **Homelessness:** Led by Angus Chaney of AHS, met with VSHA, VHCB and VHFA in an exploratory discussion of combining efforts and focusing resources to combat homelessness among families with children. HUD's focus on ending homelessness among Veteran's has seen significant success but family homelessness is on the rise.
- **LIHTC Qualified Allocation Plan:** With little debate, the VHFA Board approved changes to this year's qualified allocation plan recommended by the Joint Committee on Tax Credits. The QAP now awaits the Governor's signature. Changes include allowing senior housing projects to access 9% credits up to a target of 25% of the total annual allocation and increasing the development fee allowed for preservation projects that are new to the state's portfolio. Environmental Review and other factors have increased the complexity and developer risk associated with these projects. Fees for these will now be the same as for new construction.

- **Clean Energy Development Fund:** At a board meeting this week, staff presented the annual legislative report which shows the resounding success of the state's solar incentives in the stimulating the development of the solar energy sector in Vermont. The Small Scale Renewable Energy Incentive Program ended in December. The fund is now turning its attention to promoting modern wood heating. Also in the works is the use of ARRA funds to create a loan loss reserve to enable VEDA to offer 10 year loans at fixed rates to developers of solar and modern wood heating projects. The use of federal ARRA funds triggers a requirement for Section 106 reviews so these projects will be coming DHP's way.
- **Disaster Condemnation Training:** Met with the Department of Health, VLCT and Division of Fire Safety to discuss how to incorporate disaster condemnation into VDH trainings for local health officials.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

- **Two Rivers-Ottawaquechee Regional Commission, HUD Sustainable Communities Regional Planning Grant:** Richard attended a meeting held by the [ECV Sustainability Consortium](#) in White River Junction. The consortium adopted its multi-region plan, reviewed the recommendations and supporting metrics for implementation and discussed ways to integrate into regional and local municipal plans. The ECV Sustainability consortium wrapped up a 3-year regional planning effort that focused on eight areas which include Homes, Transportation, Climate Adaptation, Economic Development, Water Supply, Energy, Habitat, and Health & Society.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

Environmental Reviews (ER)

- A meeting to address a large funding gap (\$1.36 million) for the Enterprise Aly clean-up and revitalization project took place with numerous attendees representing VCDP, CP+R, VEPC/TIF, EPA, Brownfields, ECS, and Dubois & King. Steve Mackenzie, the City Manager was informed that the DR money that was allocated to him was no longer DR2 but now DR1 funds which provides for the possibility of having more time to spend the money, or more importantly, time to secure funding to fill the gap. He was also informed that DEC funding could be used earlier than he anticipated. Alan Peterson of EPA attended the meeting in order to stress the importance of cleaning up this site, and provided input on areas to attempt to reduce the costs, namely in the O&M costs that will be required for upwards of 8 years.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Mount Independence:** While out assessing the recent winter damage to the Orange Trail at Mount Independence, Elsa Gilbertson fell on snow-covered ice. Her wrist was broken and she must have surgery.

Environmental Review

- **Waterbury State Office Complex:** Laura joined Jamie at the Leadership Team Meeting. The topics for discussion included an overall update of the project status and goals, budget, schedule, detailed design and fit-up progress, transition management update, artwork installations, and National Register nomination status. A consultant to prepare the nomination has been selected and contracting is proceeding. The meeting was followed by a very cold, but sunny site visit to see the great progress being made.

State-Owned Historic Sites

- **Coolidge Site:** An article in the January/February issue of *Yankee Magazine* about a recently discovered collection of glass plate negatives includes two photographs of Plymouth Notch. The images, taken by the renown photographer Alton Blackington, show the Florence Cilley General Store in 1926 (an image we have never seen) and former President & Mrs. Coolidge standing in front of the Plymouth Cheese Factory in 1931. Amazing how much of the Cilley General Store has remained intact since 1926.



DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **ABA:** Megan attended American Bus Association Marketplace in St. Louis this week along with Christiane Skinner. This is our biggest motor coach show and many Vermont lodging properties and attractions were in attendance. For the second year in a row, five of the New England states had booths on the floor branded as Discover New England. We were actually approached by Quebec to see if they could be part of our group next year since they feel they should be part of New England! Karen Ballard from the Vermont Tourism Network, a division of the Vermont Chamber Tourism Department, worked closely with us on all aspects of the show.

Steve Cook, Deputy Commissioner

- **Windsor cooperative marketing:** VDTM developed creative proposals for Windsor's advertising campaign and submitted for review. The goal of this campaign is to raise awareness for the area. David Burnell of VDTM developed an approach that focuses on the history and heritage of Windsor. Designs are below. This cooperative campaign will focus on an out of state market.



- **NECN:** VDTM negotiated a broadcast campaign on the New England Cable Network (NECN) for winter broadcast. This campaign was completely paid for with travel trade provided by the Vermont Ski Areas Association. The schedule for this campaign will run during pre-Superbowl broadcasts. The spot was produced in-house by David Burnell.

COMMUNICATIONS ♦ Laura Peterson, Director of Communications

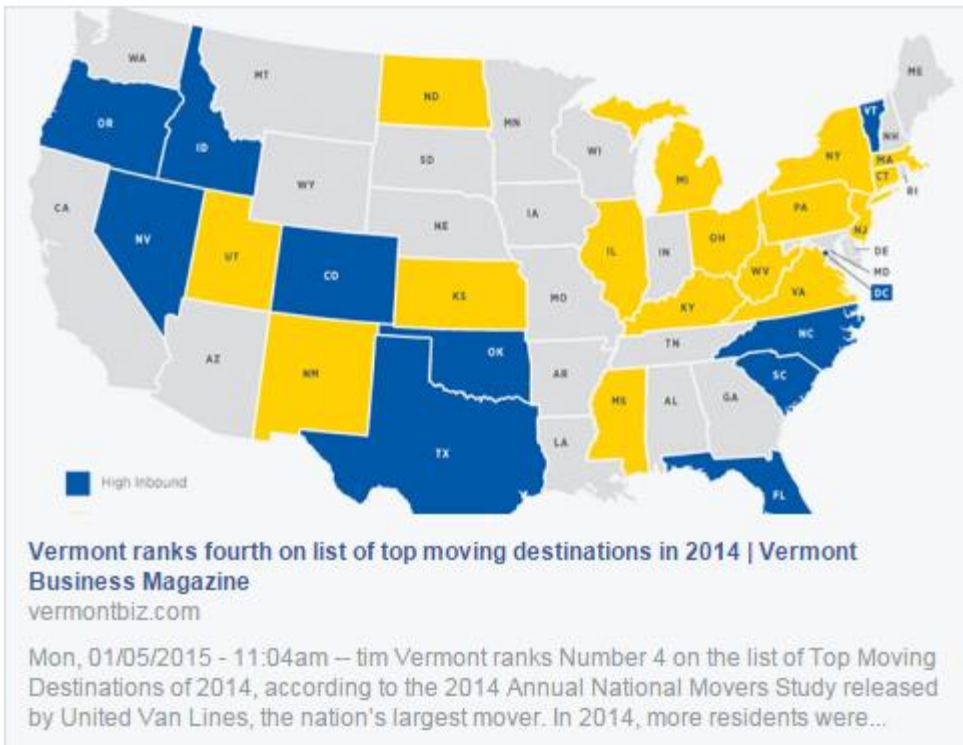
- **Media Support:** Laura worked with a food blogger on a visit to Woodstock and arranged a review of the Simon Pearce restaurant. Our campaign with Zipcar resulted in a [front-page article](#) in the Times Argus.
- **Social Media:** This week our Facebook page crested 30,000 "likes" and engagement trends were encouraging. New likes were up 91% over the previous week, weekly total reach was up 33.7%, and the number of people engaged was up 105%. The Facebook posting with the highest reach this week was one about Vermont being a "move to" state (over 7000 people reached).



Vermont Tourism shared a link.

Posted by Laura Peterson [?] · January 7

There's a reason people want to move to Vermont. Several reasons!



7,008 people reached

Boost Post

CULTURAL HERITAGE TOURISM ♦ Catherine Brooks, Cultural Heritage Tourism Coordinator

Cultural Heritage Projects

- **Vermont Civil War Sesquicentennial:** The Commission met this week and determined that formal work will conclude after the April 3 Farmers Night event: “Benediction: Lincoln and the Battle Hymn of the Republic.” The event will be presented by the Friends of the Vermont State House and Hildene, with program participation from either the Vermont Symphony Orchestra or the Vermont Philharmonic Orchestra, the Civil War Hemlocks, Howard Coffin, and the Vermont Civil War Sesquicentennial Commission. The event will mark the anniversary of the ending of the war, and Lincoln’s 2nd Inaugural Address and assassination. Also of note, thematically edited versions of video-taped proceedings of the Vermont Humanities fall conference, “A Fire Never Extinguished: **How the Civil War Continues to Shape America's Civic and Cultural Life,**” are due to be ready for broad distribution in April. The National Park Service has already determined that the long version will be used for Park Service staff training.

MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **VermontVacation.com:** Dog sledding and Ice Fishing were added to the VDTM homepage image rotator to help spark outdoor recreation during the winter months. In addition to the image rotator, [Winter Trails Day](#) was added to the Press Room.



MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator

- **Winter Campaign | Digital Billboards:** David has created the digital billboard creative below to support media placements in Connecticut and Massachusetts. This is just another example of the out-of-home advertising VDTM has solidified for the winter campaign.



RESEARCH & STATISTICS ♦ Greg Gerdel, Research & Operations Chief: Research

- **Anomalous MRA Taxable Receipts in September:** The preliminary report for the lead-in month of the foliage season has some surprising mixed results among communities, and even within communities where sales of meals and alcohol sales trended *opposite the direction that room sales took*. Typically, the three revenue generating components at least track in a similar direction in any one community. While Burlington was up across the board, Stowe, Manchester, Arlington and Dover were down around ten percent, an exception to typical performance in this month. Warren and Colchester both were up in all three categories, each posting room rentals more than 50 percent above the previous year.
- **2013 Benchmark Study Prepared for Release:** Final review of Ken Jones's draft by staff is complete. The complete study will be presented to the Travel Recreation Council this week and a date will be set for formal release, which will include an executive summary and a fact sheet detailing the key metrics from the study. David Burnell is designing several infographics to be incorporated in the published study. Presentations of the study at several locations around the state via "Road Trips" are being scheduled for February and March.

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

- **Stats** Total subscribers (not counting newsstand) as of 1/3/14 is 32,699 (+1.37% over 12/23/14, and this report has not been run since) Facebook: 16,660 (+.72% week over week). Twitter: 12,600 (+.80% week over week).

CHIEF MARKETING OFFICE ♦ Heather Pelham, Marketing Manager

- **Dairy Economic Impact Study:** With Ken Jones, Lucy Leriche and the team at AAFM, participated in a discussion on the key findings of Ken's recent analysis of the economic impact of the dairy industry to the state, and how best to communicate those findings to diverse audiences. Provided specific feedback to AAFM on a draft designed report that attempts to put the role of dairy into context with agriculture as a whole in the state and region, as well as present Vermonters' perceptions on dairy and dairy's contributions to the Vermont brand.
- **Vermont State Craft Centers:** The most spirited discussion at the quarterly meeting of the Standards committee of the Vermont State Craft Centers network concerned an application submitted by the Yestermorrow Design/Build School to become a new Vermont State Craft Education Center. While the group overwhelmingly and quite enthusiastically voiced support for the mission and work of the school, they ultimately agreed that Yestermorrow does not qualify for the designation as they do not meet the required threshold of 75% of course offerings devoted to teaching craft techniques and skills. Given the strong support, however, the committee did discuss developing a potential 'affiliate' status that would encourage cross-promotion and offer new opportunities for Yestermorrow and similar organizations as the network expands.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Lisa Gosselin, Commissioner

- **Media:** Lisa spoke with business writer Adam Bluestein about Vermont's business climate and success stories. Bluestein, a contributor to Inc. Magazine, is writing an article for Men's Journal about Burlington as a great place to live and work. She also responded to a call from the local Fox News station in response to a petition that is being circulated to have Tim Burton's sequel to Beetle Juice filmed here. When asked about film and tax incentives, Lisa responded that Vermont's incentives are all geared toward long-term job creation and that Vermont has not followed the tax break race that other states are pursuing to potentially attract big Hollywood productions.
- **Power of the North Conference:** Lisa met with Becky Fu, Shelley Pembroke, Ken Horseman, and Seyhong Lee to discuss upcoming March energy conference and potential matchmaker event. Recommended that we get a firm list from the Canadian delegation of businesses planning to attend so that we can better pair them with Vermont partners and or clients and that instead of a traditional matchmaker, we allow businesses to do short presentations on what they do. Also sent out a request to energy firms to find out what they would be most interested in and what types of Canadian partners they might be looking for.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Captive Prospect Meeting:** Dan reports having a very positive meeting with a Minneapolis, MN prospect that flew in for a meeting with the state of Vermont. This prospect is a national non-profit and is currently shopping domiciles. The meeting went very well and Dan is optimistic about them choosing Vermont.
- **Interview about TRIA for Captive Insurance Times:** Dan was interviewed by this London based international magazine. The interview was on Vermont's perspectives on the renewal of the Terrorism Risk Insurance Act (TRIA). This development is very positive for the captive insurance industry and for the economy as a whole.

VERMONT EB-5 REGIONAL CENTER ♦ Brent Raymond, Director

- Brent Raymond has been in communications with DFR regarding EB-5 MOU between the two, and beginning coordination of materials and knowledge transfer. USCIS says all we have to do is submit a letter regarding our partnership with DFR, not a new application.
- Brent Raymond has been in communications with Senator Leahy's office regarding Trapp Family Lodge project review.
- Brent Raymond has been in communications with Senator Leahy's office regarding upcoming 2015 extension of EB-5 pilot program.
- Brent Raymond has been coordinating logistics for the Regional Center to attend an EB-5 conference in Las Vegas on Saturday, January 17th with Trapp Family Lodge, Stowe Aviation and Mount Snow.

- Brent Raymond has been preparing for a Mount Snow investor recruitment trip to Vietnam, China and Taiwan which he will be departing for this Saturday evening, January 17th, immediately after completion of EB-5 conference.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Phonecon with Peter Odierna, BDCC and Ken Reig, Eight oh Two, a Bennington digital marketing firm regarding potential expansion.

TIF

- Presented TIF District rule to ICAR. Approved unanimously. Submitting to Secretary of State and LCAR on January 15 and public hearings are scheduled for February 26 and March 4.
- With Tax/PVR and NEMRC, held a daylong workshop for TIF District administrators. Thirty seven town officials attended representing all nine active TIF Districts.
- Colchester has notified VEPC that their Select Board has dissolved the Severance Corners TIF District. Reasons include: 1) Colchester is first in line to receive Federal transportation dollars resulting from the prioritization of Circ alternative projects for the rebuild of the Severance Corners intersection, which was the primary improvement in their TIF Plan; and 2) the deadline to file a TIF Finance Plan and an extension to incur debt is approaching on March 31, 2015. If they did not take those steps, the TIF would have terminated anyway.

VERMONT GLOBAL TRADE PARTNERSHIP ♦ Becky Fu, Manager of International Trade

- Becky and Ken are recruiting an 8th company to attend AeroMart Montreal with help from Susan Murray. The 7 confirmed companies attending are K&E Plastic, Quadra Tech, LMS, MSI, Stephen's Precision, and Superior Technical Ceramics.
- Becky is in conversation with the US-Saudi Arabian Business Council for a possible breakfast briefing in spring.
- Becky is getting ready for Arab Health 2015 with MMIC, Numia Medical. Becky will also bring brochures for Chroma Technology, Nathaniel Group and BioTek to showcase their products.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

• Companies PTAC is currently working with:

- | | |
|---|---|
| – Allen Brothers Oil, LLC - Westminster | – Mcallister Maintenance, Inc. - Grand Isle |
| – Apco Building Maintenance, Inc. - Burlington | – Noyes Company – Bethel |
| – Bear Code LLC - Montpelier | – Revision Military Ltd - Essex Jct. |
| – Brown Electric Co. Inc. - Williston | – Staff Sterling Management - Morrisville |
| – Buss Lighting, LLC - Burlington | – Sylvia Hutchinson - Troy |
| – Carroll's Automotive, Inc. D/B/A Kingdom Trailers Sales & Service - Lyndonville | – Transcend Quality Manufacturing, LLC - Colchester |
| – Croteau Auto Parts - Orleans | – Trumbell-Nelson Construction Co., Inc. - Hanover |
| – Evergreen Alterations - Bennington | – Venus Of Vermont, Inc. - Brattleboro |
| – Granite City Ceramics - Barre | – Vermont Manufacturing Service, Inc.- Rutland |
| – Gray Case Management Services, Inc. - Shaftsbury | – Walsh Electric Supply - Colchester |
| – Hearing Center Of Vermont, LLC - Newport | – White Eagle Oyate, Inc. - Orleans |
| – Ledodynamics Inc. - Randolph | – Woodlan Tool & Machine Company - Bellows Falls |
| – Logic Supply - South Burlington | |
| – Manpower International, Inc. - S. Burlington | |

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **Vermont Energy Investment Corporation (VEIC):** Beth Demers met with Paul Lambert of VEIC to discuss some of the new pilots and Kaizen events they are holding with large electric users. A recent event at Mack Molding identified nearly \$100,000 in cost savings. Beth is also discussing the possibility of a VTP application with VEIC's human resources staff.
- **Vermont Manufacturer's Summit:** Beth Demers is assisting with the planning and coordination of this Lake Champlain Regional Chamber of Commerce event. To date the Chamber has secured five sponsors. WCAX will be on site highlighting two businesses and VPR has agreed to cover the event.

Memorandum

To: Honorable Governor Peter Shumlin

From: Commissioner Annie Noonan

Re: Weekly Report – Week Ending January 16, 2015

This week we filed several legislative reports:

- (1) UITF; (Note: UITF balance as of December 31, 2014 was \$142.5M; fully funded UITF is approximately \$312M, and we are averaging a reserve accrual amount of about \$60M annually)
- (2) One-Week Waiting Period for UI; (Note: question was – does it make a difference in UI claimant duration; answer is: we don't know, and no state has been able to determine if it does);
- (3) S.213 Employees' use of sick leave (worked on this with Julio Thompson from AG's Office); the short summary was that "no fault sick leave policies" that don't differentiate why someone is using leave but treats all absences "equally" (i.e. penalizes all absences equally), probably tread on the federal and state laws protecting certain types of absences (FMLA, ADA, FEPA, PFLA, etc).
- (4) WC Injuries at the Vermont Police Academy (and VLCT's request for the State of Vermont to assume liability costs; VDOL and ORM said "No";
- (5) WC Fraud Study and recommendations for best practices; (too long to summarize);

Other legislative notes: We are working on reports on the following: Independent Contractors' (the never-ending saga); Minimum Wage exemptions; and Workplace Safety Ranking Study. VDOL participated in the H.885 study on "establishing a public retirement plan" with the State Treasurer's Office; Fee Bill: VDOL has only one item in the Fee Bill – our WC rates, but we are not asking for any change or increase, so I do not believe it will be controversial. Mat B. testified about the 'state of the state's economy and workforce' at Commerce last Friday, with "high marks" by Commerce Committee on his presentation. *VDOL is scheduled in a bunch of legislative committees next week.*

Workforce and Unemployment: VDOL worked with Dailey Precast at our Bennington office this week, referring 24 job seekers, with 12 applicants to receive offers. Bennington staff also held job workshop this week for ex-offenders. Staff is working with the ATE on LNA and PCA training and job orders. Middlebury staff is engaged with the "Disconnected Youth" stakeholders group sponsored by Addison Co Development Corp. Cedar Hill Care Community is Windsor is hiring 30 health care positions. VDOL held a job fair for them this week. VDOL RM in Springfield/Brattleboro met with 12 employers this week. Barre office reported that Village Pizza in Montpelier is closing on Saturday. Office is hosting job fair for Shaws. VDOL regional and central office staff worked with VY workers on Wednesday night. We are also working with the JC Penney dislocated workers. At Commissioner Keith Flynn's request, I attended the meeting this morning with the Rutland and Orleans county legislative delegates to discuss their concerns about loss of VSP dispatcher positions. My role was to discuss job opportunities that may be available to the workers. In addition, I advised that I am discussing a USDOL NEG grant for Rutland due to the overall loss of jobs. For NEG, we need 100+ job losses to qualify, which we clearly meet.

Other: I continue to be buried alive with federal audits and compliance reviews. I did an interview with VPR on unemployment questions relating to males in Vermont (VDOL disputes the report which drew from US census data); I am doing an interview with WCAX on technical education and workforce development. The next SWIB meeting is 2/12 in the afternoon – it would be really great if you could stop by, Gov---lots of key business owners/CEO/CFO types.



State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: January 16, 2015
Re: Weekly Report

Susan L. Donegan

Banking Division:

Commissioner Susan Donegan announced to the department this week that Cynthia Stuart has been appointed deputy commissioner of the Banking Division. Ms. Stuart has 18 years of experience in the retail/community side of banking and she brings both current operations and senior management skills to the job. She has worked at several federal community banks in New Hampshire, some of which have branches in Vermont. Ms. Stuart, a Northeast Kingdom native, will be on the job beginning January 26. A press release will be issued at the end of next week.

On Monday, the Banking Division filed administrative charges for unlicensed money transmission against Blu-Bin Inc., a company operating a kiosk in the Burlington Town Center in Burlington, and PYC Inc., the owner of a bitcoin (digital or virtual currency) ATM located at Blu-Bin's site. Both companies received two letters inviting them to contact DFR to work out their licensing issues, but neither company responded. The companies are subject to fines as high as \$1,000 per day each day they operate without a license.

Captive Insurance Division:

Thursday was Vermont Captive Insurance Association day at the Statehouse. The day began with a board meeting before lunch followed by meetings with legislative leaders and presentations to House and Senate committees later in the day. Commissioner Donegan gave the welcome address at the luncheon and Deputy Commissioner David Provost conducted a workshop on regulatory practices during the afternoon.



Insurance Division:

The commissioner and Kaj Samsom, deputy commissioner of the Insurance Division, met today with the leadership of Vermont Mutual Insurance Co. Since President and CEO Bill Catto will retire in June, DFR wanted to discuss the company's succession and governance plans for the transition.

Legislative issues:

Commissioner Donegan testified Wednesday before the House Committee on Commerce and Economic Development on a report requested by the Legislature during last year's session on "Act 199: An Act Relating to Furthering Economic Development." The report presented the results of studies on crowdfunding, licensed lending, the Vermont Small Business Offering Exemption, and electronic insurance notices. On Thursday, the report was submitted to the members of the Senate Committee on Economic Development, Housing and General Affairs, the Senate Committee on Finance, and the House Committee on Commerce and Economic Development.

Other news:

The reappointment of Commissioner Donegan was reported this week in two national online trade publications – "A.M. Best Insurance News & Analysis" and "Insurance Journal" – and in the international trade publication "Captive Insurance Times," based in the United Kingdom. It was also recounted in the daily online newsletters of the North American Securities Administrators Association (NASAA) and the National Association of Insurance Commissioners (NAIC). The articles from "Captive Insurance Times" and "Insurance Journal" follow.



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**DFR reappoints Donegan****Vermont | 15 January 2015**

Susan Donegan has been reappointed as the commissioner of the Vermont Department of Financial Regulation (DFR) for a period of two years.

Donegan worked at the DFR from 1985 to 1990 and was the department's first director of securities regulation. She was later counsel to the commissioner and hearing officer at the Massachusetts Division of Insurance from 2008 to 2011.

In 2011, she returned to Vermont as deputy commissioner of the Insurance Division at the DFR. She was appointed commissioner in January 2013.

Donegan also represents the National Association of Insurance Commissioners (NAIC) at the International Association of Insurance Supervisors (IAIS) as vice-chair of the governance working group. She is also secretary/treasurer of the NAIC Northeast Zone.

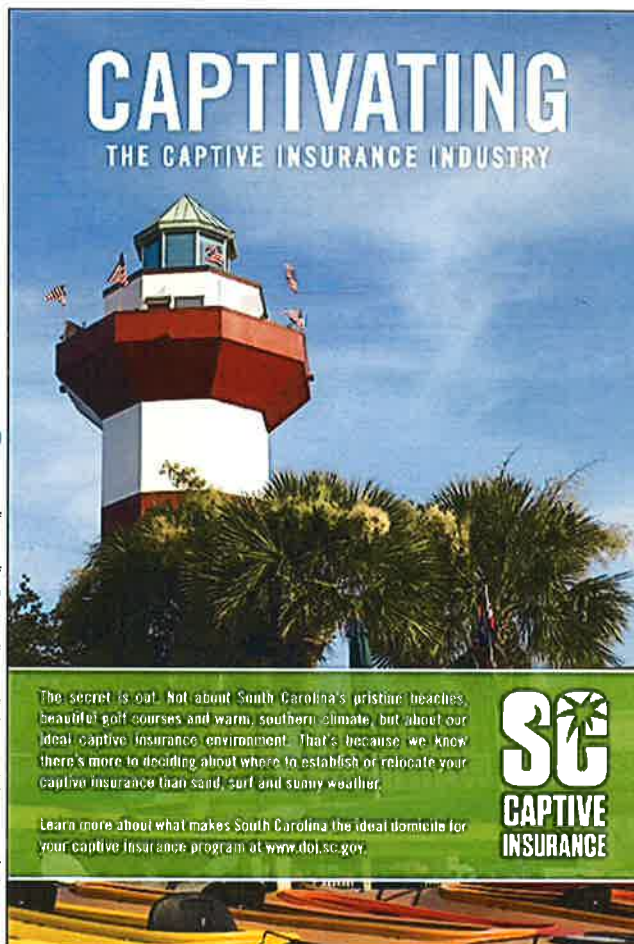
"I remain steadfast in my commitment to maintain Vermont's exceptional stature in the captive community and to help Vermont welcome new companies that have proven they deserve to be included in the list of 'gold standard' captives here," said Donegan.

"I plan to continue my committee work with the NAIC, particularly relating to principal-based reserves and other issues that impact the captive world. And I am always happy to help our sister states learn best practices from us since we have proven experience in regulatory issues."

Author: Stephen Durham

0

More Captive Insurance Times | latest news

DFR reappoints Donegan**ILS set to reach new heights, says Willis****International conflict the biggest risk in 2015****Marsh promotes FINPRO leader****Obama signs TRIA renewal****Captive Insurance Times**

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Vermont's Donegan to Be Reappointed as DFR Commissioner

January 12, 2015

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Vermont's Democratic Gov. Peter Shumlin, who was sworn in to a third two-year term last Thursday, will reappoint Susan L. Donegan as commissioner of the Department of Financial Regulation (DFR).

Shumlin defeated Republican Scott Milne by a vote of 110-69 in a joint legislative session last Thursday, after failing to win a majority of the popular vote in November forced state legislators to decide the winner.

"In the general election last November, we did not have a majority winner of the candidates," Donegan told *Insurance Journal*. "In Vermont, under our constitution, a candidate has to win 50 percent of the vote plus one vote, and none of the candidates secured a majority."

"In that event, the legislature then gets to vote for the governor, right when the new legislative session starts which was last Thursday," said Donegan. "So last Thursday morning, when the legislature convened, they held a vote and Gov. Shumlin won re-election with 110 votes."

"I've been the commissioner for Gov. Shumlin for the past term, and I can confirm that he is going to reappoint me as commissioner of the Department of Financial Regulation for the next term," said Donegan. "I am very pleased. I am honored and I think it's good that we can have that kind of consistency here in Vermont."

Donegan said her current term technically doesn't end until the end of February. "So I expect what I will receive before then — to make sure there is no gap — is that there will be appointment papers sent to me to reflect an appointment for another two-year term," she said.



Susan L. Donegan, commissioner of the Vermont Department of Financial Regulation

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Google Poised to Enter U.S. Auto Insurance Market: Report

Independent Agents See Carriers' Online Sales As Major Threat: Accenture Survey

Revised TRIA Law Could Harm Small Insurers, Warns S&P

The DFR supervises traditional and captive insurance companies and their representatives, state-chartered banks and credit unions, licensed agents and brokers, and all other non-depository financial institutions, as well as securities broker dealers and investment advisors. "So I am the commissioner for all of the financial services sector here in Vermont. Each one of those sectors have priorities clearly, but one of the things that's always overarching for the financial services regulator is to really do two things and to try to do those two things well," said Donegan.

"One of them obviously is to continue to have good consumer protections in place and make sure that financial products are available to consumers and support accessibility to the financial markets," said Donegan.

"We also know that those companies are important to our economic foundation. Banks and credit unions and insurance companies and securities firms and investment advisors — they also employ people here in Vermont and contribute to our communities," she said. "So I am always trying to balance being a thoughtful regulator with companies — not being a burdensome regulator and overly regulating, but making sure that our consumers are protected. So I think I will continue to do that. That's a pretty good formula, I think. And I think we've been seeing a great deal of success."

"I truly believe in public service and I hope that I've been serving Vermonters well and continue to do that," said Donegan.

Donegan worked at the DFR from 1985 to 1990 and was the department's first director of securities regulation. She was later counsel to the commissioner and hearing officer at the Massachusetts Division of Insurance from 2008 to 2011. In 2011, she returned to Vermont to become deputy commissioner of the Insurance Division at the DFR. She was appointed commissioner in January 2013.

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**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: January 16, 2015

Press Contacts:

- Tiffany Pache, VTDigger, asked more questions about Brighton and the small schools grants. She will speak to Rebecca next week.
- Josh O’Gorman, Vermont Press Bureau, asked Rebecca about the Penn State article claiming to debunk savings of consolidation. We have data and research to the contrary, and our Professor Gellar refers to their work as “irresponsible”. This gentleman will be testifying in House Education, so we plan to provide a written response.
- Gordon Dritschilo of the Rutland Herald spoke with Jill seeking comment on President Obama’s Community College funding proposal.
- Charlotte Albright, VPR, asked Jill about the contradictory nature of Small Schools Grants.
- Kyle Midura, WCAX, asked for comment on the testimony in House Ed this week by Joel Cook that accused us of having different teacher counts. Our response (which Rebecca articulated for House Ed the next day), is this: “The Treasurer’s numbers and our numbers are different, because we are counting different things. They are counting bodies, some of whom work part time, and which includes nurses and administrators. We are counting Full Time Equivalents. We would not expect these numbers to be the same because they are measuring different things.”
- Alexei Rubenstein, WCAX, called regarding the 20th anniversary at Harwood of providing condoms to students. We also provided WCAX with dozens of ideas for their 30 schools in 30 days series.
- Anne Galloway, VTDigger, requested and was provided Rebecca’s memo to superintendents and principals. This memo is **attached**.

- Eva McKend, WCAX, asked about the School to Prison pipeline, and also restorative justice and migrant students.
- Rebecca appeared on Vermont Edition on VPR at noon Wednesday.
- Alexei Rubenstein, WCAX, also asked us about AP Courses and Virtual Learning Opportunities.
- Staci DaSilva, Local 22, asked which districts are going ahead with the original timeline of implementing Act 166 (it is about a third).
- Ed Barber, Newport Daily Express, asked who has the authority to close a school and tuition students out (voters give the school board authority to do so via vote).
- Alexei Rubenstein, WCAX, interviewed Laurie Colgan regarding nut allergies in schools.

Public Presentations/Speeches/Meetings:

Monday:

Mark Tashjian, Headmaster of Burr and Burton - We met to emphasize a desire to work together and have an open door. This is an excellent school, doing excellent work, and a great partner in our efforts to educate Vermont kids.

Population of students on IEPs: 12.45% (pretty close to state average)

Fran Bisselle, new Head of Vermont Independent Schools Association, Director of Maple St. School. The goal of this meeting was to introduce myself. This is John Irving's school, famously formed so that his kids wouldn't have to go to school with "trailer trash," as he told the NY Times. After 9/11, the population more than doubled when New Yorkers wanted to create a school for their kids like the ones they had left, and built an absolutely beautiful building. Class sizes of 12, receives tuition dollars from many towns, but is clearly well supported by private donations.

Population of students on IEPs: 1.77%

Thursday:

VSA, All Superintendents - I spoke about new SBAC implementation and asked for input on how we would want to set the table for this test. We assume some implementation glitches due to technology.

Friday:

Community College of VT (CCV) - Joyce Judy and her team) regarding Dual Enrollment:

- systems for data collection;
- evaluation of work to date; and
- priorities moving forward.

UVM (Ellen Baker and George Salembier) regarding:

- Implications of new US ED regulations for teacher preparation;
- EdTPA (Teacher Performance Assessment) implications for teacher licensure;
- Update assessment on Vermont Education Research Alliance- a new partnership; and between their teacher education department and the AOE.

Emerging issues

Smarter Balanced Assessment

We are approaching the administration window for the new Smarter Balanced Assessment. This is inevitably causing stress in the schools:

- It is the first test of new, more challenging standards
- It places new, substantial technological demands on our schools
- We know it will be a much harder test: the proficiency threshold is set so high that we expect about $\frac{3}{4}$ of 11th graders to not score as proficient
- Our schools are expecting another round of negative press on public schools associated with the roll out
- It is receiving a lot of attention nationally

All of these concerns are real, and we are working to address them. Six of our schools still do not have sufficient reliable internet access to take the test. Also, this test is straining their capacity in terms of devices, because they must have enough devices to have all students take a long test, online, within the testing window. This is a scheduling headache, and when students are taking the test, these devices will not be available for instructional purposes. And obviously, schools which have few devices will have kids with little experience on devices. That said, we offered schools the opportunity to take a paper version of the test, and not one school requested this option. They have figured out how to make it work.

The one system that has complained the most (Rutland City) is simultaneously asking for a \$750,000 waiver to carry over unspent Title 1 funds. For months, we have been pointing out that those funds should have been spent on devices. Finally, and perhaps grudgingly, they are moving into the 21st century and doing so. They have shot themselves in the foot, however, by waiting so long.

One benefit of the test is that it has forced many systems to commit to technology purchases that they would not have otherwise made.

Truly, it is absolutely ridiculous that we are going to be using the new tests for accountability purposes. This spring will be an exercise in policy absurdity, and we will be sure to say so. In the first year of implementation, student scores may be biased by all kinds of factors unrelated to reading, writing and math, such as access in school and at home to technology, novelty of format, and timing of transition to the new standards. In addition, there is no evidence yet that the cut scores mean anything, but we will go ahead and use them, as required by the federal government. This will basically mean

that we will tell at least 2/3 of our students that they are not ready for college.

I have been pushing for a year, and finally, a team out of Stanford that provides technical assistance to SBAC has written a white paper on appropriate and inappropriate uses of test scores. I have read the draft and it is very helpful. They say they will publish soon, and we will use this draft in our work with Congress and US ED, and also to support messaging in-state. It raises the same issues as other research, but is written more accessibly and specific to SBAC, so will be a big help.

Our goal will be to over-communicate on this, especially as the test window coincides with the legislative session and the tax and cutters often feel they need to bash schools before they cut. We could be better, but we have a lot of very good schools. Let's not tear them down to justify policy.

Another challenge we are trying to manage is the use of these scores in conflicts between public and independent schools. If the truth be told, publicly funded students in these two systems score the same at the 11th grade level. Only about 9.5% of Academy students have IEPs, while about 12.8% of public high school students have IEPs, and students on IEPs tend to not score as well on tests. Sharon Academy is even lower. Regionally, as populations decline, public and private schools are beginning to compete for students. This is a potentially unhealthy, zero sum dynamic. For example, Thetford, which charges tuition of around \$19,000 a year, is using that to send busses to choice towns that previously sent students to neighboring public schools. The same is true for Lyndon Institute. Locally, the public schools, who serve a more diverse population, are not allowed to include transportation in the cost of tuition, as do the private schools. As one system becomes disproportionately populated by children with disabilities, it will appear more costly and lower performing.

What is likely to happen over time is that choice is going to either raise costs to compete with privates that can charge more or raise private money, or pressure some public systems to close. I am not worried about the Thetford area, but I do worry a bit about the NEK, which has similar issues. It also raises questions about how well we serve kids if the only schools left standing in a region are independent schools. It is messier in some regions than others. I have to say, Burr and Burton is doing really impressive work, and kids there receive a high quality, equitable education.

		Total students	Proportion of students with IEPs
PA002	BURR AND BURTON ACADEMY	612	12.45%
PA003	LYNDON INSTITUTE	536	9.76%
PA004	ST JOHNSBURY ACADEMY	933	4.11%
PA005	THETFORD ACADEMY	269	11.80%
Academy Average			9.53%

Reaction to the Speech

You made an impact!

I was approached by many Reps afterwards, who asked for a visit. People know they need to do something, they just don't want to lose what they have.

Some folk called it gutsy.

We can expect some interesting conversations around what it means to be fiscally irresponsible. We are starting to get suggestions from Reps! ;)

I will get you web analytics on the data website later today.

Washington West

The Washington West Executive Board voted to approve a RED study. This is Heidi Spear's district. Food for thought. On our "partnerships" page, we may add a feature that tracks this kind of event, as a way of suggesting that this is moving forward.



120 State Street, Montpelier VT 05620-2501
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MEMORANDUM

TO: Vermont Superintendents and School Board Members
COPY: Business Managers
FROM: Secretary Rebecca Holcombe
SUBJECT: Information to Inform Budget Discussions
DATE: January 9, 2015

We are aware that you are fully engrossed in planning and budgeting. We appreciate the care you are taking to ensure our precious education dollars are targeted at purposes that bring the greatest benefit to our children.

In this email you will find information that we hope will aid you with this work.

1. Teacher Retirement “Bubble”

Starting this year, retiring educators will be eligible for spousal benefits moving forward. We are aware that a substantial number of educators appear to have delayed retirement, presumably with the intent of becoming eligible for this benefit. In our estimation, somewhere in the vicinity of 600-700 teachers have probably deferred retirement to take advantage of these earned spousal benefits.

At about \$100,000 per teacher in salary and benefits, that would be about six cents on the tax rate if they were not replaced. Obviously life is not that simple, but it is a lot easier to harvest savings from planned retirements than to lay off beloved teachers.

As your teachers retire, we encourage you to use that retirement as an opportunity to think about staffing levels and patterns and ways to hire that better serve the fiscal stability of your schools, as well as the education of your children. You may also wish to contact neighboring districts to explore opportunities to share highly qualified educators in hard to fill positions.

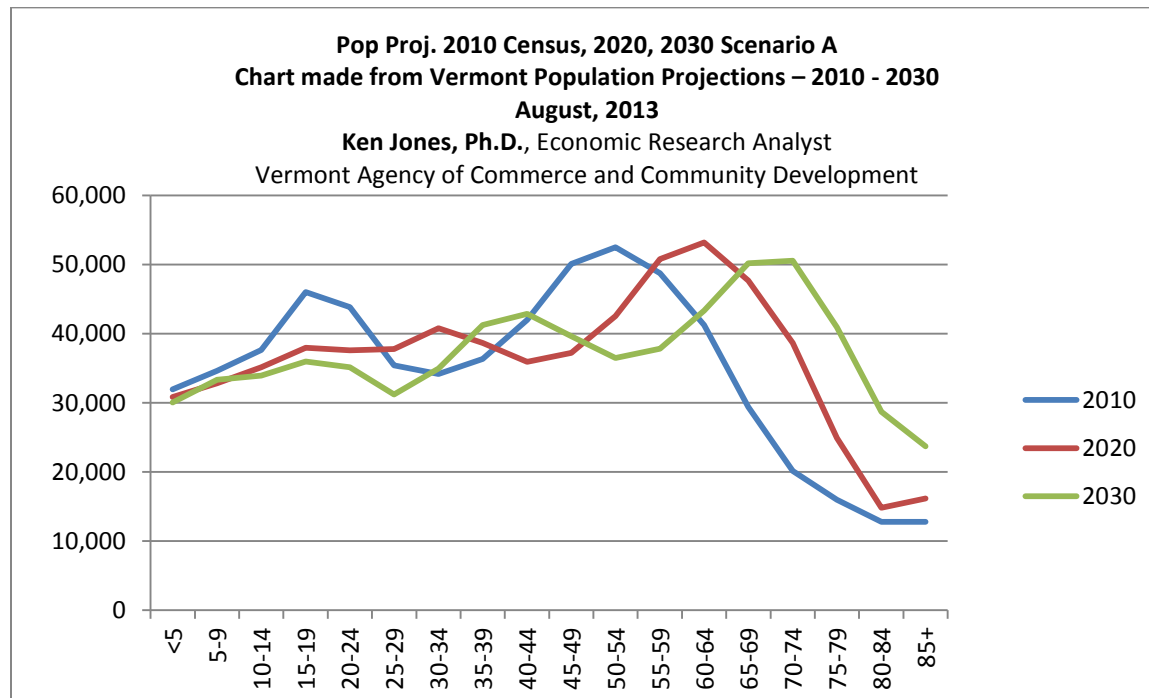
2. Population Projections

Population projections have been on our mind at the Agency of Education, in no small part because the substantial declines in Average Daily Membership (ADM) in some regions have created financial stress in many of our systems. In examining the estimated count for next year, we have found that again the incoming Kindergarten cohort is smaller than the previous year's cohort.

Overall projections suggest the state average age will continue to rise, which will likely

reduce revenues from income taxes. In addition, population projections suggest we will have a smaller population in the age brackets which typically pay taxes and have children. This leaves us with a state population weighted towards baby boomers who are approaching retirement.

At the same time, some regions may see stable student numbers, while most will continue to see declining student membership.



Unless we change these fundamentals, we may be looking at a future with fewer students and fewer taxpayers. This has long-term implications for school budgets and school buildings, so we encourage regions that are looking at declining membership to use their ingenuity and strategic partnerships to ensure high-quality education in the most efficient and effective way possible. This is a challenge, but it is also an opportunity. We invite your leadership in developing solutions. For more information on your county-level populations projections moving forward, please see this link:

<http://dail.vermont.gov/dail-publications/publications-general-reports/vt-population-projections-2010-2030>

3. Data

Over the last several months, many of you have consulted us about your systems. We know many of you are seeking better data and better tools for communicating with your stakeholders about your schools. We have created a spreadsheet with some of these data. To access this spreadsheet, click [here](#). You can use the report function to pull figures and data specific to your town. This includes some basic data related to tax

rates, ADM over the past five years, student:teacher ratios, phantom students (if any) and a number of other factors.

It does not capture every grant to which you may have access, including the small schools grant. We hope this will help you in your deliberations and efforts to ensure you are operating in as effective and efficient a way possible. If you have any issues with this spreadsheet, please contact Brad James, at 802-479-1043 or via email at Brad.James@state.vt.us.

4. Class Size

Because class sizes have been a topic of discussion both in districts and in the Legislature, we want to comment briefly on class size. The national and international class size research treats classes of 15 to 17 as “small.” It does not contemplate systems with smaller class sizes, like many we see here in Vermont. In a time of tight resources, investing in very small or “micro” classes means not investing in other purposes, such as rich and broad offerings, systems of support for students, professional development and supports to ensure teachers are as effective as possible, afterschool and summer school opportunities for kids living in poverty, development and maintenance of facilities and/or tax relief.

On balance, different class sizes may be appropriate for different groups of students with different needs or purposes. For example:

- Children with disabilities and English language learners appear to benefit more from small groupings.
- Some classes can benefit from larger numbers (orchestra, physical education).
- Appropriate class sizes are a function of physical space.
- Smaller classes are most beneficial for our youngest students, and particularly in their first year or two of school.

In addition, overall workload is impacted by variables such as intensity of need, levels of support, and total numbers of students with whom the teacher is building relationships and to whom the teacher is providing feedback. For example, a class of fifteen very challenging students may be more taxing than a class of thirty highly motivated, highly skilled students. Thus “optimal” class size is a function of the class being taught. Moreover, a high school teacher with five sections of 20 students typically works with and provides feedback to at least 100 students a day. This is the reason the State Board of Education’s Education Quality Standards speak not just to class size, but to overall workload. For more information, please refer to [Vermont's Education Quality Standards](#). We know many districts have been experimenting with block scheduling and other strategies to reduce workload. We encourage you to continue to explore and experiment with strategies that support the quality of the relationship between teachers and students.

Our Vermont data shows a pattern that larger schools are able to gently adjust staffing levels in response to declines in enrollment, without losing entire programs. Staffing levels in very small schools, however, are less responsive to declines in enrollment, in part because there are limits to how small a staff can be without losing certain kinds of teachers and programs that communities feel are markers of quality education. When schools do cut these opportunities to learn, schools sometime see further attrition as parents seek programs with greater breadth and depth of offerings.

Thank you. I am deeply grateful for the hard work you do to support schools that deliver quality at an affordable price.

END

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: Jan 16, 2015
Re: Weekly Report

Status of Governor's Priorities:

Fully implemented a consolidation of shipping initial distribution of instant tickets to each lottery agent.

Legislative Issues/Contacts:

Appeared before Sen Econ Dev Comm for update on lottery. Main topics were the shift in sales away from large jackpot games to instant ticket games which have a lower profitability; change in focus on Problem Gambling now that we have a new service provider; and some explanation to new comm. members about break open tickets and comparison to lottery games.

Press Issues/Releases/Contacts:

none

Significant Events/Meetings:

I met with two people interested in being on the Lottery Commission. I expect applications will come forward soon.

Evolving Issues:

none

Summary of Key Agency Department Activity:

Our December results YTD show sales up \$1M over Budget and \$2.7M over LY. Instant game sales are up \$5.5M over LY, with jackpot games down \$2.8M. Due to higher prize payout percentages on Instant games, the cost of printing them, and having received more to execute our shipping consolidation, we are behind in profits. We are below budget by \$659K (6.2%) and behind LY by \$558K (5.3%). I believe we can recover most of this with but it will take some good sales boosts from jackpot games to get ahead.

We are making progress with the design of our new website, creating a scope of work document at this time. AA-14 paperwork is being prepared, expecting circulation of this next week.

We are finalizing plans with Agency of Educ. to award technology equipment (tablets) to schools that apply, and use the award event as our education ads instead of paying to have an ad created (almost the same cost as the tech purchase). We pay for this out of our marketing budget using about \$15K and award the tech prize twice each year. First one expected in May.

Executive Director's Commentary:

Still working on numbers and answers for questions regarding profits being used to support the VT Veteran's Home. Plan to meet with Comm Reardon next week.

I will be losing another commissioner in March to retirement – Virginia Barry from Barre, VT. A prior commissioner, Richard Bailey, has come forward with interest again. He served for 8 years until 2011 when he was replaced by Karen O'Hagen. I meet today with former state representative Michel Consejo from Swanton to discuss his interest as well.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, January 16, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Legislature

We are off to a good start with our early presentations before House and Senate Trans, which focused on our improved performance measures. According to our latest (2014) tallies, we have now reduced our “very poor” roads (from 34% in 2009) to 13% and structurally deficient bridges (from 16% in 2009) to 7%, while simultaneously increasing in transit and rail ridership, and significantly decreasing highway fatalities (44 in 2014). Huge progress has been made during your Administration in each of these areas and legislators are pleased to see. We also brought folks from our Maintenance Districts in to both committees and they are a big hit with legislators who appreciate hearing from our “front line” workers (they really shine in testimony). Their testimony is key because our Budget Adjustment includes salary increases for lowest wage-earners, which I strongly defended in House Appropriations (even within our budget constraints), and even Bob Helm expressed support (!)

DMV & Driver Privilege Card Issues

As a follow up to last week’s report in the Brattleboro Reformer, we have had a few more inquiries, including from the Vermont Watch Dog (still waiting to see what they publish). Meanwhile, investigators from DMV have eight open cases involving card applicants using suspicious Vermont addresses to attempt to acquire a Vermont Driver/Learner Privilege Card at the Bennington DMV office. DMV records indicate 50+ individuals may have fraudulently obtained a Vermont driving credential by falsely claiming Vermont residency. It appears people have come from other states (including NY, NJ and MA), and two groups have been identified as placing ads, in out-of-state publications, offering their services to help individuals obtain the Vermont driving credential. Some applicants claim to have paid as much as \$2,000 for this service. We hope the recent publicity on this issue will stem the tide of out-of-state residents coming here for the VT Driver Privilege card.

The media reports also caught the attention of other federal officials, including the Diplomatic Security Service (DSS) of the State Department who contacted DMV this week. The DSS appears to not be targeting Driver Privilege cards, but was focused on

the false identity aspect. The DSS concern is that an individual might use the Vermont card as a breeder document to later obtain a U.S. passport. DMV informed the DSS requester that DMV would provide the list of names to DSS only in response to a subpoena and after DMV completed its investigation. DSS subsequently indicated to DMV that it would probably not subpoena the additional 130 names at this time.

In addition, we have also met with Rep. Morwicki who was unhappy with/concerned about DMV activities affecting a Jordanian constituent, and are meeting with Migrant Justice to clarify what our DMV is dealing with regarding false information and reporting requirements. Hopefully we can reduce any applicants who present information that in any way leads to investigations. We have also begun multi-cultural workshops/trainings with our counter staff, who are navigating new and sometimes difficult waters with the Driver Privilege card and clearly need heightened sensitivity and awareness of cultural differences and biases.

Montreal Rail Service

Chris and I met with Quebec's New England delegate, Marie-Claude Francouer, to discuss the MTQ-VTrans relationship and specifically, the Montreal service and preclearance into Montréal Central Station. According to Marie-Claude, the current government wants to move this agenda forward and plans to engage a project "ambassador". She also suggested that Vermont and New York join forces to provide a similar arrangement. We will be working toward this end (to include NY, VT and Amtrak). I am convinced that without someone focused on this specific mission, we will not achieve our goal. We both agreed that a face-to-face meeting of the stakeholders from both sides, federal, state and provincial would be planned for early spring of 2015.

NOTES FOR STAFF

I will be in Canada (Quebec City) for the weekend, and will be delegating my authority to Chris Cole.

I will be accompanying the Gov. to DC for his speech to Senate EPW on January 28. We are working on a draft speech to review with you next week.

Fairpoint Negotiations

I agreed to meet with the Fairpoint leadership at their request to address their appeal to the T-Board over our increased fees for their use of our railroad Rights of Way along the state rail line and crossings. We will review our assessment to see if there is any leeway with our Fair Market Value appraisals. I suspect we will not change our stance and if they pursue the T-Board, I would anticipate the case decided in our favor.

Bike Planning

VTrans hosted a very successful statewide outreach/hearing for an On-Road Bike Plan. The goal is to get statewide input on the priorities for on-road investments to accommodate bikes. The cycling community is very engaged with over 1600

participants in our on-line WikiMap where the public can share their priorities and some 50 participants were at the VIT hearing. This is an important part of our bike planning and accommodation for the future.

Sinkhole Risk Assessment

During the week of January 12th, a dip across the southbound barrel of I-91 at mile marker 103.4 in Newbury that VTrans was monitoring was thought to be getting significantly more pronounced. The area of concern is located over a large culvert that was repaired with a new liner this past summer. It is suspected that, prior to the lining of the culvert, fine soil material surrounding the culvert was washed out of the embankment as a result of water flowing through the holes in the corroded pipe. After an initial assessment of the dip, VTrans set up lane closures in order to take roadway borings to evaluate the cause of the dip and investigate the highway embankment for voids beneath the pavement. VTrans mobilized drilling equipment to the site the morning of January 15th. Initial borings taken in the passing lane of I-91 identified a large void, measuring approximately 9x10 feet and 4-5 feet deep, directly under the pavement. Within a couple of hours, two redi-mix concrete trucks were on site to fill the void with flowable fill, a mixture of sand, cement and water. Approximately 12 cubic yards of material were placed in the cavity. Traffic was subsequently moved to the passing lane at which point the traveling lane and shoulder were probed for additional anomalies. No further voids were identified in the traveling lane or shoulder. The risk has been minimized; however, a large dip remains across the roadway at this site, which will be visually monitored throughout the remainder of the winter until the pavement can be shimmed in the spring.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary of Human Services
Re: AHS Weekly Report
Date: January 16, 2015

Highlights:

AHSCO:

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VDH:

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Secretary’s Message

This week has been my first full week as Secretary of AHS. Things have been going very well through this transition. The Agency is in full swing with the Legislative session. I have been reviewing Department Reports to the Legislature. I testified on BAA before House Appropriations and provided an overview of the Agency to House Human Services. I will provide similar testimony next week to

the Senate Appropriations and Health and Welfare Committees. Following your budget address, the Agency reached out to our partners who are impacted by the budget reductions through email from me and the Commissioners with messages inviting them to meet to discuss their ideas for meeting the needs of the most vulnerable and balancing the budget. I met with the Poverty Council after the speech, their response was relatively positive. They felt heard by the Governor and were pleased that many of their priorities were not cut. All in all a good week and I am delighted to be a member of your team!

Agency of Human Services Central Office (AHS CO)

Vermont Information Technology Leaders, Inc. – Audit Report Update

The AHS audit group reviewed VITL's most recent audit (FY 13 – 14) and have followed up with DVHA staff to insure they were knowledgeable of the concerns raised by the audit.

The State is mandated to fund VITL per certain activities per Title 18: Chapter 219. Although mandated in Statute, VITL is still a private non-profit 501 (c) corporation. The below notes from their audit identify areas of concern that DVHA and others need to be attuned to with VITL's practices.

VITL's Balance Sheet shows positive Net Assets of \$ 637,518 in FY 14 and \$ 927,438 in FY 13 – a decrease of \$ 289,000. Total expenditures between FY13 and FY 14 range from \$ 5.5 million to \$ 6.9 million. VITL had two audit findings applicable to both the Financial Statements and the Federal awards. *Finding #1 is material* with questioned costs of \$ 173,681. This finding is due to *invoicing ACA-SIM grant before the funds had been earned*. Effect is overstatement of revenues.

VITL response is to update controls and procedures and obtain confirmation of completion of work from Operations VP prior to submittal of invoices. Finding # 2 is a significant deficiency and due to not reconciling certain asset and liability accounts. Cause was not including adjustments prior to generating financial statements. Effect is understatement of expenses. VITL response is to update accounting procedures for year-end transactions. There were no findings for FY13.

ADAP Substance Abuse Workforce Development

AHS participated in a stakeholder discussion regarding Vermont initiatives on workforce development related to substance abuse. New England Technology Transfer Center (NE ATTC) from Brown University presented options related to available technical assistance resources

Exploration of Social Impact Bonds for Funding in Vermont

AHS participated in a planning meeting with Common Good VT, the Governor's Office and a private organization called the Non-Profit Financing Agency related to the viability of the use of Social Impact Bonds or the Pay for Success model in supporting human services initiatives in Vermont. A meeting is being coordinated to address next steps.

PreTrial Services Implementation

AHS met with Court representatives to review and finalize community mapping of pre-trial services related to AHS's role in implementation of Act 195, Pre-Trial Services.

Integrated Family Services and Payment Reform

IFS finance group had a meeting with the consultants for the SIM payment reform conversations. Based on a detailed explanation of Value Based Purchasing, the group will begin to evaluate to see if the IFS concept matches the VBP model. IFS will be one of the test initiatives to support continued development of the ideas being explored around Value Based Purchasing.

Stakeholder meeting to discuss development of Addiction Treatment Center

On January 9, over 30 people met to discuss the development of the Addiction Treatment Center of Southwestern Vermont. Representatives from United Counseling Service and a consultant for Southwestern VT Medical Center described the proposed program. The community members, representing a wide range of service organizations, present asked questions and offered suggestions.

“Homes for All” Summit in Lamoille

In Lamoille County, planning for a “Homes for All” Summit is underway. It will be held on February 5th from 8:30-12:00. The primary audience is local landlords who are interested in fair housing and in building bridges between landlords and tenants. It is a follow up to a Housing Summit held last September and is being coordinated by a subcommittee of the Adult LIT/Continuum of Care.

Use of the AHS Scorecard for Data Transparency and Testimony

AHSCO is working with discrete AHS departments to assess the use of the Scorecard tool for publicly presenting data on departmental Scorecards and for using the tool to present information to the legislature during testimony. The Scorecard is aligned with Results Based Accountability.

Initiative to End Family Homeless in Vermont by 2020

AHS met with Vermont’s four statewide housing partners on Monday (VHCB, VHFA, DHCD, VSHA) to gather support for an initiative to end family homelessness in Vermont by 2020. As part of this broader initiative, AHS is asking these partners to dedicate federal rental assistance for homeless families connected to the Family Supportive Housing program; explore using new federal funds to provide shallow subsidies to make rent affordable for people with extremely low incomes; and support increased production of affordable housing with more units set-aside for homeless families.

Vermont Department of Health (VDH)

Partnerships for Success Grant

DMH and Human Services, Substance Abuse and Mental Health Services Administration (SAMHSA), Center for Substance Abuse Prevention (CSAP) have announced a competitive RFA for continued work on the Partnerships for Success Grant (PFS). Vermont is eligible to apply for up to \$2,472,608/year for 5 years (\$12,363,040 total) to address the nation’s top substance abuse prevention priorities: 1) underage drinking among persons aged 12 to 20; and 2) prescription drug misuse and abuse among persons aged 12 to 25. Currently Vermont is in the last of a three year grant from SAMHSA/CSAP for the PFS focusing on the same priorities and if awarded, this funding would allow the state to expand its reach across the state to address underage drinking and prescription drug misuse and abuse at the community and state level. Development of an updated programmatic concept for this application is underway.

UVM Medical School Partners with VDH to Increase Lung Cancer Screenings in Vermont

VDH, in collaboration with UVM College of Medicine and the American Lung Association have been working with student-administered research to assess the knowledge and attitudes of Vermonters towards new lung cancer screening guidelines for current and former smokers 55-80 years of age. Nearly 90 surveys found that a majority of respondents would consider getting a cancer screening if recommended by a doctor, with barriers to testing that included transportation, work absences and out-of-pocket expenses. The evaluation also revealed a general lack of understanding about cancer and

treatment rates, as well as anecdotal knowledge valued above hard data. The project will be shared by the College of Medicine in January, and is being considered for inclusion in the 2015 Annual Meeting of the American Public Health Association.

YMCA and the Department of Health to Launch Statewide Social Marketing Campaign

On January 14, VHD staff met with statewide YMCA self-management program coordinators to review plans for an upcoming campaign designed to promote healthy behavior change. The campaign, which begins this spring, will use testimonials from Vermonters who have struggled with weight control, building on VDH's 2014 campaign to improve the health of Vermonters by increasing enrollment in free, diabetes self-help programs run by the Greater Burlington YMCA.

Departments of Health Access and Health to Collaborate on Performance Improvement Project Focused on Treating Chronic Pain with Alternatives to Opioids

VDH has submitted a second legislative report on Nonpharmacological Approaches to the Treatment of Chronic Pain. The report, required by 2013's Act 75, *An Act Relating to Strengthening Vermont's Response to Opioid Addiction and Methamphetamine Abuse*, outlines work by Department staff and members of the Unified Pain Management System Advisory Council to legitimize and promote the use of evidence-based integrative health services such as acupuncture and yoga, and identify barriers to it use. The purpose of doing so is to decrease reliance on opioids for treating chronic pain to reduce the consequences related to ongoing opioid use.

The report, and its predecessor report filed in 2014, identifies incentives inherent in our health insurance system to treat chronic pain with opioids. The opportunity exists in Vermont to realign incentives in a reformed health insurance system that is not structured around fee-for-service payment. Several representatives of the Green Mountain Care Board have expressed interest in making integrative health services part of future benefits plans.

In view of this, DVHA has identified the use of integrative health services as an excellent subject for a Performance Improvement Project. DVHA is willing to do a pilot project with Medicaid recipients who are being prescribed opioids for chronic pain. The project will be launched this year.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH)

CEO Jeff Rothenberg and Medical Director, Isabelle Desjardins testified before the House Human Services (HHS) Committee on Thursday. This was triggered by the article in the Vermont Digger with Dr. Malock. The testimony went well and the HHS Committee will be visiting VPCH next Tuesday. WCAX Continues to request information related to VPCH. DMH attorney is reviewing this request. In addition, Jennifer Costa has requested an interview regarding a 6-month status update on the hospital. CEO Jeff Rothenberg and the Medical Director, Isabelle Desjardins will be conducting the interview on Wednesday, January 21st.

HAC Testimony

Commissioner Dupre testified at House Appropriations on Tuesday. Questions to send back on why non-critical funds for children have not been used. They also want DMH back to discuss housing issues related to the reduction of housing vouchers.

Commissioner Dupre and his staff met Friday morning with Representative Pugh and Senator Ayer to discuss proposed changes to Title 18 and Title 13.

Rutland Mental Health Services (RMHS) Update

AHS Staff, DAIL and DMH will be meeting with RMHS to review a plan of correction regarding oversight and hardship issues.

Department of Disabilities, Aging and Independent Living (DAIL)

Adult Family Care Home found for elderly man in Springfield

Rep. Pugh and the Springfield delegation met with AHS leadership and hospital representatives to review barriers to discharge for an elderly man with mental health issues, dementia and a history of violence who has been held at the Springfield Hospital emergency room since September. While the focus was on barriers, it was noted that while the individual was at the ER, he received treatment, which resulted in an improvement in his mental state and in his physical function rendering him less likely to be violent and able to live in an adult care home.

US District Court Strikes Down DOL's "Home Care" Rule

The US Department of Labor's regulation made several changes to Fair Labor Standards Act (FLSA) protections for direct service workers – including removing the ability of third parties to claim any FLSA exemption, and altering the definition of "companionship services" for purposes of an exemption from FLSA. The regulation was originally scheduled to go into effect on the first of January; however, two separate rulings in December delayed that implementation. On January 14, 2015, the same court issued an opinion and order vacating the Final Rule's revised definition of companionship services. Therefore, as of this moment, the new regulation is not in effect.

DOL strongly disagrees with both orders and is considering all of its legal options. In the event that the DOL appeals the rulings, these orders could be overturned, and the Rule could still go into effect at a later date. In anticipation of the Rule's January 1 effective date, DAIL distributed guidance to consumers and their surrogates to alert them to their responsibilities as employers of direct care workers under the terms of the new Rule. In light of this decision, DAIL will be preparing a follow-up memorandum to alert these individuals as to these recent developments.

Brownway Residence Misconduct

DAIL was informed by DLP Director Clayton Clark that a decision by the Division of Licensing and Protection NOT to support the involuntary discharge of a resident may be aired in the press by the facility, Brownway Residence, which is not happy with the decision. The resident is alleged to have committed sexual misconduct. It is not uncommon for Long Term Care facilities to have challenges with residents who sexually abuse other residents and the Division the facility has a responsibility to keep all residents safe.

Department of Corrections (DOC)

Sex Offender Registry Update:

In regards to H16, a technical correction has been made to the Sex Offender Registry. Deputy Commissioner, Lisa Menard testified 1/14/15 in House Judiciary on H16. The committee made a technical correction to the bill proposing that sex offenders who are maxing out their sentence with no supervision be required to register prior to maxing out. The bill would require DOC to notify the

offender and assist them with the registry. As the current bill requires this for sex offenders being released to community supervision, but not those maxing out to no supervision, this correction makes sense and codified current DOC practice. Furthermore, DOC testified in Senate Judiciary on proposed changes to the sex offender registry. The proposal clarifies that the Court is to determine if and how long an offender will be on the internet registry. The proposal also included language stating that DOC would be responsible for notifying the registry if an offender who moves from out of state, and has qualifying offenses and will be on the registry. This is currently a DPS (VCIC) responsibility. The DOC did not fully support this as written. The DOC would have no way to know if a sex offender moved to VT unless they are being transferred for supervision under the interstate compact. DOC will work with legislative counsel on the language

Fox 44 – Work Crew at St Albans P&P Office

On Wednesday, the St Albans P&P Office notified DOC that Fox 44 News was at their office and planned to follow/film a work crew offender on the crew. The offender apparently spoke to Fox 44 at the office ribbon cutting on Monday and complained of money being spent on a new office but not rehabilitation programs. Because the crew would be in a public place the media did not need our permission.

Inmate Death - Chittenden

On Friday evening, an inmate housed at the Chittenden Facility passed away at the FAHC. She was admitted to hospital on Wednesday. Annette Douglas, age 43, was lodged on a violation on December 28. Ms. Douglas had a long history of diabetes and heart disease and was non-compliant with treatment in the community. All data, etc., is being preserved in anticipation of an action from the family. Following her death, Commissioner Pallito received the following email from another member of the community:

“I saw on the news that her family is trying to blame department of corrections for her death due to medicine use. I personally took her to the ER 8 times last year and she was admitted 4 of those for not using her medicine at all, her prescription would be at USC pharmacy for weeks ready for her to pick up and paid for but she would not go get it. She would ask me for a ride to go get it then not want me to take her there. Her mother is aware of all this as she was the other person that gave her rides. You can also check with Tonya Willette her Ex-Girlfriend as she also nagged at Annette to get her meds and use them as prescribed and she would not. I hope this is helpful when dealing with her family that is clearly just looking for a way to get money for something that is clearly Annette's own fault. “

Recidivism Reduction Task Force :Work on DOJ Grant Begins

On Monday, DOC convened the State Recidivism Reduction Task Force. This group is responsible for the implementation of the 3-year, \$3million grant from the US Department of Justice. The Task Force has broad representation from government and community partners that have a role to play in successful reentry and recidivism reduction. The technical assistance provider from the Council of State Governments was also present.

Population – Drops to lowest level since 2003:

As of this point, our out of state population stands at 401. We are making plans to transfer another 30 male inmates back from out of state within the next few weeks and are also inviting the U.S. Marshals Service (USMS) to lodge more male inmates with us.

The department's incarcerated population averaged 1,982 for the previous week. The male population averaged 1,816 with 325 being presentenced. The female population averaged 166 with 35 being presentenced.

Department for Children and Families (DCF)

AFT Forgoes Appeal

The Vermont Early Educators United Union has informed the State of Vermont that it will not appeal the adverse decision of the Board. It stated that this decision is based on matters separate from the involved issues. This decision renders the motion for intervention by the National Right to Work Committee moot. It is likely they will file a new petition in a year.

Cold Weather Exception Update

COLD WEATHER EXCEPTION ANALYSIS FOR SFY14 & SFY15 THROUGH DECEMBER 31				
CWE Measure	SFY14	SFY15	Change	Percentage
Nights Meeting Criteria*	55	41	-14	-25%
Requests for Emergency Housing	1756	2887	1131	64%
Number of Motel Nights	3388	3802	414	12%
Avg. Number Motel Rooms Per CWE Night	62	93	31	50%
Number of Adults	1859	3097	1238	67%
Number of Children	226	551	325	144%
*The first CWE night in SFY14 was 10/25/2013 and in SFY15 was 11/2/2014.				

The above chart is an analysis of cold weather spending for the first half of SFY14 and SFY15 through December 31st each year. Even though this year we've seen a 25 percent decrease in the nights needing the Cold Weather Exception, we are seeing a large increase in usage. What is particularly concerning is the number of children and families using this exception for housing.

Updated Vermont Supreme Court Cases Related to DCF

1) In re M.K. (Windham State's Attorney at trial; AAG Bridget Asay, AG appellate division on the brief and argument)

In a unanimous 5-0 decision, newest Vermont Supreme Court Justice Duke Eaton wrote eloquently for the Court about what CHINS-A abuse means. First the Court reiterated its recent holdings that CHINS proceedings are not intended to punish the parents for their conduct but to protect the child from harm and thus must be liberally construed to achieve this purpose. The Court then recognized that the protection of a child from abuse is an area of legislative concern that does not lend itself to precise definition, thus rejecting mother's claim that the statute's failure to define what behaviors constitute abuse renders it somehow defective. The Court approved the notion that "common sense community standards" are reasonably sufficient to inform a parent of what is appropriate behavior towards their child and clearly what the mother did in this case fell outside what was acceptable. The Court also extended its "prospective harm" cases and wrote that it is not necessary to prove that a child was actually injured to in order to prevail on a CHINS-A abuse petition.

Finally, the Court again refused to incorporate the Chapter 49 definition of abuse into the JJPA.

2) In Re J.D. (Windham State's Attorney at trial, AAG Jody Racht on the brief and argument)

The disposition order was upheld. The mother challenged the trial court's authority to approve a disposition case plan containing concurrent goals. The Court did not reach the merits of the mother's claim regarding concurrent planning, deciding instead that mother waived the issue by failing to raise it before the trial court.

3) In re G.W. (AAG John Lurvey at trial, AAG Jody Racht on the brief)

The Court upheld the TPR. The Court affirms that the issue of mother's fitness is separate from the child's adoption prospects. The Court clearly recognized that "the important goal of permanency for a child by freeing them for adoption does not guarantee permanent stability for the child. Potential adoptive placements, if any, identified at the time of a TPR hearing, may not ultimately work out for a multitude of reasons. Post-adoptive changes in the lives of adoptive parents, such as death or separation, may also affect the child's long-term stability. But these considerations do not have any impact on whether parental rights should be terminated."

4) In Re S.G. (AAG John Lurvey at trial, AAG David Tartter of the AG criminal division on the brief)

The Court upholds TPR, rejecting mother's claim that trial court should have permitted her to elicit testimony from the foster/adoptive parent about her intentions regarding the post-adoption contact. The Court held that this was not relevant in a TPR proceeding, where the trial court has to assume that there will be no contact between bio parents and child in the event the TPR petition is granted.

Department of Vermont Health Access (DVHA)

Pharmacy Benefit Management (PMB) Update

The implementation of the new pharmacy benefit management system continues. The balance between accepted and rejected claims is similar to the old system as additional adjustments are being made. The call volume to the PBM call center has reduced, but so has the speed of answering these calls. This is being investigated.

Review of Pediatric High-Tech Cases

VDH and DVHA conducted a review of all pediatric high-tech cases and made adjustments in care plans as appropriate. Some appeals have been filed and have been routed through the policy unit. Breena Holms from VDH will hear the cases that are in appeal (3). Three Cases are slotted to go in front of the HSB. These have been scheduled and DVHA is working with VDH on these cases.

Medicaid Innovation Accelerator Program

DVHA and ADAP collaborated in the submission of a technical assistance grant from the Medicaid Innovation Accelerator Program (IAP) and were notified of acceptance into the program. The need to improve how health care is delivered, measured, and experienced is strikingly evident in the substance use arena. Through the IAP, CMS will provide technical assistance and other types of technical support to states interested in accelerating the development and testing of Substance Use Disorder (SUD) service delivery innovations. DVHA intends to use this opportunity to enhance the ability to draw relevant data from across AHS in order to create and maintain a "dashboard" for the administration of the Hub & Spoke program. The first meeting with CMS is scheduled for Jan 23rd.

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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: January 16, 2015

Status of Governor's Priorities:

Legislative Activities and Issues

State Veterinarian, Kristin Haas, received feedback from ANR legal counsel Catherine Gjessing this week that H.5, a bill introduced by Representative Deen that gives full regulatory authority of fur bearing animals in VT to F&W, was well received when introduced in committee. VAAFM supports this portion of this bill and worked collaboratively with Gjessing to draft it.

January 13, 2015

The Agency listened to the Vermont Natural Resource Council introduce their programs to House Agriculture and Forest Products, and specifically introduce VNRC Water Program staff Member Kim Greenwood. She shared VNRC's four priorities for water quality as it relates to agriculture and took questions from the Committee.

Priorities outlined and associated comments from VNRC include:

1. Amend the Accepted Agricultural Practices- these regulations are very out of date and in Kim Greenwood's opinion, do not address the minimum requirements to comply with the Clean Water Act. Rep. Partridge suggested that VNRC communicate with the Agency about what it would suggest including in the AAPs.
2. Require mandatory livestock exclusion from waterways
3. VNRC encourages/supports more inspections of farms, but also believes that Best Management Practices must be used regardless of whether funding is available to help with their installation. The law currently provides that installation is contingent on funding.
4. Evaluate whether enforcement of the Clean Water Act on farms should stay with the AAFM. VNRC believes that it is difficult for the AAFM to provide technical support and assistance to farmers and to enforce water quality regulations at the same time.

AAFM Leadership met with Senate Ag and House Natural Resources committees to give them overview of the Agency of Agriculture.

Secretary Ross also gave a preliminary presentation to the House Democratic leadership and select House Chairs on the Agency of Agriculture's water quality commitment and strategy. This will continue to be a theme for the Agency of Agriculture for the rest of this legislative session and beyond.

Significant Events/Meetings:

Both state veterinarians attended the inaugural meeting of the Swine Health Task Force on 1/14/15, coordinated by Dr. Mehlenbacher in conjunction with colleagues at UVM Extension. The purpose of the Task Force is to bring together swine veterinarians, producers, regulators and technical assistants to discuss the needs of the Vermont swine industry and the ways in which the group can collectively meet those needs. A mission statement, objectives and preliminary deliverables were identified. The meeting and subsequent activities of the Task Force are being funded by an Animal Health cooperative agreement from USDA-APHIS.

State Veterinarian, Kristin Haas, participated in a conference call on 1/15/15 as a member of the USDA Veterinary Services Training and Exercise Plan workgroup to finalize a survey to be sent in February to NASDA and state veterinary colleagues regarding national priorities for animal health emergency planning. The feedback from the survey is intended to inform the national Training and Exercise Plan that is maintained by USDA-APHIS.

Evolving Issues:

State Veterinarian, Kristin Haas, completed this week a VT geographic shortage area submission to the federal Veterinary Medical Loan Repayment Program. The designated shortage area has a geographic center of Rutland Corners and covers Caledonia, Orange and Essex counties. The nomination has been developed in collaboration with the NH state veterinarian, who is also submitting a nomination for the other side of the Connecticut River. Successful veterinary applicants willing to practice food animal medicine in this area could receive up to \$25,000 per year for three years to offset loan debt.

Summary of Key agency Department Activity

Agricultural Development:

Produce Safety Program relationship building efforts

- Kristina Sweet has spent past few weeks meeting with produce growers and technical assistance providers to understand industry's need and appropriate role for VAAFM to play
 - Farm visits to Intervale Community Farm, Scott Farm Orchard, Harlow Farm
 - Meetings with UVM Extension, NOFA-VT, and the Vermont Vegetable and Berry Growers Association (VVBGA)
- Discussions have included FSMA rules and implementation, requests for produce safety plan/certification from wholesale buyers, possible development of a statewide produce safety program, VVBGA's new Produce Safety Accreditation Program, and potential models for collaboration between VVBGA, UVM Extension, and VAAFM around produce safety and FSMA implementation.

VAAFM participate in NASDA Food Safety Modernization Act (FSMA) Implementation Group meeting 1/14 & 1/15 in San Antonio TX

- Abbey Willard joined state department of agriculture staff from NC, OR, and MI along with leadership from NASDA and AFDO to continue review of NASDA's chapters in the FSMA Operational Plan, FDA's FSMA plan, and establishment of the work plan associated with the Cooperative Agreement between NASDA and FDA to develop an integrated federal/state approach for implementation of FSMA

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

Steve Parise, Agricultural Production Specialist and Agency Apiculturist, gave a presentation to the Rutland Garden Club on honey bees and native pollinators, improving habitat for pollinators and types of plants to establish on Tuesday.

Meat Inspection:

- Meat Inspection is providing extra coverage for the federal plants under the cross-utilization program as USDA continues to struggle to fill open federal inspector positions within Vermont.]
- Meat Inspection is running through the list of delinquent retail license holders for 2014, to determine licensees out of business from those operating without a valid license.
- Meat Inspection sent out another notification to federal commercial slaughter establishments reminding them of their requirement to submit documentation related to humane handling violations to the Agency within 5 days.

Dairy:

Dairy Impact Study

Over the past year, with funding provided by the Vermont Dairy Check-off program, the Agency conducted a study to assess the economic and quality-of-life impact of the dairy industry in Vermont. AAFM worked with Ken Jones, an

economist at the Agency of Commerce, to quantify the economic impact. AAFM also partnered with Rich Clarke, of Castleton Polling Institute, to survey Vermonters about the quality-of-life impact.

The Agency is working to produce a brochure which presents these findings, and we will be rolling the whole thing out on 1/29 at the Farm Show. There will be a presentation and a press event.

Here is a brief summary of some of the findings (these findings have not been shared broadly – we’d like to wait until the 1/29 launch)

Dairy’s Economic Impact

2% of overall economic activity in Vermont

3% of Vermont salaries and wages

Between **6,000-7,000** Vermont jobs

\$3 million in cash flowing into Vermont every day

12% of vt’s manufactured output

\$1.3 Billion in annual sales of dairy products

80% of all Vermont farm land

70% of all Agricultural sales in VT

Each cow generates **\$12,5000** annually

Dairy brings \$3 million in circulating cash into the state *each day*

Total estimated annual value of Vermont’s Dairy Industry = \$2.2 Billion per year

Quality of Life

92% of Vermonters polled (representative sample) feel Vermont’s dairy farms add to “the beauty of the state”

91% feel dairy is “important to Vermont’s future”

93% feel dairy is “important to Vermont’s economy”

92% feel dairy is “important to Vermont’s way of life”

Agricultural Resource Management:

Medium Farm Operation (MFO) and Large Farm Operation (LFO) Programs

- Staff responded to a complaint in Addison County regarding concerns related to manure stacking and management on a MFO. At the time of the visit there were no compliance concerns and we will be working with the farm the advise them on how to reduce their risk of runoff and improve their manure management system.
- Staff conducted two compliance checks on farms in Rutland and Addison County. In Rutland we verified that a SFO had adequate freeboard in a manure pit. In Addison County we evaluated the status of a barnyard and manure pit construction project on a LFO related to an ongoing enforcement case.
- Staff are working with Communications and Marketing on agriculture water quality success stories to illustrate farms making improvements that benefit water quality.
- Staff are continuing to process LFO permit amendments for several farms and a permit amendment has been finalized and will be ready for signature by Secretary Ross in the coming days.
- Staff are coordinating enforcement efforts for several ongoing and future enforcement actions on MFOs and LFOs for water quality compliance concerns.
- Staff are continuing to work on the USA FoodSafety water quality database.
- Staff are drafting reports and memos related to inspections and enforcement cases.

Conservation Reserve Enhancement Program (CREP)

- Staff prepared for upcoming field visits to farms with potential CREP projects.
- Staff worked on paperwork needed for upcoming CREP contract signings.
- Staff participated in an ERP partner update conference call.
- Staff communicated with several VLT/Upper Valley LT staff re: several farms: some where CREP is planned or where there’s potential for CREP (some with River Corridor easements), and some where NRCS EQIP and Agency Engineer will be brought in to address WQ issues beyond CREP.

- Staff worked with Partners for Fish and Wildlife Staff to put together the planting plans for spring CREP Riparian Forest Buffer plantings and put projects out to bid.

Secretary's Comments:

This week Secretary Ross and Deputy Secretary LaClair met with the following committees to give overview of the Agency of Agriculture, and to prioritize/introduce items of interest for the legislative session. Senate Ag and Forest Products and House Natural Resources. Last week Secretary Ross and both Deputy Secretaries met with the House Ag committee for the same overview.

On Friday Secretary Ross gave a preliminary presentation to the House Democratic leadership and select House Chairs on the Agency of Agriculture's water quality commitment and strategy. This will continue to be a theme for the Agency of Agriculture for the rest of this legislative session and beyond.

Met with Chief Weller of the NRCS and participated in a press conference at the State House announcing additional financing for conservation efforts.

Attended the Champlain Valley Farmer's Coalition Annual Meeting in Vergennes.

Joined the Governor at the Burlington Free Press Editorial Board meeting on Friday.

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Davis 2
Montpelier, VT 05620-3901



Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

State of Vermont

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: January 16, 2015
Subject: ANR Weekly Report

Governor Level Issues:

Clean Water Initiative: Commissioner Mears provided an overview of the Clean Water Initiative and Lake Champlain Restoration Plan to several House committees: Ways and Means; Fish, Wildlife and Water Resources; and Natural Resources and Energy. The House Fish, Wildlife and Water Resources Committee will begin review of a comprehensive Clean Water Bill this Friday morning, and Administration officials will meet with House leadership on Friday afternoon to prepare a strategy for moving the Clean Water Bill.

Burlington Town Center: DEC staff met with developer Don Sinex who presented his vision and plan for building a mixed use, residential housing and retail building as well as a hotel and convention center and underground parking on the site of the current mall. This project will require several DEC approvals and we will look for opportunities to work with the developer to anticipate and plan for ensuring that the permitting process is coordinated and streamlined.

Yankee Show, Jan. 16-18: The Fish & Wildlife Department will be sponsoring exhibits and presenting seminars at the annual Yankee Sportsman's Classic show on Jan 16 - 18 at the Champlain Valley Expo in Essex Junction. For your schedule!

EVERYTHING ELSE:

Legislative Issues/Testimony:

Agency and Department Overviews: Commissioners Mears, Porter and Snyder joined Secretary Markowitz and ANR senior staff for presentations to the House Committees on Natural Resources and Energy and Fish, Wildlife and Water Resources. Brief overviews of the work of the Agency and each of its Departments were provided to the committees, along with legislative agendas for this year.

Budget Adjustment: Mike Snyder will be testifying concerning the FY15 Budget Adjustment Bill at House Appropriations this Friday relating to the \$50,000 General Fund reduction replaced with Parks Fund (w/some fee increases).

Press Issues/Releases:

USDA Resource Conservation Partnership Program Grant Announced: USDA officials announced that Vermont will receive \$16M in federal grant dollars to be used to reduce nutrient pollution from agriculture in several sub-watersheds of Lake Champlain, including Missisquoi Bay and the South Lake. Both Missisquoi Bay and South Lake are heavily impacted by polluted runoff from farms.

Support for the Governor's Inaugural Address: A coalition of groups including CLF, VPIRG, VNRC, Rural Vermont, Sierra Club, and VBSR held a press conference to express support for the Governor's announcement that he would make restoring Lake Champlain a priority.

VTFWD Announces Release of Landowner's Habitat Management Guide: VTFWD is announcing the release of the long-awaited book entitled A Landowner's Guide – Wildlife Habitat Management for Lands in VT.

Barton Man Fined, Loses Licenses in Poaching Case: A Barton man will pay more than \$1,000 in fines and court fees and lose his hunting, fishing and trapping privileges for three years. Kenneth Bacon, Jr. of Barton pled "no contest" on Jan 7 in Orleans District Court to taking deer in closed season and reckless endangerment. Bacon shot from a vehicle on a Craftsbury public road and then fled as Vermont Fish & Wildlife wardens attempted to apprehend him, putting one warden in danger of serious injury. Wardens were in Craftsbury at the time conducting an operation in response to several complaints of illegal road hunting and poaching activity in the area.

Other Fish and Wildlife Releases: VT Turkey Hunters Had a Successful Year; VT to hold 2nd annual Free Ice Fishing Day Festival: VT's 2nd annual statewide Free Ice Fishing Day is set to take place on Sat, Jan 31, and will be highlighted by an activity-filled ice fishing festival hosted by FWD in conjunction with the Champlain Valley Hardwater Tournament Series.

Significant Events/Meetings:

TDI (Lake Champlain Electric Transmission Line): Commissioner Mears met with representatives of the developers of the transmission line project proposed to run along Lake Champlain along with PSD Commissioner Chris Recchia to discuss TDI's proposal to provide funding for Lake Champlain clean water efforts and also to create a new trust fund to support other environmental and recreational projects on the lake. However, funding levels were not discussed. Commissioner Mears has been working with Commissioner Recchia to develop a proposal for consideration by the Governor that we hope to present shortly. Following approval by the Governor, we will attempt to negotiate an agreement with TDI that the Administration can present to the Public Service Board.

OMYA: Waste Management staff attended a meeting hosted by OMYA for interested parties to the OMYA Tailings Management Facility. The meeting topic was OMYA's application for recertification for the facility, and their request to obtain a waiver from the requirement that solid waste disposal facilities be lined and collect leachate. OMYA's consultants presented data and information in support of the liner waiver request, including toxicological studies on the contaminant of concern in the tailings, and groundwater and leachate data from the existing lined cells, and older, unlined tailings disposal areas.

Solid Waste Infrastructure Advisory Committee Meeting: This group, mandated by 2014 legislation and convened by ANR to provide input regarding implementation of the Universal Recycling law, agreed on a set of recommendations including revenue options for funding necessary infrastructure. Once the recommendations are captured in a draft report, we will share with you for your comment and approval prior to submitting to the Vermont General Assembly as required.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation

Electric Vehicle Tracking: Air Quality & Climate Division is analyzing DMV vehicle registration data to track the growth of plug-in hybrid and full electric vehicles registered in Vermont as part of the Drive Electric Vermont effort. The results through the last quarter of 2014 will be posted on the Drive Electric Vermont website at <http://driveelectricvt.com/buying-guide/why-go-electric>. As of the end of December, Vermont had 867 plug-in passenger cars registered, an increase of 66 vehicles from the previous quarter. Plug-in vehicles are now registered in well over half of Vermont communities.

New Timeline for Greenhouse Gas Regulations for Power Plants: EPA has delayed finalizing the proposed rule for new and existing power plants. Vermont is working with the other states to ensure that our participation in the Regional Greenhouse Gas Initiative will satisfy these new requirements. Final rules will now be released "mid-summer". More information may be found at the following link: <http://www2.epa.gov/carbon-pollution-standards/fact-sheet-clean-power-plan-carbon-pollution-standards-key-dates>.

Manganese Outreach: The Drinking Water & Groundwater Protection program has posted a new fact sheet regarding manganese in drinking water at: <http://drinkingwater.vt.gov/wqmonitoring/pdf/guidancesheetusersMn.pdf>. We are doing additional outreach related to manganese due to the Vermont Department of Health new health advisory limit for manganese. We are also requiring water systems to monitor for manganese to help us determine which water systems may be producing water that exceeds the new limit. While manganese is a nutrient at low levels, at the VDH's advisory level, it is a neurotoxin for children and developing fetuses.

Thetford Gun Range: In response to a request to conduct testing on surface waters associated with a gun range in Thetford, Watershed Management staff collected surface water samples for chemical analysis of lead and arsenic at the Upper Valley Fish & Game Club. Results indicate elevated lead in surface waters. A report on the sampling and results is currently being prepared.

Proposed VELCO transmission line under Lake Champlain: DEC staff met with VELCO and their consultant to review the proposal to replace the utility lines that run between Grand Isle and Plattsburgh, NY. The project will involve removal of 7 existing oil filled cables currently on the bottom and replacing with 4 non-oil filled cables. The project will involve similar, in-lake disturbance to the other Lake Champlain transmission line proposal (TDI) being evaluated by the department, on a smaller scale, but more concentrated area of the lake. We explained the necessary permits and information that will be required.

Fish & Wildlife

Green Intern: Staff prepared for the arrival of the Fish Culture Operations Enhancement Intern. This intern will coordinate with fish culture station staff to identify, research, and further develop energy efficiency projects at fish hatcheries to both save money and bolster a "greener" approach to fish culture.

Danger on the Ice: Over the weekend an angler on an ATV went through the ice at Sandy Point and rescue crews cut the chain to the old Sandy Point Hatchery, and damaged the gate getting into the area. Local wardens with keys to the gate were in the area at the time, but were not contacted by rescue crews. Staff replaced the gate chain and made plans to repair the damage on the access road gate.

Illegal Trophy Buck: An illegally killed, trophy class antlered deer was recovered from a taxidermist over the weekend after wardens conducted interviews that lead to a confession. LT Smiley apparently uncovered the suspected violation on a Facebook page after being notified by an individual about getting the deer's antlers scored. A consent search of the violator's cell phone revealed what will most likely be more illegal deer and subsequent charges.

Windsor Prison Proposed Solar Project: Staff worked to address a proposed solar energy project at the Windsor Prison Farm where the project would impact significant grassland bird

nesting habitat. Staff are continuing to develop a consistent, science-based process for assessing impacts to grassland bird habitat from development and how to mitigate those impacts. In this case, the property is currently owned by VTBGS and may be transferred to the VTFWD to be managed as a WMA, so how we handle this solar project is important from several perspectives.

Forest, Parks and Recreation

ADA Events: Planning continues with VDTM, the Vermont Center for Independent Living and Vermont Adaptive Ski and Sports for recognizing the 25th anniversary of the Americans with Disabilities Act this year focusing on outdoor activity in general and state parks in particular.

Parks Data System: An internal team is close to selecting a vendor for developing the next generation of parks reservation/accounting/point of sale software system. The team has been working closely with project managers from DII to ensure a good, cost effective outcome.

Johnson State College Timber Harvest: A contractor, Bob Hoag, for the Johnson State College timber sale has been chosen by high bid and Ray Toolan, Lamoille County Forester, now needs to get the contract signed and to have the pre-harvest chat. Things are finally freezing up nicely to where we might be able to get things moving as soon as Bob is ready to go. Bob's property abuts the college lands so it does cut down on transport costs.

Timber Harvest Complaint: A forestland owner in Plainfield, who is enrolled in UVA, contacted Dan Singleton, Washington County Forester, about a logging operation on their property. It appears that the contractor, Bacon Logging, Inc. of Barton, is not cutting in accordance with the landowner's wishes and the landowner is now experiencing difficulty in getting the logger to leave their land.

Maple Meeting: County Forester Jon Bouton led a discussion at the Windsor County Maple Producers annual meeting in South Woodstock on the evening of Jan 8. He noted there are a lot of new taps going out this year on forestland leased by maple producers. Questions and concerns included; practicality of increasing biodiversity in naturally-occurring and previously-managed middle-aged sugar maple stands, validity of standards that restrict tapping small, fast growing trees, predicting episodic insect defoliations and ethics of using public funding for research that personally benefits the researcher.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: January 16, 2015

Subject: Weekly Report

Governor Level Issues:

VY: Interestingly, VY seems interested in negotiating a PILOT for the next several years. Perhaps they don't realize how low the assessment would likely be (estimated by tax to be between \$500,00 and \$1,000,000.) They seem inclined to agree to something on the order of the 2015 agreement - \$5,000,000. Are you ok with me and Mary negotiating with them? No doubt any agreement would be subject to same terms of the settlement agreement: that if the legislature imposes more tax, it would be subtracted from the amount agreed upon.

VGS: We had a contentious, but in the end good, meeting with Monkton Landowners about the VGS process on Thursday. VGS agreed to \$2500 for legal fees, up to \$5,000 with documentation. They also agreed to a March 15th date for not filing eminent domain proceedings, which should enable this to move forward. Landowners definitively want the Governor's office to send the initial letter – we are working with that concept and will have a draft to you over the weekend.

FairPoint: We are making progress on this – As a result of our daily calls and weekly

meetings, we have seen a reduction in the number of complaints this week. That said, testimony in House Natural Resources and Energy Committee and even more in Senate Finance, they expect results – which we are prepared to deliver- Things are getting better, perhaps not as quickly as we prefer, but outstanding issues are down. I am not declaring victory yet, but another two weeks should show substantial improvement..

Status of Priorities Cases of Interest:

Legislature:

- **EIP** – The Department has reached agreement with REV, GMP, and Vermont Electric Cooperative on the distributed generation tier (which was likely to be the most contentious issue). We all will support a modest bump in deployment numbers in the out years, while still preserving the rate benefit of the overall proposal. In addition the new language will make clear that in the 2017 and later net metering program, all customers receiving a net metering incentive or adder will provide their renewable energy credits to the utility to be retired to meet the DG tier goals. If customers elect to keep the credits, then their incentive or adder will be reduced by an appropriate amount. This is good for utilities in relation to EIP because it gets them additional credits they are not getting now, and makes net metering a better deal for them going forward. It is good for the renewable industry because it makes clear net metering will continue to play a strong role in helping meet our energy goals once the EIP is in place. Tony Klein and Rebecca Ellis will introduce legislation containing the full EIP proposal, including this new agreement, next week. Darren and Asa will present the proposal to House Natural Resources and Energy Committee on Friday the 23rd.

Meetings this Week:

Jan 12 – Chris, Darren, Jim Porter and Sue Allen meet with Speaker on Fairpoint; Governor's extended cabinet meeting; Darren meeting with Chris Bray; Darren meeting with Johanna Miller

Jan 13 – Chris conference call with 5th floor re transmission and tax; PSD/ANR/TAX meetings with TDI; Darren meeting with Warren Coleman and David Hallquist; Darren meeting with REV, GMP, and VEC to discuss EIP; Darren and Asa meeting with BED; Chris meeting with Adam Winstanley and John Hollar; Chris and Jim Porter VTA transition meeting;

Jan 14 – Chris on Mark Johnson show; Darren meeting with MMR and VELCO; PSD meeting with GMP re Deerfield; PSD/FairPoint weekly meeting; Chris/Darren meeting with REV re transmission; CEDF Board Meeting

Jan 15 – Chris/Darren/Asa testify in House Natural Resources committee; Budget Address;

Chris and Louise Porter meeting in Monkton with landowners

Jan 16 – Chris/Darren/Asa and Jim Porter testify in Senate Finance committee; Darren meeting with REV; Darren meeting with Michael Dworkin; Darren meeting with Aaron Adler; Darren meeting with EAN to discuss EIP

Meetings next Week:

Jan 20 – Chris/Darren/Asa and Jim Porter testify in Senate Natural Resources and Energy committee

Jan 21 – PSD/GMP meeting re Lake Champlain digester project; PSD/FairPoint weekly meeting; Chris VCRD Board meeting

Jan 22 – VTA transition meeting;

Jan 23 – Chris VEDA Board meeting; Darren and Asa testify in House NRE on EIP proposal

Media: CR with Mark Johnson 1/14; Taylor Dobbs, VPR and John Herrick, VTD on VGS cost increase and Department's position; Darren spoke with David Hodges FOX44 about EIP

Everything Else:

PERD

Legislative Updates

- Reviewed suggested statute language changes for Act 250 Section 9F proposed by the Natural Resources Board and provided comments/suggested edits. It is staff understanding that once language is agreed upon it will be sent to the HNRE Committee for consideration.
- Working on finalizing legislative report, "Efforts to improve energy savings in affordable housing and increase the number served" with OEO, VHCB, and other stakeholders. OEO has asked that they only be listed as one of the core participants and not under "Submitted by" on the cover page due to lengthy internal agency review required for any reports submitted by them. PSD staff has agreed to make this change with the understanding that OEO would still take the lead on testimony on the report as it almost exclusively covers the state Weatherization Program, which is clearly not under PSD jurisdiction. The report is due January 30th.

Residential and Commercial Building Energy Standards (RBES & CBES)

- Code Update:
 - Vermont has been recognized at the first state to adopt the IECC 2015.
 - Ongoing efforts working with ICC on format and content of Vermont Building Energy Standards. No estimate yet on when final version will be ready.
 - First draft of Residential Building Energy Standards Handbook has been completed. Staff is reviewing and will provide comments to the contractor by next week.

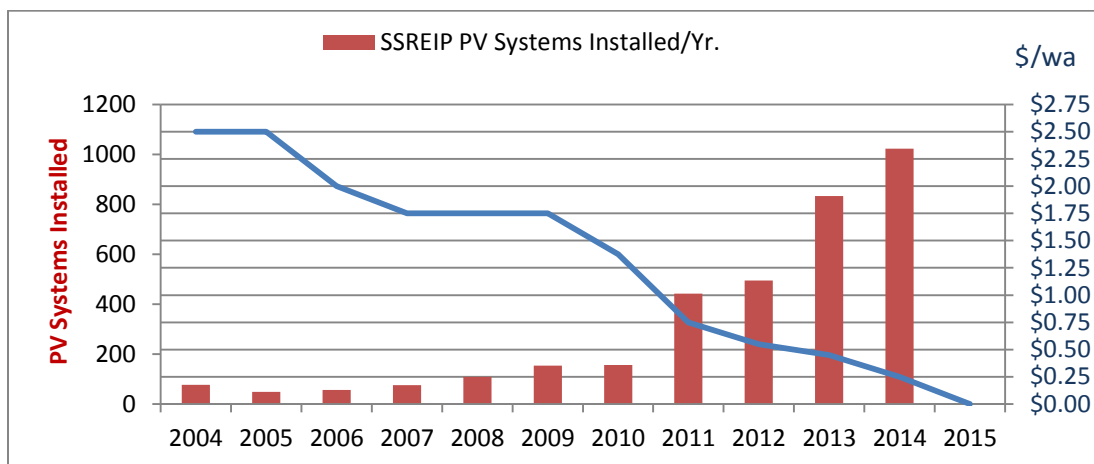
- Work continues to finalize the Commercial Stretch Guidelines. Staff hopes to have a revised draft completed by the end of this week.

Energy Efficiency Utility Activities

- PSD was asked to weigh-in on an unresolved issue regarding whether EVT could/should charge VGS and BED an operations fee in addition to other program costs when providing services to BED and VGS customers. PSD staff and attorney have communicated that we believe it is appropriate for EVT to charge the operations fee in these instances, particularly given they are charging the “state approved” rate. Staff has also discussed whether the PSD should make a recommendation to EVT and/or the Board that EVT always use the “state approved” rate when charging an operations fee to any DU. Staff notes that currently EVT is charging a higher rate to GMP for their programs under CEED.
- Docket 8311 (heat pumps) – Staff are drafting testimony. The testimony deadline has been 1/16, but the Board has asked a set of questions with supplemental testimony due 1/23. We are asking for a combined testimony deadline of 1/23.

Clean Energy Development Fund

- SSREIP
 - We received calendar year data the SSREIP program. I used some of the data for graphs in the CEDF annual legislative report. Here is an example that shows continued increase in the number of PV systems installed despite the reduction in incentive \$ amount, size eligibility, and the market disruptions due to net meter cap issues early in the year:



- Completed Advanced Wood Heating stakeholder interviews in preparation of the bulk pellet delivery infrastructure RFP (\$600,000). Based on these discussions the plan is to have a two stage process where the primary request will be for short one page proposals. After receiving the one-pagers the CEDF could ask selected applicants to complete a more detailed application/proposal for a grant.
- Continued discussions with VEDA about the creation of an interest rate loss reserve with \$1M of ARRA funds.

- Annual Report
 - Continued writing and review heading towards deadline for release to the Legislature of January 15, 2015.
 - Completed the Greenhouse Gas analysis for this year's grant activities, including updating spreadsheets with current marginal emissions rates and source emissions rates. Data entered into draft annual report. This year's review took additional time as reporting for pellet stoves entailed coordination with ANR on how to account for CO₂ emissions from wood products. A decision was made to show emissions counting and not counting CO₂e from pellets in the report.

Renewable Energy Items

- Met with ACCD and AOT regarding regional energy planning. Our sister agencies are enthusiastic about and supportive of the energy planning efforts. AOT would like to meet with the RPCs in question prior to the commencement of work to better understand what the process and outcomes will be. They also suggested meeting regularly with relevant staff within each RPC in addition to director-level meetings.
- Revised draft RPC energy planning contract based on PERD director input and sent contract provisions related to public records and contract termination to PA for review.

Net Metering

<u>Net Metering Activity 1/3/15 – 1/10/15</u>			
	Registrations	Applications	CPGs Granted
Count	17	1	44
kWAC	98	500	304
Ave Size kW	5.765	500	6.910
Cumulative Capacity of ALL Formal Notices Submitted**			
Year Total		Total Since 1999	
2014 kW	2015 kW	1999 – 2015 kW	% of 15% Cap
41,003.75	967.03	128,191	~ 128%

****Note: These totals now include systems of all sizes, and include those systems for which 45 day notices have been filed as well as those for which formal permit applications have been filed.**

Heating Fuel

- Since last reporting Crude Oil prices traded lower now at \$46.77 v. \$52.56 a week ago.
- The natural gas market has traded lower now at \$2.846 v. \$2.962 a week ago.
- Completed weekly Fuel Survey

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

VY began moving spent fuel from the reactor vessel to the spent fuel pool at 1:15 AM on January 8 (roughly one day ahead of schedule), and reactor defueling was completed on Monday, January 12 at 5:20 AM. All spent nuclear fuel at the VY site is now either in the spent fuel pool or in dry cask storage. Entergy formally notified the NRC of VY's Permanent Cessation of Power Generation and the Permanent Defueling by issuing Letter BVY 15-001 on January 12. Entergy made a separate formal notification to the Public Service Department via Letter SVY 15-001 (even though the Department was copied on BVY 15-001). As a result of this formal notification to the NRC, Entergy cannot legally move fuel assemblies into the VY reactor vessel, let alone attempt to generate power. Currently, VY is "shuffling" control blades in the (otherwise) empty reactor core barrel to facilitate their eventual disposal in several "greater than Class C" waste canisters that will be stored on VY's second ISFSI pad. This effort will assure that each canister will hold a mix of highly and minimally radioactive control blades. Additionally, VY's 30 neutron detectors, previously used to measure core power level, will be cut-up and moved to the spent fuel pool. Each neutron detector contains a trace amount of uranium-235, and as such, must be treated similarly to spent nuclear fuel. These remaining reactor-core activities are expected to be completed by January 19. Maintenance on plant systems required to support defueling and fuel assembly storage in the spent fuel pool also continued during the reporting period.

NRC Grants Requested Delay to Post-Shutdown Decommissioning Activities Report (PSDAR) Meeting

The NRC has granted the Department's request to reschedule the PSDAR Public Meeting to Thursday, February 19. The January meeting of the Nuclear Decommissioning Citizen's Advisory Panel (NDCAP) has been rescheduled to Wednesday, January 28 (the original date of the PSDAR Public Meeting) to permit the NRC's expert on the Decommissioning / PSDAR Process, Bruce Watson, to present an overview of the PSDAR process to the NDCAP prior to the PSDAR public meeting. Both meetings will be held at the Quality Inn & Conference Center in Brattleboro, VT.

PSD Engineering Staff Participates in Radiological Emergency Table Top Drill

On January 7, Bill Jordan & Tony Leshinskie participated in a "Table Top" Emergency Drill simulating a Security ("Hostile Action") & Radiological event occurring at the permanently shut down Vermont Yankee nuclear facility. This exercise was a prelude to a FEMA-graded exercise to be conducted in May. Representatives from Vermont, New Hampshire and Massachusetts participated in this exercise. In general, the exercise went well, although a few areas of improvement for law enforcement communication were noted. In addition, the lack of access to ERDS data previously available to the PSD staff was seen as an impediment to decision making for the VT State Emergency Operations Center (SEOC) participants and the Radiological Assessment Teams. A VY representative identified an alternative in that PSD staff at the VY Emergency Operations Facility (EOF) can receive "screen captures" of relevant VY information via its Plant Display System (PDS) data screens. The PDS data could then be sent to the SEOC for review. Engineering is looking into whether remote access to PDS would be possible.

NRC Extends Public Comment Period for VY Emergency Plan / Emergency Action Level LAR

As reported last week, the State Nuclear Engineer provided technical comments on Entergy's License Amendment Request (LAR), which would create VY's Permanently Defueled Emergency Plan (PDEP) and reduce the number of Emergency Action Levels (EALs). This LAR would reduce the Emergency Planning Zone (EPZ) to the VY fence line and eliminate offsite Emergency Planning support 15.4 months after VY's final shutdown (April 2016). The public comment period for this LAR was to have ended at 11:59 PM on January 8. However, on January 8, the NRC extended the comment period to February 9. Tony has subsequently learned that the NRC intends to shorten the extended comment period to January 23 (although no formal notification has been received from the NRC). The State of Vermont intends to submit comments on the LAR prior to January 23.

Vermont Gas Systems Addison Transmission Pipeline Project

VGS is planning to perform pipeline construction limited to project areas where horizontal directional drilling (HDD) is utilized for installation during the current winter closure period (while mainline construction, by open trench, is suspended). However, recent extreme cold weather precluded field work during this report period. The company is also planning to resume, in the very near future, actions to protect and preserve pipeline segments installed during 2014. This includes utilizing devices to clean the internal pipe surfaces (cleaning pigs) and subsequently filling the pipe segments with nitrogen. The company has also retained an additional engineering firm to review its welding program and other procedures required to install and inspect pipeline facilities prior to performing further construction.

Overpressure occurrence to limited section of Vermont Gas Systems distribution system

VGS informed the Department of an event which caused an overpressure condition to a localized section of distribution piping located downstream of the company's Winooski Gate (pressure regulating) Station on Friday 1/9/15. The company informed the Department the condition occurred for approximately one minute, was contained to an area upstream of any customer services and did not affect any customer facilities or equipment. The Department Gas Engineer has requested the company provide its internal investigation report upon completion in the very near future. The company's regulatory responsibilities, related to the event, are currently being reviewed and will continue upon receipt of the report.

Regional Policy

Massachusetts Gas Study

- On January 7, 2015, the Massachusetts Department of Energy Resources and Synapse Energy Economics, Inc. issued the Massachusetts Low Gas Demand Analysis: Final Report. The study's purpose was to provide an updated natural gas supply and demand outlook for Massachusetts and examine the relationship between alternative energy resources and natural gas infrastructure needs in Massachusetts. The Study found a need for Massachusetts to add 0.6 Bcf/d to 0.8 Bcf/d in 2020 to balance gas supply and demand. The study's primary contribution to the larger body of gas-electric literature is

an analysis of the technically and economically feasible alternative energy resources that Massachusetts could pursue for environmental reasons, their associated gas-displacement capabilities, and costs.

- The study considered eight future scenarios based on the addition of 2400 MW hydro imports, all of the technically and economically feasible alternative resources, and a range of natural gas prices.
- The study found Massachusetts likely to experience a gas capacity shortage during the winter peak hour in 2015, 2020, and 2030. For 2015-2019, the study assumed that Massachusetts' insufficient gas capacity would result in high natural gas prices, with the effect of oil-fired generation being the economic alternative. In 2020, the Study results were pipeline additions ranging from 0.6 Bcf/d to 0.8 Bcf/d, depending on the scenario. In 2030, the Study results were pipeline additions ranging from 0.6 Bcf/d to 0.9 Bcf/d. In general, the addition of 2400 MW of imported hydro and a host of alternative energy resources: (1) reduced the Commonwealth's gas capacity needs and associated power sector emissions and (2) increased consumer costs.

Distributed Generation and Installed Capacity Requirement

- On January 2, FERC issued an Order accepting ISO-NE's proposed Installed Capacity Requirement values. With respect to including distributed generation in the ICR, FERC stated:

While we acknowledge concerns about excluding distributed generation from the ICR calculation, we also agree with ISO-NE and various stakeholders that ISO-NE must examine the market and operational issues associated with incorporating distributed generation into the ICR calculation. Accordingly, while we are accepting ISO-NE's proposed values for FCA 9, we expect ISO-NE to fully explore the incorporation of distributed generation into the ICR calculation in the stakeholder process. We expect ISO-NE to do this on a schedule that will allow these factors to be reflected, if determined appropriate, in the ICR calculation for FCA 10.

FERC also declined to require that ISO-NE include expected resource performance into the ICR calculation. In approving the Forward Capacity Market Pay for Performance program, ISO-NE had argued that the program would increase generator performance; however, in calculating the ICR, ISO-NE continued to assume a decline in generator performance based on a five-year average of past performance. FERC stated that it supports ISO-NE's methodology of relying on actual resource performance data, but ISO-NE may propose revisions to the five-year performance methodology if ISO-NE believes that such a change is appropriate.
- On January 9 state staff met with ISO-NE to discuss an ISO-NE proposal for including some portion of the solar DG forecast into the ICR calculation. ISO-NE stated that it could include both current and projected behind the meter solar with no change to the market rules. This is approximately half of the solar DG MW that is in the forecast for FCA 10 (approximately 200 out of 400 MW). The ISO believes no NEPOOL vote is needed for this and ISO-NE will present the solar DG inclusion as part of the assumptions for ICR as it goes through its annual ICR process during 2015.

- ISO-NE continues to believe that there are significant problems with incorporating into the load forecast solar DG which register as settlement only resources (SOR) into the load forecast. Since, as SOR, those units have the ability to participate as supply side generators in the FCM, ISO-NE feels that by not doing so, these generators have affirmatively declared that they do not want to be considered in FCM. These SOR are not readily distinguishable to ISO from generators that have de-listed or have chosen to interconnect as energy-only units. ISO has posed the question of where they draw the line if ISO were to start subtracting Solar DG SOR from load. Massachusetts requires all net metering and other DG over 60 kW to register as settlement only resources, therefore the majority of solar resources forecast in Massachusetts (which is approximately half of the New England total) will not count toward the ICR. However, all of the solar resources forecast in Vermont will count toward the ICR.
- If the states accept ISO-NE's proposal, the ICR will include approximately half of the solar DG that is in the forecast for the capacity commitment period associated with Forward Capacity Auction 10. ISO-NE stated clearly that they would not voluntarily file market rule changes; therefore states would almost certainly have to file a complaint at FERC in order to include any amount of solar DG into the ICR for FCA 10.
- On January 13 the New England Power Generators Association filed comments at FERC on a separate matter, stating that it would oppose any reductions in the ICR based on DG resources that do not qualify for the Forward Capacity Auction.

Changes in NESCOE Management

- Governor Baker appointed a new Chair of the Massachusetts Department of Public Utilities (although the commissioners at the DPU technically have terms, the Governor can replace commissioners at any point). Prior to being appointed to the DPU Angela O'Connor worked at the New England Power Generators Association and the Associated Industries of Massachusetts. The Chair of the MA DPU has historically been the NESCOE Manager for Massachusetts. Under the NESCOE voting structure four states need to agree before NESCOE will take a position on an issue; however, if the two states that disagree represent more than half of New England's load those two states can essentially veto the ability of NESCOE to take a position. Massachusetts represents approximately 48% of load.
- Tom Welch, the previous NESCOE manager for Maine, retired at the end of December. The new NESCOE manager is Patrick Woodcock, the Director of the Maine Governor's Energy Office. Woodcock has been heavily involved in the New England Governors' Infrastructure Initiative.

Public Advocacy

VY EPZ License Amendment Request – NRC 50-271-LA-2 – The NRC granted an extension of time to file public comments in response to the LAR to January 23. The DPS, VDH, and DEMHS drafted comments and were poised to file prior to the NRC granting the extension. The agencies will continue to refine their comments up to the new deadline. The deadline to file a request for a hearing remains February 9.

VY ERDS License Amendment Request – NRC 50-271-LA – The NRC issued a notice to the parties stating that it intends to issue its ruling on the admissibility of the State’s contention by January 30.

FairPoint Service Quality Investigation – Docket 8390 – The Department filed a letter with the Board outlining the steps it has taken beyond those in the Board investigation proceeding to address the backlog in FairPoint complaints. The letter suggested that the Board hold a hearing to take testimony from FairPoint and the Department on the steps FairPoint has taken to tackle the backlog. The Board issued an order directing FairPoint to provide answers to a number of questions regarding the scope and number of customer complaints and FairPoint’s procedures and actions related to the backlog.

Cold River Solar – Docket 8188 – The Board issued a memo stating that it will conduct an additional visit to the Project site on January 26, ostensibly to investigate issues raised by intervenors at the January 7 oral argument.

Use of EEC funds for Electro Technologies – Docket 8311 - The PSB issued additional questions for parties to answer in their direct pre filed testimony due on 1/16, but also gave parties the option of answering those questions in supplemental pre filed testimony due on 1/23. Parties conferred and PSD filed a request to extend the schedule in the docket to make the initial prefiled testimony due on 1/23 and pushing out the remainder of the deadlines by a week.

Renewable Generation LLC -496.8 kW Group Net Metered Solar Project in Fair Haven - NMP CPG XXXX - PSD filed comments supporting this project and recommending that the PSB impose a requirement that the Fast Track Analysis study results be filed prior to the commencement of construction of the project.

Sudbury Solar – 2.0 MW Standard Offer Solar Project in Sudbury - Docket 8225 – The PSB granted Petitioner’s request to extend the commissioning deadline for this project given the extra time that will be needed to do an environmental assessment on the 1/3 mile line extension that has already been built for the project by GMP. The Board’s Order made clear that it believed the failure to provide testimony on these impacts as part of the main petition was due to the unfamiliarity of the Petitioner with PSB proceedings and their failure to retain local counsel. The Board’s Hearing Officer will convene a status conference on 1/16 and we surmise that it is to discuss the schedule.

Chelsea Solar – 2.0 MW Standard Offer Project in Bennington - Docket 8302 – Parties obtained an extension until 1/20 to file a partial MOU for this project. As yet unfinished are aesthetic and environmental assessments and testimony on the 1 mile line extension that will need to be built to take the power from this project. The Board did grant an extension on the Standard Offer Project commissioning deadline for this project in light of the need to file this additional testimony.

WE 46 Precision Drive 500 kW net metering project - CPG NMP #5538 – The Board had asked Petitioner to comment by January 9, 2015 on the PSD suggestion that since this project would attain the 500 kW statutory capacity limit for a net metering project, the other four projects proposed for the same site (for which 45-day notices have been filed) would be ineligible for CPGs under the Board’s recent precedent regarding the definition of facility. The Petitioner filed a comment merely noting that no additional petitions had been filed on the other four projects, implying the matter was unripe for Board action.

Addison Expansion—Docket 7970—VGS, the Department, CLF, AARP, Vermont Fuel Dealers, Ms. Lyons and the Palmers filed comments on January 12 with regard to the updated capital budget. All parties suggested some manner of second look-either remand or CPG amendment-and VGS has not opposed Board review in light of the new numbers. VGS intends to file testimony and analysis of the new numbers on January 15 despite the fact that the Board has not announced a method of proceeding or a schedule. VGS also intends to file the agreed-upon quarterly update on January 15 in Phase I as well as in Phase II.

The Department continues to work with the company and affected landowners regarding easement/condemnation issues. The Commissioner and staff will meet with the landowner group and representatives of VGS on January 15 in Monkton to work on process going forward.

Addison Expansion Phase 2—Docket 8180- Parties are to file comments by January 20 regarding the various recommendations which have been made following Vermont Gas’s request to postpone the hearings indefinitely, which request was granted. Recommendations from the parties include the imposition of sanctions on the company, as well as dismissal of the petition.

PriceWaterhouse has completed its work on the updated capital budget in Phase II and this is now with IP. As indicated above, VGS’s quarterly update will be filed on January 15.

Rule 4.100 Proceeding – Docket No. 8010 – The Department and the parties filed comments on the Proposal For Decision on January 12. The Department urged the Board not to require additional process to establish distribution loss credits, as proposed in the PFD. Parties generally agreed that additional process was not necessary. It appears that the Board may have failed to serve the PFD on all parties, so additional comment time is anticipated. No further word from the Board on a Rule 4.100 workshop has been forthcoming since last week.

GMP Actual O&M Cost Proceeding – Docket No. 8389 – The Department has served discovery on GMP’s actual O&M cost filing and received responses. It is difficult at present to determine whether the Department should seek a full investigation in this proceeding. There are some areas of concern that can be identified now, including justification for certain “major storm” costs that GMP seeks to recover through its Exogenous Event mechanism, and the manner in which some cost items are accounted for vis-à-vis the O&M Platform established in the merger proceeding. GMP also continues to record above the line costs that have been disallowed in prior cases. The Department is serving another round of discovery on January 14 to follow up on these and other issues. The Department is due to provide a recommendation to the Board in this proceeding on February 15.

VTC Digester – Docket No. 7965 – The Department has received complaints from neighbors of the VTC digester pertaining to odors and has followed up with VTC. VTC provided information regarding the likely causes of the odor, as well as a list of steps it is taking to mitigate the odor. Thereafter, VTC indicated that there may be additional problems with its digester, and that it is bringing in a construction support person to investigate. A response from VTC is expected next week. Department staff urged VTC to consider whether it should make a filing with the Board once it understands the nature of the problems, given that it has now had repeated odor-related complaints.

Barton Solar Alleged Violations – Docket 8372 – The PSB issued an Order to Show Cause and Notice of Hearing directing Barton Solar to show cause (“on the record through live witness testimony subject to cross-examination”) why the Board should not impose sanctions for construction of the project in violation of the conditions of its CPG. Monica and Anthony Menard filed a notice that they would be representing themselves in this violation docket. The Board informed the Menards of the requirement that they must motion to intervene in this violation docket. The hearing is scheduled for January 29th.

Woodstock Aqueduct Company – Tariff 8535 – The PSD recently learned that the customers have yet to be notified of this filing. Therefore, the PSD has instructed the petitioner to contact the PSB for further direction regarding PSB notification requirements. Since the PSD will not make a favorable recommendation prior to receiving customer input and the petitioner would like PSD support, the petitioner has requested the PSB extend the effective date until April 1st and will notify the customers of the requested tariff changes at least 45 days before.

Mountain Water – No Docket – The PSD has reviewed the petitioner’s most recent version of proposed tariff changes and is working with the company to incorporate changes prior to the petitioner filing the tariff with the PSB.

SunE DB11, LLC – Docket 8248 – The petitioner has filed a Motion for a Determination of Non-Substantial Change or in the alternative a change to its CPG to allow the use of a temporary access road and lay down area.

GMP IRP – Docket 8397 – The PSD participated in an uneventful prehearing. The petitioner will coordinate with the parties to determine the best date for a public hearing based on the availability of VIT.

Charter Cable CPG Renewal – Docket 7820 – The parties are working together to file a Joint Proposal for Decision within the next one to two weeks.

Proposed Special Contract between Enosburg Water and Light Department and Franklin Foods, Inc. – no docket – The Department continues to discuss the proposed agreement with Enosburg and Franklin Foods with respect to a number of financial concerns. No filing has been made with the Board.

Nexus Designation as a Lifeline-Only Eligible Telecommunications Carrier – Docket 7747 – The Department and Nexus executed a Stipulation on January 12th, following the provisions and conditions of the Board’s recent Lifeline-only ETC designations.

Tempo Telecom, LLC Designation as a Lifeline-Only Eligible Telecommunications Carrier – Docket 8399 – Tempo Telecom notified the Board that it wishes to temporarily withdraw its petition as it focuses on obtaining designation in other states. The Board granted this request, placing the docket in abeyance for a period of 6 months. The prehearing conference scheduled for on January 26th has been cancelled.

GMP Acquisition of Vermont Marble Power Division of Omya – Docket 7660 – GMP is required to periodically report to the Board on the status of funds remaining in the “Omya Repayment Obligation Account” established under the parties’ Memorandum of Understanding (“MOU”) to fund the base rate credits to the bills of former VMPD residential customers who were taking service from VMPD at the time of the acquisition. GMP and Omya have also been in extended negotiations regarding interpretation of the Value Sharing Agreement (“VSA”) under the MOU. GMP and Omya have recently come to an agreement on how to interpret and implement the VSA, which does not require revision to previous value-sharing reports. GMP will be filing a letter with the Board this week providing the status of funds in the Omya Repayment Obligation Account and notifying the Board of the parties’ agreement on interpretation of the VSA (also indicating it will provide a report on the Value Sharing account as of end of 2014 by January 30).

Telecommunications

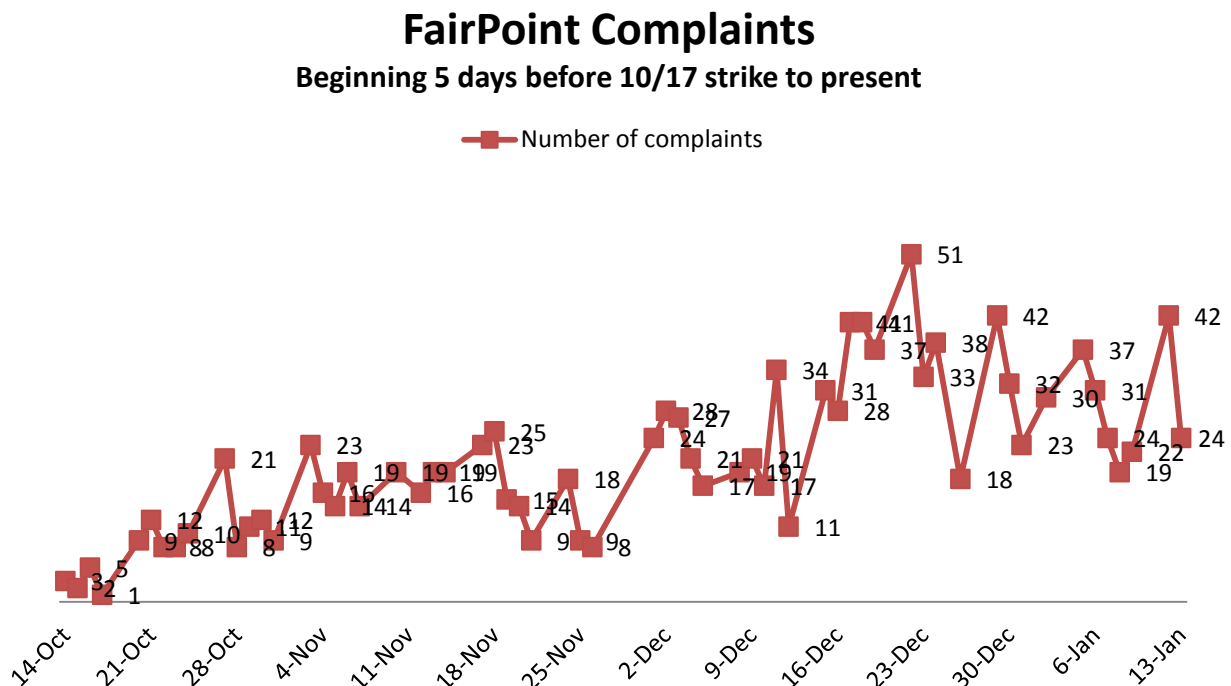
248(n) – The Agency of Natural Resources (“ANR”) believed that a “potentially” significant issue was raised by several Section 248(n) petitions filed by the Vermont Telecommunications Authority. ANR was concerned that the projects may adversely impact floodways. Floodways (10 V.S.A. § 6086(a)(1)(D)) is a waived criterion for 248(n) projects that do not require earth disturbance, such as these. On the last day of the 30 day comment period, ANR filed letters with the Board requesting an extension of time. The Board denied the extension request in every instance. The Department conditionally supported the project pending the outcome of ANR’s review. Division staff will file follow-up comments fully supporting the projects.

President Obama Broadband Speech – On Wednesday, January 14, 2015, President Barack Obama gave a speech in Cedar Falls, Iowa, pressing the need for expanded broadband availability. He called for an end to state laws that restrict municipal broadband ventures, and the restart of the RUS Broadband Loan Program and the Community Connect grant program. In addition, President Obama is taking executive action to direct the National Telecommunications and Information Administration to provide technical support to communities that want to start municipal telecom companies. The Connectivity Division will be well placed to provide technical support to Vermont’s rural community broadband providers seeking these and other federal opportunities.

Annual Reports – Division staff assisted Finance staff with questions about telecom and cable annual reports. Finance has commissioned a new program for the online submission of annual reports. Division staff also assisted the contractor with her questions about data the Department may want to query from annual reports. The Telecom Division would like to be able to pull data from annual reports with greater ease.

Connectivity Initiative RFP – Division Staff completed a draft RFP for the Connectivity Initiative's first award. Staff is revising the RFP and will have it finalized soon.

CAPI



CONSUMER COMPLAINTS

Complaint topics included, but were not limited to:

- FairPoint repair delays, as well as other types of complaints
- (4) Comcast service order delays and billing issues
- (1) GMP showing meter usage during customer outage (see below)
- (1) EVT program (see example below)
- (1) EVT access to customer data
- (1) VGS policy about equipment repair
- (1) VTel battery back-up
- Questions from utilities

Examples of complaints:

Efficiency Vermont: A consumer complaint regarding EVT was forwarded to CAPI from the PSB. Consumer is a participant in the “Smart Thermostat Study” and had a NEST thermostat installed at his home in August. He has been having troubles with his heating system for the past month which have resulted in costly emergency repair calls. Consumer feels that this is due to incompatibility between the NEST thermostat and the boiler system and EVT is ultimately responsible. EVT expects to have a resolution for CAPI by 1/21.

GMP: CAPI spoke to a consumer who was without power from 12/9-12/12. Service was intermittent for the few days after. The consumer looked at their bill from 2013 and the usage amounts were almost the same, even though they did not have service for a portion of the time. The consumer looked at her smart meter usage, which showed usage during the storm. The meter showed periods of usage during the specific days that the service was completely out. The consumers were charged for the service during time they were without power. CAPI has contacted GMP for more information.



State of Vermont
Department of Public Safety
103 South Main Street
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To: The Honorable Peter Shumlin
From: Keith Flynn, Commissioner of Public Safety
Date: January 16, 2015
Subject: Weekly Report

Vermont State Police

A Troop

40 Total arrests, 4 DUI arrests

A woman witnessed her husband's vehicle get into a minor crash and come to a rest in the middle of the interstate. The woman then pulled over into the breakdown lane & exited her vehicle to assist her husband; at this time, a third operator, in an attempt to miss the vehicle in the middle of the road, swerved and hit the female's vehicle, causing the car to strike the woman and her leg to be amputated.

Accidental death in Swanton, 54 year old male out cutting trees ended up with a fatal head injury via the chain saw and dropped a tree on his lower extremities.

Untimely Death in Georgia, 72 year old with heart disease collapsed of a heart attack coming off the lake from ice fishing.

Two new drug cases at CCCC

Medical event at CCCC involving a female inmate with serious documented health issues transported up to the UVM Medical Center unconscious, pulled off life support days later. Per protocol of in custody death, autopsy performed

Untimely in Swanton, 65 year old male found deceased in bed, natural.

B Troop

16 Total arrests, 5 DUI arrests

Reported stabbing in Concord Vermont – 911 call made from woman who reported that her mother entered her (complainant's) residence, they argued and the mother stabbed

the complainant in the chest with a knife. Mother was located by troopers at the complainant's residence and took her into custody. While securing the residence troops located 130 empty bags of heroin and paraphernalia. It was later learned that the initial altercation was related to the drugs. Mother charged with Aggravated Domestic Assault.

Trooper & Sergeant wrote affidavits for Pennsylvania SP search warrants from a VT \$120,000 fraud case involving cattle from Lyndon. They participated in the execution of 3 PASP search warrants. The suspects were also attempting to lure another victim in Idaho into a \$299,000 transaction.

Chief of Security of SJ Correctional Center called to report suspicion of a Guard having MJ. Consent search of Guards locker revealed no MJ but strong odor of MJ on guards clothing.

Newport Correctional Center report of an inmate that potentially has SS# and other personal information of a case worker at the facility. Nothing criminal at this point as it is not known if the info has been used.

C Troop

17 Total arrests, 4 DUI arrests

Arrested a subject for aggravated assault after he showed up at work and shot off a firearm.

Troopers investigated 9 crashes due to a number of small snowstorms that hit the Bennington County area.

D Troop

12 Total arrests, 6 DUI arrests

Cold case - Lynda Moore homicide (review/transfer audio files)

Follow-up with on sex assault, Guilford

Prep for family court hearing, cancelled day of hearing

Assist Woodstock PD with suspicious death

Research into O/D death in Bellows Falls, download of phone

Cite juvenile for Agg Sex Assault. Case pack completed sent to SA's and all CAD entries made

Emergency Management/Homeland Security

The Governor's Emergency Preparedness Advisory Council (GEPAC) met this week. As chair the LT. Governor endorsed the DEMHS Strategic Plan. There was an unclassified briefing on the current terrorist threat landscape, and briefings on CYBORG, CAT 2, Ebola response, the DEMHS EMAP reaccreditation effort and DEMHS training and exercise delivery in 2014

The SOV comment to the VY Permanently Defueled Emergency Plan is ready to be submitted to the federal register. The NRC has extended the comment period. DEMHS is working with PSD, AGO, ANR/DEC and VDH on this and has been since 9/13. An Ebola After Action Conference was held at the offices of the Vermont Department of Health and attended by Deputy Director Schell.

Joint Preliminary Damage Assessment tours with FEMA continue. Windsor and Rutland Counties were covered last week. This week's visits included Hinesburg, Starksboro, Ripton, Hardwick Electric, and Roxbury. PDAs validated damage in excess of indicator thresholds for 10 counties (all the ones requested except Caledonia and Grand Isle). This has been particularly difficult work given the recent wintry weather and extreme cold. DEMHS must identify ways to fund appropriate clothing/apparel needs for staff, especially those who are sent to work in conditions of varying extremes.

Work continues on the development and review of the Governor's Presidential Declaration Request, due to FEMA by 24JAN15.

Simply for awareness, an unusual swarm of at least 11 earthquakes has occurred near several small towns in eastern Connecticut since 8JAN15. All the earthquakes have been recorded near the state's border with Rhode Island. The most recent was a 2.0 magnitude at 0439 today. The largest in the swarm up to this point was a 3.3 magnitude recorded at 0636 on Monday. The 3.3 earthquake was the largest in New England since a 4.0 magnitude earthquake hit southern Maine on 16OCT12. We are told it is impossible to tell if the swarm will continue. On 11JAN15 there was a 2.4 magnitude earthquake recorded 24 miles west of Burlington, near Plattsburgh, NY.

As of now, approx. 129 of 292 municipal entities (including villages) have submitted Hazard Mitigation Plans, meaning that for ERAF purposes 44% of communities meet this criterion (up 2% since last report).

As of 12JAN15, FEMA has approved 117 HMGP buy-outs from Irene (down 3 from last report to account for withdrawals). Of the 117 approved, 87 have been closed. There are 19 buy-outs still awaiting FEMA approval (in many cases due to lack or expiration of a local hazard mitigation plan).

Legislative Contact:

The State Hazard Mitigation Officer (SHMO) assisted Director in responding to a legislative inquiry forwarded from legislative counsel on behalf of the Speaker and Senator Doyle regarding a constituent question about whether utility right-of-way clearing is eligible for federal Hazard Mitigation funding assistance (apparently it is not).

SHMO set up a meeting to brief Director on status of an HMGP project in Londonderry that is still awaiting FEMA approval as revised to include modeling of floodwall removal. AOT Secretary Minter has asked that DEMHS meet with Rep. Olsen to brief on the current status. No date has been set to do so.



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Justin Johnson, Secretary

PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: January 16, 2015
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Special Interest to 5th Floor from BGS Directors:

Montpelier 122 State Street New Heat Plant: A conference call with the City and DOE was held on Tuesday to discuss the closeout requirements of the project. The most difficult portion of the closeout for BGS is creating a listing of all equipment over \$5,000. This list will be used over the next **20 years** to report to DOE any pieces of equipment that have been replaced or removed, DOE has the option to recoup their funds.

Randolph Center- Vermont Veterans Cemetery Master Plan: On January 7th additional test borings were completed at the proposed sites for construction of pre-cast crypt (PCC), septic and access road. The test results indicated that significant ledge would need to be removed from the proposed PCC sites and parts of the proposed access road. Also, the federal grant does not participate in major ledge removal. Therefore, a significant redesign of PCC layout was done and proposed to the team on 1/13. No major concerns were raised with the proposed design, but the Federal Grants project manager has yet to review and comment. The project team is anticipating reviewing CD in late January. With the some of the CD drawings, we hope to be able to submit our ACT 250 permit, after the Randolph DRB meeting on January 27th. Construction bid date is in early May 2015.

St. Albans 20 Houghton Street/27 Federal Street:

- Ribbon cutting ceremony Monday, January 12th.
- Last week's walk through with the Fire Marshall postponed until this Wednesday, January 14th due to building signage package not being installed.

Randolph AG/ANR Lab: We are currently reviewing the Basis of Design (BOD) document as part of the conceptual design submission package with the hopes of proceeding to the schematic design phase in order to refine our project cost estimates around the middle to end of March for Legislative input. We are also preparing for the Legislative Session and presentations to the Institutions Committees to gain approval of the funding and the project overall.

Colchester New Health Lab: We have clarified the scope of Commissioning and the failure scenarios with the Contractors to continue inclusion of the Rabies, Accessioning, and BSL-3 Training Lab in these scenarios. This was a part of the original requirements and looks at facility operational safety issues beyond simply CDC certification. We are meeting on Thursday, January 15th with the VDH and UVM users and Lab Safety personnel to determine additional work necessary to ensure staff and the public safety. We will hopefully be able to make a recommendation of the necessary additional work to management following this meeting. Discussion will also involve the impacts on the occupancy schedule.

Bennington VVH Mold: Progressing well. Starting a major demo/rework in the main lobby and second floor admin. New HVAC in other areas are being started this week and then commissioned. Problem Heat Pumps from 2 weeks ago are still not operational.

Kitchen: State and Federal funds in place {\$1.5M}. Conference call with VA Wednesday at 10 to update status of money and project - failed again. We'd like to try and get it designed, bid and built in 2015, to avoid winter conditions with a (yet to be determined) temporary kitchen to feed 150 people 3x/day! This CAN be done if the programming proceeds well. Will be communicating issues electronically with VA.

Waterbury Central Plant: Progressing well. Mechanical and electrical subs are moving fast – lots of pipe in the air. AFS (biomass vendor) will start next week working on chip conveying systems up and out of the chip bin and then on to the boiler work. Roof is 70% done, building not quite weather tight. 50% of masonry walls are built, 80% of GWB walls are framed and sheetrock has started.

PC Progress on Historic Core:

- Overall project 52% complete & 17 days behind schedule. Center Building behind schedule due to additional asbestos abatement.
- Masonry – Tented in and repairing exterior of 123 North where porches were removed.
- Concrete – Forming in progress for exterior employee entrances & fire escapes at various locations.
- MEP – Mechanical coordination & rough in work proceeding in south HC buildings.
- Windows – New windows being installed in 4 & 5 North. Look great.
- Temp Heat – Now operational but difficult to maintain due to leaks at attics, temporary windows and foam access panels. Panels keep blowing out. PC changing to hinged plywood.
- Steel – Interior framing for 1/2/3 South ongoing at 2nd & 3rd floors. PC Special Projects leapfrogging and steel opening with required new wood framing.
- Roofing – Copper and slate installation stopped until chimneys are reconstructed.

Legislative Contacts:

House Appropriations (1/13): Testified, along with Bill Laferriere, on the budget adjustment. Specifically three moves: St. Albans, White River and the Montpelier Learning Center (Vermont College of Fine Arts)

House Corrections & Institutions (1/15): Capital Bill overview presentation to Committee (distributed copies of the bill). Challenges will likely include, Building Better Community Grants, IT and VHCB.

Significant Events/Meetings:

Governor's Budget Address: Attended Governor Shumlin's address. The Governor deserves an A for the overall effort.

FINANCE AND MANAGEMENT

Issue Updates:

The project kick-off for the ERP expansion is scheduled for next Wednesday, January 21st. The Ciber consultants are on-site and beginning their work.

Commissioner Reardon testified at House Appropriations on Monday, January 12, 2015 about the FY 2015 Budget Adjustment. He is scheduled to testify on the BAA at Senate Appropriations on Friday, January 16th.

The Governor's FY 2016 budget has been completed.

HEALTH CARE REFORM

Status of Priorities:

All Payer Waiver: The Coalition of Vermont Elders reached out for information about the all payer waiver. Lawrence and Al will arrange a meeting with them. We are reviewing the work plan in preparation of the meeting in DC the week of January 26th.

SIM: The transition from Anya to Lawrence as Chair of the Core Team is going smoothly. Stakeholders have not expressed any concerns with this change. SIM hosted a statewide learning collaborative on 1/13. The Learning Collaborative included over 100 attendees and featured a local family doctor and family caregiver along with two individuals from Camden, NJ (known for their hot-spotting work to keep folks out of the ED). The Learning Collaborative is the first of many throughout the year focused on helping Vermont's providers change how they deliver care. The Payment Models Work Group will also host Craig Jones on Friday where he will propose changes to the Blueprint incentive structure. The sub-grant program continues to demonstrate good, innovative work by providers from around the state and we will have a summary of those activities once all of the reports are in. Next week, Vermont's SIM team will participate in a CMMI virtual meeting providing an update to the other 5 states on our activities and doing a deep dive on our population health work.

Legislative Issues:

Issues: There is not a lot of pushback on the financing and coverage report, although the pressure points as expected are: choosing a 94% AV over a lower AV and whether that would have made the financing plan work; why we would import \$200M of tax liability to cover commuters; and whether we fully explored transitions for small business. Overall, the questions help show that we did our homework and

that we've thought this through very thoroughly. While they are probing and exhibit legislative pressure, overall, we think it is positive and supports the decision as a policy decision.

There is much legislative interest in doing something, so all of the old ideas are resurfacing, including universal primary care (Deb is pushing this & says there is a lot of interest; Fisher had a bill), universal hospital care (Topper McFaun), bring cost sharing subsidies up to 87% AV for all (Poirier/Pollina; Sterling is on board with this); public option in VHC (Poirier). We think Donahue will have a bill of some sort, but not sure what will be in it (sounded like a study).

As well as some new-ish ideas: Medicaid fast track enrollment (Sterling; Kerr; AARP met with Claire Ayer). On VHC, Robin has heard the expected move to the federal exchange (Kitchel) and variations on the theme of buying "outside" of VHC, which include just enrolling to offering plans that are not qualified.

Below is a list of testimony over the past 2 weeks:

- Health Reform Oversight Committee (1/6): Testimony on VHC update, All Payer Waiver, Physicians' Practices report, Household Insurance Survey, GMC Report.
- House Health Care (1/9) – Robin provided an overview of health care reform in Vermont to educate the largely new committee with little health care background.
- Senate Finance (1/13): GMC Report – Robin & Michael walked the committee through the financing and coverage plan for GMC. The focus of questions was primarily on 94% AV and whether a lower AV would work.
- Ways and Means (1/14): VHHIS, GMC Report – Robin presented the GMC report with Michael to Ways and Means, including appendix F variations on the financing model. There were a number of questions about the 94% AV choice, commuters and whether a lower AV could work. Robin also walked through the household survey results with DFR's consultant who did the survey.
- Senate Health and Welfare (1/16): Update on SIM
- House Health Care (1/16): Update on the Blueprint for Health

Pending Legislation:

Health Care Reform Bill/Budget: Robin Lunge met with Bill Lippert and Claire Ayer about the policy initiatives, particularly the GMCB regulatory authority. Claire, in particular, was underwhelmed – in part because this type of issues are not typical in the policy committee and are more likely to be done in Gov Ops or Finance. Claire, however, has a lot on her plate for human services, so that might be ok. Lippert seemed more receptive and interested in the regulatory enhancements. It sounds likely the bill will start in the House along with the budget and revenue issues.

Press/Media Notes:

- Press conference on household health insurance survey (1/5)
- Met with Ham Davis (1/6)
- Public records responses were sent from the HCR office to Hilary Niles (1/5), James Haslam (1/6), and Breitbart (1/12); others were sent from the Gov's office 1/6. Response still pending from HCR on the costs for GMC planning.

Significant Events/Meetings:

Peter Sterling (1/7)

Paul Cillo (1/8)

Call with Don Berwick (1/12)

Liberty Mutual

Lawrence and Georgia met with Vermont Care Partners to discuss potential payment reforms for the DA system, as well as the all-payer waiver process.

HUMAN RESOURCES

Legislative Update:

Five legislative reports were submitted today: 1) analysis of high stress positions in state government, 2) utilization numbers for temporary employees, to include information on those temp positions that were granted waivers of the 1280 hours cap, 3) analysis of offering sick leave to temporary employees, 4) annual workforce report, 5) report on study committee that looked at the feasibility of binding arbitration as a mechanism for resolving grievances.

Testified yesterday before House Government Operations – they were very interested in the position pilot program and have asked Sue Minter to come talk with them about it as well. Generally supportive of concept but concerned about budget implications of growing government. They expressed interest in seeing the legislative report on sick leave for temp employees, which is due tomorrow.

Testified today before House Appropriations with Jim Reardon. Questions re: the ‘why’ behind the State Health Plan premium increases. Provided the committee with a copy of the health plan presentation given to the VSEA/VTa. Believe we satisfied their questions.

Significant Events/Meetings:

Met with DII to discuss computer forensic investigations. DHR’s contract with Champlain College for this type of work expired in October, 2014. We will work with DII and other agencies that utilize this type of service to develop an enterprise-wide contract, which should reduce cost and enhance service.

Workforce Development Division move from BCBS Summit location to the VCFA is stalled pending resolution of questions raised by Historic Preservation. New targeted move date: May 2015. Plan to pilot the new supervisory training program in Spring, 2015, as originally planned but will need to utilize the current BCBS space. We continue to recruit Trainers/Consultants for the new training initiatives and expect to onboard two new hires by the end of February, 2015.

Continue to fine tune the employee investigations process:

- Investigations Unit will provide state managers with training starting next month; training will focus on fact finding for lower-level cases of alleged misconduct.
- We have instituted a 60 day completion date for new investigations and a 30 day resolution date from post-investigation to resolution (e.g., stipulated agreement, imposition of discipline).
- HR Managers will draft Loudermill letters and Stipulated Agreements, which should expedite the review by legal counsel; training for HR Managers on these processes will occur in February.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Healthcare:

MMIS Care Management: Proposal Review Team received approval by Exec Steering Committee to proceed with Tentative Award of Care Management DDI Vendor. On 1/13, Project Team agreed to begin independent review (IR). IR-Agreement (approved by CMS) now routing for signatures.

The Green Mountain Care Board (GMCB) has decided to suspend the performance of the services outlined in the RFP for VHCURES. They made this decision because the independent review identified inadequate staffing levels for implementation as a high risk, an assessment the GMCB agrees with.

Legislative Issues/Contacts:

Commissioner Boes testified to Senate Gov Ops who let us know they were going to take more of an oversight role with DII. Richard covered all the DII initiatives as part of this first meeting.

Significant Events/Meetings:

- Delivered the state 5-year IT strategy to the legislature today.
- Phase 2 of the VTax project kicks-off next Wednesday and is not slated for completion until 11/9/15. This phase includes adding ~8 tax types. Implementation of Phase 1 was successful. A Lessons Learned exercise was conducted last week. The State & Vendor PMs will be incorporating the feedback (as appropriate) in time for Phase 2. Tax also hired an independent contractor to perform an IV&V (as they called it) on phase 1. He will be on-site 1/22. His main focus is not the project process, but on whether the business benefits expected for phase 1 have been realized.

LIBRARIES

No report.

TAXES

Issue Updates:

- Introduced and testified on the Miscellaneous Tax Bill.
- Responding to numerous public records requests.
- Next week opens tax season.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: January 16, 2015
RE: Boards and Commissions Update

Appointments made January 12, 2015

Justice of the Peace, Barre City:

APPOINTED: Rosemary Lynn Averill

Veterans' Home Board of Trustees:

APPOINTED: Michael McHugh, Waitsfield (Veteran)

VT Educational & Health Buildings Financing Agency:

APPOINTED: Anita Bourgeois, Middlesex

Board of Dental Examiners:

APPOINTED: John "Jack" Welch, Jr., Rutland City (Public Member)

Advisory Council on Special Education:

APPOINTED: Joy Wilcox, East Montpelier (Education)

REAPPOINTED: Troy McAllister, Lyndon (Dept of Corrections)

Connecticut River Watershed Advisory Commission:

APPOINTED: Steven Lembke, Guilford

SerVermont:

APPOINTED: Daniel Noyes, Wolcott

REAPPOINTED: Thomas Hark, Williston

Municipal Bond Bank:

REAPPOINTED: David Coates, Colchester

Tobacco Evaluation & Review Board:

APPOINTED: Dawn Fuller-Ball, Randolph (Education)

Real Estate Appraisal Board:

APPOINTED: John Waldo, Montpelier (Appraiser)

NOTES: Upcoming Appointments. Terms ending by 3/31/2015 are highlighted in yellow.

Kenney	Frederick	Jericho	Economic Progress Council Exec. Dir.	4/1/2009	3/31/2015
Briglin	Timothy	Thetford Center	Economic Progress Council, Vermont	7/18/2013	3/31/2017
Davis	John	So. Burlington	Economic Progress Council, Vermont	10/7/2014	3/31/2015
Gentile	Betsy	Brattleboro	Economic Progress Council, Vermont	4/1/2005	3/31/2017
Keane	Michael	North Bennington	Economic Progress Council, Vermont	4/18/2012	3/31/2017
Lintermann	Mary	Stowe	Economic Progress Council, Vermont	4/1/2004	3/31/2017
Marvin	Emma	Hyde Park	Economic Progress Council, Vermont	2/12/2014	3/31/2015
Morse	Stephan	Newfane	Economic Progress Council, Vermont	4/1/2008	3/31/2015
Quatrini	Bryon	St. Johnsbury	Economic Progress Council, Vermont	7/14/2011	3/31/2015
Smith	Rachel	Saint Albans	Economic Progress Council, Vermont	4/1/2008	3/31/2017

Huling	Krista	Jeffersonville	Education, State Board of	2/13/2013	2/28/2015
Johnson-Aten	Bonnie	Montpelier	Education, State Board of	3/15/2012	2/28/2018
MacIver	Morgan	Plainfield	Education, State Board of	7/1/2013	6/30/2015
MacLean	Margaret	Peacham	Education, State Board of	2/5/2013	2/28/2015
Mathis	William	Brandon	Education, State Board of	2/24/2011	2/28/2015
McAllister	Dylan	Greensboro	Education, State Board of	7/1/2014	6/30/2016
Morse	Stephan	Newfane	Education, State Board of	9/3/2009	2/28/2017
Oller	Sean-Marie	Bennington	Education, State Board of	3/1/2011	2/28/2017
Perrin	Mark	Middlebury	Education, State Board of	4/12/2013	2/28/2019
Weinberger	Stacy	Burlington	Education, State Board of	3/1/2013	2/28/2019

Last name	first name	City	Board/Commission	Initial appt	ending date
Bell	Nancy	Shrewsbury	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Berndt	Arthur	Sharon	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Blomstrann	Jan	Burlington	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Bruhn	Paul	South Burlington	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Burns	Paul	Montpelier	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Colnes	Andrea	Montpelier	Energy and the Environment, Governor's Council on	12/6/2012	1/31/2015
Courtney	Elizabeth	Montpelier	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Dunkiel	Brian	Burlington	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Dunn	Thomas	Montpelier	Energy and the Environment, Governor's Council on	4/23/2014	1/31/2015
Erickson	Jon	Burlington	Energy and the Environment, Governor's Council on	11/13/2012	1/31/2015
Fischer	Monty	Montpelier	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Johnstone	Scott	Burlington	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Kireker	Charlie	Weybridge	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Linthilac	Crea	Shelburne	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
O'Brien	Gregory	Middlebury	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Pomerleau	Ernie	Burlington	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Powell	Mary	South Hero	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Rose	Ben	Williston	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Shupe	Brian	Waitsfield	Energy and the Environment, Governor's Council on	7/18/2013	1/31/2015
Stetson	Bill	Norwich	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Warshow	John	Marshfield	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Wolfe	Dori	Strafford	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015
Woolmington	Rob	No. Bennington	Energy and the Environment, Governor's Council on	3/29/2011	1/31/2015

Bankowski	Elizabeth	Brattleboro	Green Mountain Care Board Nominating Committee	5/25/2011	1/31/2015
Richter	Deborah	Montpelier	Green Mountain Care Board Nominating Committee	5/25/2011	1/31/2015
Torti	Thomas	Essex Jction	Green Mountain Care Board Nominating Committee	5/25/2011	1/31/2015

Andres	Glenn	Salisbury	Historic Preservation Council	9/23/1988	2/28/2015	architectural historian,
Cliver	Blaine	Brandon	Historic Preservation Council	7/24/2014	2/29/2016	architect
Donath	David	Woodstock	Historic Preservation Council	10/21/1996	2/29/2016	Woodstock Foundation
George	Barbara	Brattleboro	Historic Preservation Council	11/20/2008	2/28/2017	Public Member
Kilburn	Ronald	Swanton	Historic Preservation Council	9/13/2005	2/28/2015	public member
Vetter	John	Glover	Historic Preservation, Council	8/10/2011	2/28/2015	Archeology
Whyte	Helen	Manchester	Historic Preservation Council	3/21/2014	2/28/2017	Public Member

Pellett	Kathleen	Chester	Judicial Nominating Board	2/1/2011	1/31/2015
Watson	Joseph	Leicester	Judicial Nominating Board	2/9/2011	1/31/2015

Clifford	Eric	Starksboro	Lake Champlain's Advisory Committee	1/4/1999	2/28/2017
Ehlers	James	Colchester	Lake Champlain's Advisory Committee	3/28/2007	2/28/2015
Fischer	Robert	Barre	Lake Champlain's Advisory Committee	2/12/2014	2/28/2015
Fisher	Lori	Williston	Lake Champlain's Advisory Committee	4/28/1997	2/28/2017
Hansen	Paul	South Alburg	Lake Champlain's Advisory Committee	7/1/2005	2/28/2017
MacDonald	Alex	Lincoln	Lake Champlain's Advisory Committee	9/4/2013	2/28/2015
Moore	Julie	Middlesex	Lake Champlain's Advisory Committee	3/24/2011	2/28/2017
Naud	Mark	South Hero	Lake Champlain's Advisory Committee	3/24/2011	2/28/2015
Smith	Denise	St. Albans	Lake Champlain's Advisory Committee	6/7/2013	2/28/2015
Young	Sheri	Orwell	Lake Champlain's Advisory Committee	2/4/2010	2/28/2017

Cassarino	John	Rutland	Liquor Control Board	2/1/2007	1/31/2017
Gallagher	Thomas	St. Albans	Liquor Control Board	7/3/2012	1/31/2015
Mazza	Melissa	Essex Jctn	Liquor Control Board	6/14/2012	1/31/2017
O'Brien	Stephanie	So Burlington	Liquor Control Board	9/7/2007	1/31/2015
Sbardella	Julian	Fair Haven	Liquor Control Board	7/3/2012	1/31/2018

Canney	John	No Clarendon	Racing Commission, Vermont	3/15/1993	1/31/2017
O'Rourke	R. Joseph	Rutland	Racing Commission, Vermont	12/13/2010	1/31/2015
Sylvester	Harlan	Burlington	Racing Commission, Vermont	5/3/2013	1/31/2019

Bradford	Peter	Peru	Texas Low-Level Radioactive Waste	1/31/2011	1/31/2015	Member
Sanders	Jane	Burlington	Texas Low-Level Radioactive Waste	11/30/2011	1/31/2015	Alternate Mem
Saudek	Richard	E Montpelier	Texas Low-Level Radioactive Waste	2/1/2011	1/31/2015	Member

Cioffi	Frank	St Albans	UVM Board of Trustees	8/31/2001	2/28/2017
Dwyer	Carolyn	Montpelier	UVM Board of Trustees	3/1/2013	2/28/2019
Young	Mark	Orwell	UVM Board of Trustees	3/1/2009	2/28/2015

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Michael J. Hogan, Commissioner of Liquor Control
Date: January 16, 2015
Re: Weekly Report

Status of Governor's Priorities:

- Marijuana Report from the Rand Corp being released today.
- January sales look good halfway through January

Legislative Issues/Contacts/Updates:

- Miscellaneous clean up language for Title 7.
- Spoke to Senate Econ Development yesterday. Gave an overview of issues. No issues came up and the committee was very good to ask questions on our department.

Press Issues/Releases/Contacts:

Significant Events/Meetings: Next Board Meeting 02/04/2015 - Enforcement Hearings.

Evolving Issues:

- ERP/POS Project underway. Excellent Progress! Recent meeting with vendors and staff working through the particular functions of the front end and back end systems.
- Preliminary review of department processes for potential licensing and enforcement system. Considering using VIC as they are very familiar with our business processes to help with a statement of work.
- Break open ticket reporting process is working. Live data for January is being entered. Should have some numbers by the first quarter.

Summary of Key Department Activity:

- Reviewing internal controls with staff and department committee.
- Looking closely at more cross training for some of our divisions.
- **Commissioner's Commentary:** Have a great weekend. Budget address was great. Tough decisions have to be made. We will do all we can to support you.