

# WEEKLY REPORTS

Checklist  
9/30/16

Darren Springer

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

Sue Allen

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

Sarah London

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Trey Martin

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☒ Department of Labor – Annie Noonan

**To:** Governor Peter Shumlin  
**From:** Lucy Leriche, Secretary - Agency of Commerce and Community Development  
**Date:** September 30, 2016  
**Re:** Weekly Report

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**LUCY LERICHE, SECRETARY**

**Bloomberg Jay Peak EB 5 Story:** Linked here--On balance not too bad.

<https://www.bloomberg.com/features/2016-eb5-northern-kingdom/>

**Small Batch Organics:** I fielded a referral call from the Governor's office. This business owner was irate with VEDA around the timing and other particulars related to her loan for equipment to grow her business and meet a large order from Trader Joe's. I called Jo Bradley, we talked it through, and I think the issue is now resolved.

**Town of Vernon--**Betty Frye (yes, I know) is working with the town of Vernon and a developer who wants to build a gasification plant at the old plant site. An inquiry came to me about funding a roughly \$300,000 feasibility study with WCEDP funds. I spoke with Chris Recchia about the idea. He seems to think it has merit. Will continue to explore unless I hear otherwise.

**Curtiss Reed of Vermont Partnership for Fairness and Diversity:** will be unveiling some major website enhancements to the African American Heritage Trail. Specifically, there are modules for educators to integrate into secondary education studies. Interest in a press event anyone? Maybe have Education Agency join? The Governor apparently helped announce the creation of the trail and website when it was created some years ago.

**Craftsbury Outdoor Center:** The sculling saga continues. As a reminder, the tension is around use of Great Hosmer Lake between motorized and non-motorized users. I met with principals of the COC, Dave Snedeker from NVDA, as well as a Perry, staff member from ANR who lives in the community and has been assisting with the issue. We cooked up a plan to move the interests of the center forward at an upcoming task force meeting. Hoping this can get this resolved without having to go to rules.

**Vermont Downtown Board:** Discussed concerns regarding Morristown's ability to maintain its downtown designation. Elected officials voted in August to end their membership in their Regional Planning Commission -- the Lamoille County Planning Commission. This means their planning process cannot be confirmed as required for downtown designation and this affects other state grants and incentives. (Subsequently, Chris has followed up with the Town Manager to make sure he is aware of the potential financial consequences of this decision and to learn if they intend to resolve this matter.)

**St. Albans, Tax Credit Ceremony:** A great crowd! Remarks focused on the tremendous work the state and communities have done to attract new development and vitality to community centers by showcasing the progress in [St. Albans](#), [Winooski](#), and [Barre](#). The media coverage of the event reinforced the message that downtowns matter and the tax incentive programs work (links below).

**Media Coverage:**

- [Channel 5](#)
- [Vermont Digger](#)
- [Vermont Business Journal](#)

- St. Albans Messenger (Thursday)
- St. Albans Messenger (Saturday)

**Joan Goldstein reports** **CONFIDENTIAL**

**Meeting with IBEX** this Friday afternoon with GBIC. Locations are down to Burlington and Portsmouth, NH. The purpose of this meeting is to introduce CEO Ted Manning to Frank Cioffi and team and convince them why Burlington is the place for IBEX. VEGI award is being estimated but not expected to be substantive. This really will come down to the attributes of place.

**453 Pine** Working with ANR to figure out how we can get funds from the clean water revolving loan fund to assist Redstone in the cleanup of the site at 453 Pine St. I have follow up meeting with Bond Bank and VEDA to see if any USDA guaranty can help with collateralizing the debt.

**Commonwealth:** Met with Billy Coster and Diane Snelling about site plan for Commonwealth proposed expansion. I will have follow up call to determine 'red and yellow flags' and how to approach a forward path.

**Black River Meats Notice of Violation** sent to Black River for their meat processing plant. Abutter who watches site daily saw truck idling. Will get more of the info from Bob Flint of SRDC who is meeting with company this week. This comes at a time when they are contemplating an expansion and are being marketed aggressively by Claremont, NH. The same diligent Commission official issued this violation as did the Long Trail and Commonwealth violations.

**EB-5:** Met with a project developer - Steve Malone - who will develop condos on Bear Mountain at Killington. He is currently involved in an EB-5 project at Loon Mountain in NH. He will be ready to go to permitting soon and will consider us as regional center. He offered that he thought Turkey to be a good market for EB-5 investors as there is some wealth and uncertainty about political stability. He cannot get noticed in China as they are inundated with the big deals from related companies in NYC. These ski mountain deals are dwarfed by the big boys. This was a good perspective in that we had heard from one of our projects that they cannot get noticed in China because of our Jay Peak issue.

**Chris Cochran reports ANR – Stormwater Manual:** Lucy, Dale, Ken, and Chris met with ANR staff to get a better understanding of the new stormwater manual (not an easy read) and its impact on development. The initial draft was released in March and ANR just released an updated draft based on stakeholder feedback. The new stormwater requirements raise the bar for all larger developments, with the most stringent requirements on new development of impervious surfaces (e.g. roofs, parking lots) over 3 acres. The rules require less from 1 acre or greater redeveloped sites and provides flexibility on sites with limited land and treatment options. At this point, we do not see the new rules affecting many downtown redevelopment projects. We are also hopeful that state and federal funding aimed at reducing runoff from farms and roads can delay future, anticipated changes that would require stormwater permits from ½ acre-sized projects (½ acre = half the size of a football field, minus the end zones). The initial feedback from the engineering community (the ones who best understand how the manual impacts the cost of development) is largely favorable.

**John Adams reports Public Safety & GIS:** VCGI staff attended a meeting called by the Department of Public Safety along with staff from other agencies. The meeting focused on the GIS needs of Public Safety, how those needs relate to the greater state GIS realm, and how the needs might be addressed. The group identified some immediate staffing needs and VCGI will be working with Public Safety to document their GIS functions and define the roles that are needed to manage and maintain their system. Public Safety also intends to participate in the Enterprise Geospatial Consortium in an effort to coordinate GIS efforts across state agencies.

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

### Deputy Commissioner Hanford

- **Act 157 Housing Study:** Attended the first meeting, expertly facilitated by Fred Kenney, of the Stakeholder group tasked with providing recommendations to the Legislature on existing programs and statutes that may assist in updating existing housing stock and recommend new tools and financing that would help communities build infrastructure to support mixed income housing. Shaun, Chris and Fred are drafting surveys for municipal feedback and planning to interview several housing developers to gain more insight on the basic problem of - Why aren't we building more housing if we have such high need for it?
- **Richmond Creamery Re-Development Project:** Good news first...Buttermilk LLC has now taken ownership of the property and is moving forward with the first phase of clean-up, clearance and demolition of the property using CDBG, DEC & private funds. However, they are having challenges securing a non-partner to temporarily own the property during the second phase of the clean-up with EPA funding. The property must be owned by a non-profit for the period of time the EPA grant funding is used and several prospective non-profits are concerned about the risk involved in temporarily owning a contaminated property.

## DEPARTMENT OF ECONOMIC DEVELOPMENT

### Joan Goldstein, Commissioner

- Will have third of business outreach meetings with ANR, Treasurer, and Tax on funding ideas for clean water fund.
- Attended SWDB statewide workforce meeting. Several ideas circulated. Good business and education participation. Concerns still exist about ease or lack thereof of getting state incentives, level of taxes, awareness of job opportunities, internship participation, to name a few. Will pick a few goals and ideas to pursue.
- Currently drafting EB-5 rules with DFR in accordance with legislative directive.

### BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- **Northern Border Regional Commission:** Will know by Friday, Sept. 30 whether our emergency request to the NBRC Discretionary Fund, on behalf of NVDA, will be approved. Have worked with Secretary Leriche and Mark Scarano to communicate with the other States to try to move this forward successfully.
- **USDA RD REAP Zone Meeting:** Represented the Agency, along with Secretary Leriche, at USDA RD's REAP (Rural Economic Area Partnership) Zone conference, which included representatives from the other REAP Zones in New York and North Dakota. Interestingly, the REAP Zone is up for reauthorization as part of the 2018 Federal Farm Bill, the same as NBRC. We are planning to coordinate on the demographic/economic distress data analysis to see how our territories may overlap and how to best leverage these resources to create greater outcomes for our most economically challenged areas.

### VERMONT TRAINING PROGRAM ♦ John Young, Director

- The Agricultural Development Training Program and Autumn Harp both have grants in the Intelligrant system that will be out of the review stage and into the Commissioners review queue soon.
- Meeting with North Hartland Tool to discuss possible training projects that may fit into VTP.

## VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

### Applications

- **Application Review & Analysis:** CD staff are reviewing and preparing final analyses for the following grant applications totaling more than \$3.6M in requests for the October 13 VCDP Board meeting. Only the strongest and most ready applications will likely receive funding recommendations, as requested funding is 3x more than what is available.

AM = Accessibility Modification IG = Implementation Grant PG = Planning Grant							
Applicant	Organization	Grant Type	Specialist	VCDP Funds Requested	Other Resources	Project Title	Brief Description
AM-2016-Derby Center Village-00004	Derby Center Village	AM	Nathan	\$75,000	\$930,886	Dailey Memorial Library Renovation	Subgrant to the Dailey Memorial Library to construct a 2,600 square foot addition to bring the library into compliance with with ADA requirements.
Total AM				\$75,000	\$930,886		
IG-2015-Montpelier City-00023	Montpelier City	IG	Carl	\$500,000	\$5,168,901	French Block	Deferred loan to a limited partnership to be formed by Downstreet Housing & Community Development and Housing Vermont (HVT) to rehabilitate the second and third floor of the historic French Block located at 32-42 Main St above Aubuchon Hardware into 15 one bedroom units and 3 efficiency units.
IG-2016-Putney-00003	Putney	IG	Nathan	\$535,000	\$6,441,742	Putney Landing	Deferred loan to a new limited partnership between Housing Vermont and Windham & Windsor Housing trust to renovate the 8 SRO units within the historic Noyes House into four, 1-Bedroom units and a three SRO wing. Another part of the porjct will result in the construction of 18 new units of affordable housing located at 48 Old Depot Road, in Putney, VT.
IG-2016-Rockingham-00004	Rockingham	IG	Nathan	\$600,000	\$18,635,994	Chroma Technology Expansion	Subgrant to a to-be-formed subsidiary (limited partnership) of Brattleboro Development Credit Corp to purchase, renovate expand, and equip and lease back the facilities occupied by Chroma Technology located at 10 Imtec Lane, Bellows Falls, VT. The project will result in up to 15 new FTE jobs being created.
IG-2015-Royalton-00017	Royalton	IG	Nathan	\$298,761	\$103,854	VT Veteran's Legal Assistance Project	Subgrant to the Vermont Law School to continue to operate the Vermont Veteran's Legal Assistance Project (VVLAP) to provide pro bono legal representation to the state's low income veteran population.
IG-2016-Rutland City-00005	Rutland City	IG	Nathan, Claire	\$348,250	\$5,790,950	Hickory Street Phase III	Loan to Hickory Street III Housing Limited Partnership to support the construction of 22 units of mixed income housing (13 tax credit units, 8 public housing units, 1 market rate unit) as part of Phase III of the Hickory Street redevelopment.
SS-2016-Lyndon-00003	Lyndon	SS	Nathan	\$500,000	\$6,303,775	Town of Lyndon- NEK RLF	Subgrant to the Gilman Housing Trust, Inc. dba RuralEdge ("Subgrantee") to continue to deliver the NEK Housing Rehab RLF, a three county housing rehabilitation revolving loan fund and housing services and counseling program.
Total IG				\$2,782,011	\$42,445,216		
PG-2015-Brattleboro-00030	Brattleboro	PG	Nathan	\$27,000	\$23,000	Westgate Housing	Subgrant to Westgate Housing, Inc. owners of a 98 unit affordable housing development, to hire legal and development consultants to complete the legal transfer of ownership and ensure the continued affordability of the 98 units.

Applicant	Organization	Grant Type	Specialist	VCDP Funds Requested	Other Resources	Project Title	Brief Description
PG-2016-Bristol-00003	Bristol	PG	Carl, Claire	\$30,000	\$21,500	Bristol Family Housing Feasibility	Subgrant to HOPE to develop a plan for preservation and rehabilitation of affordable housing on Hunt Farm Road. The subgrant will also provide a study on the water and wastewater system, plans and outline specifications for the rehabilitation and conduct a market study on the property known as Bristol Family Housing on 2070 and 2066 Hunt Farm Road.
PG-2016-Rutland City-00001	Rutland City	PG	Nathan, Claire	\$30,000	\$7,500	Evelyn Street Redevelopment Study	Grant to the City of Rutland to hire a consulting engineer to further define a concept of realigning and expanding City streets and infrastructure and to provide construction cost estimates to support new development, including a new hotel and conference center, in the northerly section of the Rutland Shopping Plaza and along the Evelyn Street corridor.
Total PG				\$87,000	\$52,000		
Grand Total				\$2,944,011	\$43,428,102		

Enhancements - CDBG							
Applicant	Organization	Grant Type	Specialist	VCDP Funds Requested	Other Resources	Project Title	
SS-2013-Brattleboro-00001	Brattleboro	IG	Nathan	\$392,237		Scattered Site Revolving Loan Fund	
IG-2014-Williston-00003	Williston	IG	Claire	\$50,000		95 North Avenue (COTS)	
Total CDBG Enhancement				\$442,237	\$0		
Total Grants and Enhancements				\$3,386,248	\$43,428,102		

Enhancements - CDBG-DR 1							
Applicant	Organization	Grant Type	Specialist	CDBG-DR 1 Funds Requested	Other Resources	Project Title	
DR-IG-2012-Barnard-00075	Barnard	IG	Nathan	\$192,000		Mount Hunger Road Bank Stabilization	
DR-IG-2012-Waitsfield-00024	Waitsfield	IG	Carl	\$80,000		Waitsfield Town Office Relocation	
Total CDBG Enhancement				\$272,000	\$0		

- **Derby Center Village:** The Village has been informed that its \$75,000 Accessibility Modifications application will not be considered at the upcoming October 13 Board meeting due a funding gap of \$545,000. The overall project is the expansion and renovations of the historic Dailey Memorial Library

with the VCDP funds assisting with handicapped accessibility work to bring the building into full compliance with the American with Disabilities Act.

### **HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer**

- **Bradford Marker:** Laura met with VTrans and the chair of the Select Board about the relocation of a roadside historic marker in Bradford. With changes in the road over the decades, the 1949 marker and its companion 1890s water trough were situated in the middle of North Main Street. VTrans, the town, and the historical society asked that the marker and trough be moved to nearby Boch Park. The relocation was approved by the Vermont Advisory Council on Historic Preservation in 2015. Subsequently, a nearby property owner has claimed ownership of the marker, which actually belongs to the State of Vermont. The owner demands the marker be placed on his property, threatening to sue the state, town, historical society, etc. The criteria for placement of the markers supports this marker's relocation to Boch Park. Laura is preparing a letter to this property owner explaining the process and criteria, justifying why the marker will be placed in Boch Park. One of the oldest in Vermont, the marker will be returned to the foundry for a refreshing spa day before its dedication in the park. Thank you to Kyle and Brennan of VTrans for picking up the marker and bringing it to National Life.

### **State Archaeologist**

- Last Friday, Jess and Scott travelled to Weybridge to document the location of an archaeological site defined by a large amount of Native American pottery. A local fisherman spotted the pottery eroding into Otter Creek and contacted the Division. Although the general area is known to be highly archaeologically significant, this site had not formerly been known.

### **State Architectural Historian**

- **Quechee Bridge Suicide Prevention Study Group:** Devin attended the first meeting of the Quechee Bridge Suicide Prevention Study Group, which consists of representatives from VTrans, local law enforcement, mental health professionals, ANR, and DuBois & King engineers. As required by H.876, VTrans must present a plan to the Legislature addressing Quechee Gorge Bridge safety issues by January 10, 2017. Options being considered are vertical pole or wire mesh barriers on each side of the bridge; installing nets below the bridge is not a preferred option given concerns about ongoing maintenance and how to rescue people from the nets. Devin's role is to ensure the proposed alterations to the bridge do not adversely affect the historic integrity of the bridge, which is listed in the National Register of Historic Places.
- **National Register Nominations:** Nominations for the H.C. White Company Mill Complex in North Bennington and the Lareau Farm in Waitsfield will be presented to the Advisory Council on Historic Preservation at their meeting on October 19. Both nominations are related to rehabilitation projects utilizing the federal tax credits.

### **State Historic Sites & Historic Sites Section Chief**

- **Bennington Battle Monument:** The Monument was given a ‘Benny’, Best Bennington Attraction Award, By the Bennington News Network. A local Facebook blog. Quite a nice looking statue.



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

- **ESRI Visit:** Representatives from the GIS software behemoth, ESRI, stopped by to visit state agencies and introduce their new Vermont rep and discuss how their software can better meet the state’s needs. VCGI will be exploring the potential benefits and possibilities of their new managed cloud services as a potential way to reduce state costs and increase interagency coordination. Several hundred state employees across different agencies use ESRI’s products.

#### **CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer**

- **State CMS Template:** The CMO continues to provide a variety of consulting and technical support services to assist state agencies as they transition older websites to the new CMS platform and template, including: Public Service Board (template feature review, content strategy); Agency of Administration (content strategy, web template mockup); Health Care Innovation Project (custom imagery); and Dept. of Finance and Management (custom imagery). Heather is also in the process of reviewing and updating the SOV Web Look and Feel Policy to reflect current best practices and provide updated guidelines for websites that need to be built outside of the template for technical reasons, but still need to conform to state branding standards.
- **Economic Development Marketing:** Layout and styling modifications, image selection, and content creation for the new web portal continue. Charts and graphs are being created to emphasize important data points and statistics, as well as testimonials, videos and third-party accolades -- all to support the narrative and reinforce our message as we tell the story of ‘Why Vermont?’
- **Creative Services:** The redesign of the Vermont Fishing Regulations Guide dominated Erin’s time again this week, as the 96-page publication comes together. Spreads are being designed, ads placed and more and more tables created as we work toward completing the first pass by the end of this week. Design work was

also completed for the Dept. of Economic Development on a new tradeshow banner and conference program ad for the EB-5 investment program.

## **DEPARTMENT OF TOURISM & MARKETING**

### **Steven Cook, Deputy Commissioner**

- **Marketing & Advertising:** Autumn advertising is currently in full swing. The Department has nearly \$300K in advertising running throughout New England and the mid-Atlantic states. The VDTM team has been working closely with Commissioner Snyder from Forests, Parks and Recreation to distribute weekly foliage reports to a list of 10,000 subscribers who have requested the report on a weekly basis. We have seen an increase in calls to 1-800-VERMONT over the past several weeks and expect that call volume will remain high for the next two weeks.

### **MARKETING ♦ Hilary DelRoss, Heritage and Recreation Specialist**

- **African American Heritage Trail:** Hilary visited Hildene, the Lincoln Family Home in Manchester, to familiarize herself with the 412-acre property and its educational and agricultural programs. Hildene is part of the Vermont African American Heritage Trail and distributes trail brochures to guests as a tool to help make the state's rich African American history better known to visitors. Revisions are underway for a reprint of the brochure, which will include the addition of the Clemmons Family Farm in Charlotte. This weekend, the Clemmons Family hosted partners and supporters of the farm to celebrate the opening of the National Museum of African American Heritage and Culture in Washington, DC as well as to share their vision for the property's future as a multicultural center. They are currently researching and applying for grants, including one from the National Endowment for the Arts, through a consortium that includes Yestermorrow and one of the architectural teams who designed the National Museum.

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

- **Advertising:** Last week was spent proofing and getting approvals on Winter 2016-'17 ads. Also worked on sales plan for Spring '17, as well as on the VTlovesNY tourism program opportunity at Yankee Stadium, along with Steve Cook, Mary Nowlan and Sky Barsch.
- **2018 Calendars:** Photo processing was ongoing.
- **Economic Development Marketing:** Work continued toward launch of the EDM website.
- **Editorial:** Staff is mostly consumed with pulling together the Winter 2016-'17 issue, which is on deadline.
- **2017 Fishing Guide:** Work continued toward completion of this project.
- **Product Catalog:** The product catalog came off the press successfully and will be distributed soon for holiday shopping. The catalog features primarily our calendars and notecards, which promote Vermont year round in a variety of ways.



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[Banking] 888-568-4547

**CONFIDENTIAL and PRIVILEGED**

**To: The Honorable Peter Shumlin, Governor**  
**From: Michael S. Pieciak, Commissioner, Department of Financial Regulation**  
**Date: September 30, 2016**  
**Re: Weekly Report**



**SeniorSafe Week:**

On Monday, DFR will launch a number of initiatives designed to combat elder financial abuse in Vermont. In conjunction with National SeniorSafe Training Week, October 2-8, DFR has compiled a number of resources aimed at raising awareness and establishing procedures for reporting possible financial abuse. Commissioner Pieciak will be interviewed on Vermont Public Radio's "Vermont Edition" at noon.

**Insurance Division:**

Three Medicare supplement plan rate increases have been approved, or are close to approval:

1. This week Blue Cross Blue Shield of Vermont received approval for an average 8.6 percent rate increase (6.4 percent to 9.9 percent depending on the plan). DFR's actuarial review concluded that this increase was justified given the utilization and cost trend of the population.
2. The Vermont Health Plan (TVHP) filed for an average 7.6 percent increase (6.5 percent to 11 percent depending on the plan). Although our actuaries and an independent actuary determined that the company could have requested even higher rates, TVHP decided to stay with the original lower request, which DFR will likely approve soon.
3. United Healthcare (United) filed for an average 0.5 percent increase. United's rate increase is lower because it has significantly higher premiums than TVHP products but is a bit lower than BCBSVT. DFR will likely approve this rate request soon as well.





**Privileged and Confidential**

**MEMORANDUM**

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

From: Christopher Recchia, Commissioner

Date: September 30, 2016

Subject: Weekly Report

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**Governor Level Issues:**

**Status of Priorities and Cases of Interest:**

Department Releases *Vermonters Guide to Residential Solar* – Utilizing remaining federal Sunshot Initiative funds, the Department worked with the Clean Energy States Alliance (CESA) to put together a guide for Vermonters looking to go solar. The guide is intended to help Vermonters navigate the sometimes complicated process of choosing both an installer and a financing method when they are interested in investing in solar. A press release was issued Thursday, and coverage including a WCAX interview are expected next week.

GMP Off Grid Proposal - GMP has proposed under their innovative program pilot to develop an off-grid package allowing certain remote customers to combine solar, storage, and a propane generator to eliminate their grid connection. The Department raised concerns about this with GMP directly, and subsequently via a filing with the Board filed reservations about this proposal. GMP has provided additional information, but nothing of enough substance to cause the Department to revise its thinking. The department will file a short letter indicating that its position has not changed. GMP will be free to continue to develop the pilot, but will be on notice that any expenditures supporting the program will likely be at the risk of the Company, and not supported by ratepayers.

GMP Innovative Programs – Under GMP’s alternative regulation plan, they may pilot certain innovative programs for 18 months before filing a tariff to fully integrate the programs into their overall services. GMP has hit the 18 month time-limit on its heat pump and heat pump hot water heater programs, and has initiated a tariff proceeding for each of these programs. These programs are central to the utilities plan for complying with Tier 3 (Energy Transformation) of the Renewable Energy Standard. The Department asked that the PSB open an investigation while encouraging the PSB to allow for the continuation of the programs while the proceeding takes place. GMP filed its initial testimony on September 27. GMP has also filed a proposed schedule that concludes with hearings in early December. The Department has heard from interested stakeholders including the Fuel Dealers, VT Association of Credit Unions, and VEIC indicating interest in this proceeding. Department staff are still reviewing GMP’s filing and will likely submit discovery to GMP in the coming week.

#### Permanent Wind Noise Rulemaking – No Docket

The Department filed comments in support of a request for an extension of time, filed by Vermonters for a Clean Environment, for parties to file proposed rules and responses to a set of questions issued by the Board. The Board granted an extension of time to October 24 to file proposals and responses, and rescheduled the October 21 workshop to November 7. The Department continues to work with its experts to develop a comprehensive, protective, and enforceable rule. The Department met with representatives of REV and certain wind developers, VPIRG, and Paul Brouha in separate meetings to broadly outline the Department’s current position and thinking on the rule, and to discuss a variety of concerns raised by the other parties. Our thinking as of this writing is to support a 45 Dba level as protective of public health, while supporting a 40 Dba limit at night to address the annoyance factor that has clearly been demonstrated. The Department will continue to refine its proposal and engage with interested parties in advance of the October 24 filing deadline.

500kw cap on participation in net metering -The Department participated in a meeting with other state agencies (BGS, ANR, VTrans) regarding the most recent draft of the net metering rule. Some departments had been planning to develop multiple net metering projects and the prospects of this are now uncertain given the 500kw cap placed on any customer’s participation in net metering. The Department has engaged GMP to ascertain if there is a shared understanding of the definition of a “customer” in the rule and how that will be applied to the State of Vermont. The 500kw cap has also prompted a conversation between the Department and GMP about the possibility of a new program for certain larger ratepayers that are interested in going solar above and beyond the 500kw cap.

Act 174 Development of Standards – The Department released on Monday draft standards for town and regional plans to be granted substantial deference. A public hearing will be held October 11 in advance of final standards being issued November 1. Extensive stakeholder engagement will continue in the coming weeks.

#### **Meetings This Week:**

Sep 26 –

Sep 27 – VY Decommissioning Entergy Mtg on Settlement

Sep 28 – VCRD Board meeting, TLLRWDC – workshop

Sep 29 – Texas Compact (TLLRWDCC) meeting in Burlington.

Sep 30 – VEDA Board meeting, VEDA Planning meeting

**Meetings Next Week:**

Oct 03 – Internal ENVY meeting,

Oct 04 – ISO-NE 101 meeting

Oct 05 – Entergy VY meeting, PSD Budget meeting, Environmental and Energy Council Meeting

Oct 06 – Climate Cabinet meeting

Oct 07 –

**Media:** VT Digger on Act 174 Standards, Some coverage of Texas Compact Commission mtg in Burlington

**Public Official Contacts: None**

**Everything Else:**

***PERD***

Act 174 / RPC Planning

- Met with next round of 8 RPCs to review capabilities of LEAP tool and establish expectations for the “regionalized” scenario results that RPCs will receive from VEIC. It was generally agreed that RPCs would only like to receive results of one scenario with the option of working with VEIC to customize after reviewing. VEIC will be providing initial scenarios to the RPCs within a week or so.

Energy Efficiency Utility Activities

Demand Resource Plan Proceeding

- Staff participated in the DRP workshop by presenting and answering questions about the DPS filing of modeling assumptions, QPI framework, 2018-2027 TEPF revenue forecast (FCM and RGGI), and estimated rate and bill impacts of proposed scenarios. Also participating were representatives from VEIC, BED and for the first time in a DRP proceeding, VGS.
- Staff began drafting follow up items to address as comments in the proceeding which are due on 9/30.

Evaluation

- Potential Study – Staff selected GDS as the contractor and plan to follow with a request of an updated budget proposal after deciding to revise the scope. The selection was made later than expected so staff also plan to request a revised timeline for completing milestones.

EEU Related Public Service Board Dockets

- Docket 8606: BED Order of Appointment revision. Staff coordinated with BED to request an extension for filing a proposed revised BED Order of Appointment and updated P&A document.

#### Vermont System Planning Committee

- Geotargeting Subcommittee – Held meeting to review results of GMP’s Hinesburg area reliability study in advance of filing deadline on Oct. 1. Of four different options considered, GMP’s analysis favors a plan that makes use of a 3 MW battery installed near the Hinesburg load center. As part of plan GMP would pay VEC to reserve option to build two circuit bays off of area substation being rebuilt. GMP ran two load growth scenarios to evaluate the cost-effectiveness of area battery deployment (500 kW growth y-o-y for 5 years and for 10 years respectively). Net benefits were negative in the higher growth scenario because of less ability to use battery to shave peaks (RNS and capacity charges). Lower growth scenario is basically break-even. In both cases a deferred T&D benefit of approximately \$100k per year was assumed (equal to hypothetical GMP share of VEC substation cost).

#### Heat Saver Loan/Thermal Energy Finance Pilot

- Processed invoice for interest rate buy down from VSECU for nine Heat Saver Loans (\$16,889.15) in August.
- Updated the HSL website with the new Find-a-Contractor tool links from the EVT site launched last week. Processed other updates to the website at the same time including an updated FAQ sheet. The changes should make it much easier to find contractors.
- Checked in with OEO regarding the vermiculite component of the program. No vermiculite loans have been processed to date, even as the program is nearing completion. Staff communicated the importance of moving some Wx clients through the process before the end of October in anticipation of program changes that will emerge at the end of the pilot. We learned that Capstone Community Action has identified four potential clients that may approach one of the credit unions for a loan. Staff will be alerted when such occurs in order to monitor progress and assist as needed.

#### Rural Utility Service Loan Program (VEIC) and Energy Efficiency Loan Guarantee Program (VEDA) Transition

- Received request from DOE staff for documentation on the SEP Comp award to help determine options for going forward. Staff supplied the documents requested this week and will wait for instructions on how to proceed. We communicated to DOE that VEIC remains flexible in whether the SEP funds could be allocated to residential AND commercial loans, or just commercial loans under the new RUS program. While the preference would be for both, VEIC can accommodate a request to allocate the SEP funds only to commercial loans.
- Had further discussions with EVT and VEDA regarding the new commercial financial product to be delivered by VEDA that we don’t want competing with EVT’s RUS offering. Agreed with EVT to have the credit enhancement for the rooftop solar projects be limited to a fixed interest rate and not an interest rate buy-down. This would make it easier for VEDA to co-finance larger projects together with the RUS funded program.

#### Clean Energy Development Fund

- CEDF accepted the bid received by the Biomass Energy Resource Center to draft the Wood Heating Baseline Report. It was determined that a third bid for this contract was not needed.
- Met with Hyde Park Electric Department (HPED) and VPPSA regarding Hyde Park's Community Solar Grant from 2014 that was never executed. VPPSA devised a proposal that met the CEDF requirements and also provided HPED with what they need to run a pilot solar tariff. A new grant agreement will be drafted by CEDF.
- Spoke with Burlington Electric Department about closing out their existing SunShot grant and regarding their interest in submitting a special grant request to the CED Board for a study of a downtown Burlington district heating system that would use heat from the McNeil Wood Power Plant. They will ask for ~\$35,000. To fund 50% of the study cost.
- On Monday CEDF staff attended the ground breaking for the Deerfield Wind Project.
- Processed final invoice on the Community Solar Finance Program (\$22,754.35) representing 21kW of PV capacity. Staff worked with grantee to collect data on the program to meet an expedited request for reporting by CESA. This program is now closed. Provided preliminary program statistics to the CEDF manager per request to send to the CED board
- Represented the CEDF at the solar contractor customer acquisition workshop on September 21<sup>st</sup> held at the office of GMP in Montpelier. This event featured opportunities for solar contractors to work with energy efficiency contractors on marketing for zero energy homes in the state to reduce customer acquisition costs. About 20 people attended the event.
- Conducted inquiry regarding letters of credit and bank rating systems per request of CEDF manager. Received input on this topic from DFR, which replied thoroughly and promptly to the request. Provided briefing to fund manager on findings.

#### Dockets and 248 Review

- 8550 - RES - Met with Vermont Electric Coop to discuss 2017 Tier 3 compliance strategy. They are focusing on enterprise-level electrification investments, heat pumps, and EV incentives. They have worked out a deal with VEIC to share credit for heat pumps. Notably (but reasonably for the time being) absent from their strategy were EV charging stations and any biomass heating conversion.
- North Hartland Hydro (NHL) – GMP has entered into a settlement with NHL agreeing to a new rule 4.100 rate schedule that averages those ordered in docket 8010 (high relative to market) with those proposed by the Department in 8684. Department does not plan to raise objections.

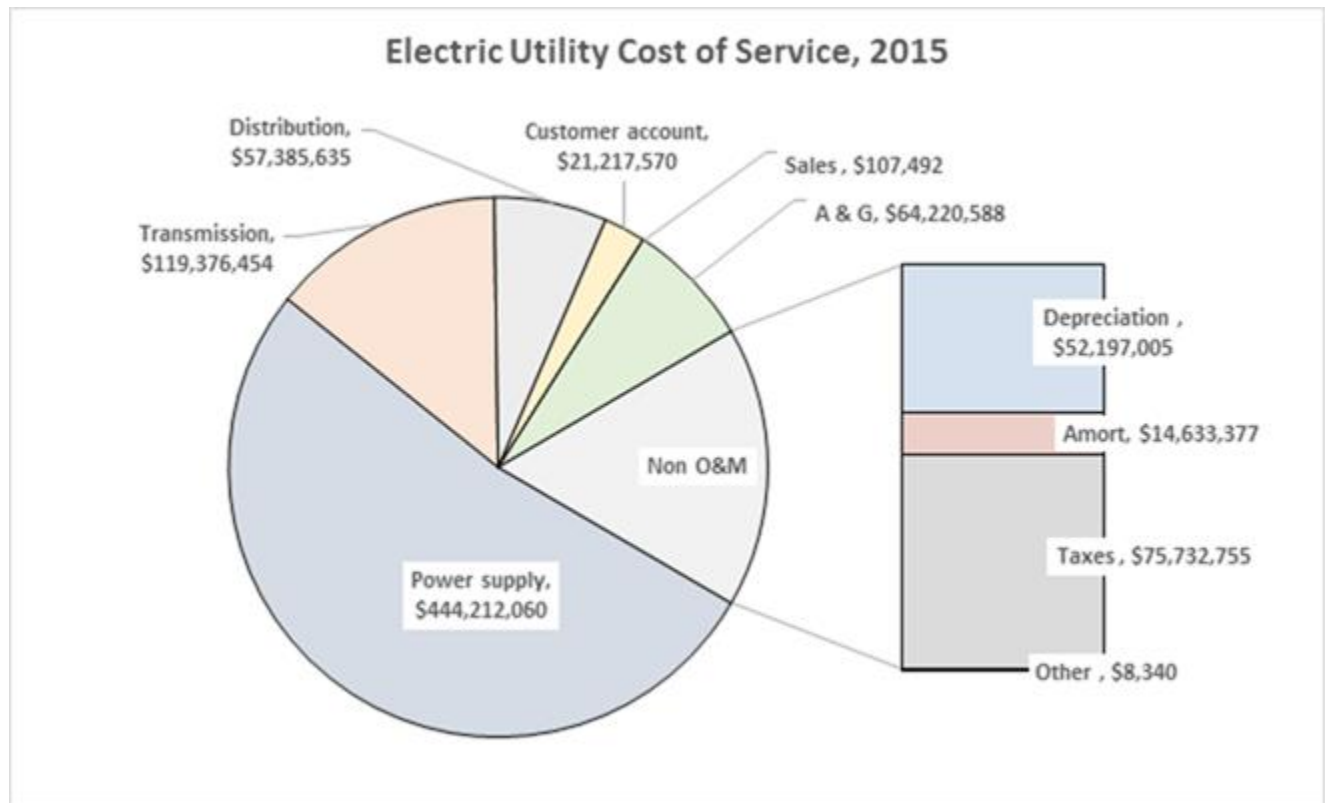
#### Other Items

- Staff met with Agency of Agriculture to discuss different pathways to farm digester viability including standard offer, Tier 2, and Cow Power. Will attend RDF meeting on 10/6 to discuss similar issues with GMP and other stakeholders.
- Met with GMP supply team to discuss energy, capacity, and REC acquisitions and sales strategy.

#### ***Finance & Economics***

## Electric

Project: Update to Electric Utility Cost of Service file - Completed the addition of 2016 annual report data to time series file. Currently, summarizing and preparing a graphical presentation of data. Preliminary findings



VGS: PSB Docket 8777 Petition of Vermont Gas Systems, Inc. for approval of an amendment to its existing Alternative Regulation Plan. On July 1, 2016, Vermont Gas Systems filed a petition to amend its existing alternative regulation plan (ARP). The proposed amendment provides for an extension of the purchased gas adjustment (PGA) mechanism until implementation of a change in rates currently being considered by the Board in Docket 8710. On September 22nd the Board extended the ARP for the limited purpose of continuing the PGA mechanism as a means of protecting ratepayers and the Company from fluctuations in natural gas market prices.

VGS: PSB Tariff Filing - Vermont Gas Systems, Inc. Alternative Regulation Purchase Gas Adjustor Compliance Tariff. Vermont Gas Systems Inc. filed a Purchase Gas Adjustment (PGA) on August 26, 2016 effective on bills rendered on or about November 6, 2016. The PGA includes a \$4.3 million adjustment for under collection of revenues from the preceding quarter, but recommends no change (0%) in firm gas rates due to stable gas prices and modest projections of consumption going forward. F&E is reviewing a spot check of gas costs and is drafting a recommendation. A Department recommendation is due October 10, 2016.

## ***Engineering***

### Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool (SFP) integrity continued during the reporting period. As noted last week, the plant safety operational risk (the potential for compromising SFP integrity) was initially elevated for the reporting period at “condition yellow” due to planned maintenance on the Station Blackout (SBO) Diesel Generator. Progress on this maintenance activity allowed full restoration of the Vernon Tie-Line as a potential plant systems power source at 4:30 PM on 9/21. This reduced the operational risk to its usual “condition green.” The SBO Diesel Generator was restored to service shortly thereafter. No other issues identified during the reporting period potentially impacted SFP integrity.

### Update on VY Groundwater Management Issues

As of 9/22, approximately 339,000 gallons of intrusion water have been shipped offsite. Weekly ~5,000 gallon water shipments continue (which usually leave site on Mondays). Efforts to reseal the Seismic Gap between the Reactor and Turbine Buildings continue, and are expected to take 5 weeks to complete.

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

Cable installations to establish electrical and data connections between the VY Control Room, the new (yet to be constructed) and existing ISFSI pads, and the newly-installed Security Diesel Generator continue. Testing of several of the initial connections is now underway. Construction of the sound abatement wall that will enclose the new Security Diesel Generator also continues. Concrete pours for completing the new concrete driveway between the two Dry Fuel Storage Transport Turning Pads near the VY Containment Access Building (CAB) were completed late last week, with required paving patches completed on Monday. The concrete is now curing.

### State Nuclear Engineer Attends NRC High Burn-Up Fuel Investigation Status Meeting

On 9/21, the State Nuclear Engineer attended an NRC webcast discussing the status of its investigations into potential long-storage and transportation problems presented by High Burn-Up Spent Nuclear Fuel (HBU SNF). The NRC will issue a status report on these and additional HBU SNF phenomena it is currently investigating (in cooperation with the Department of Energy) by the end of this year. Of the 2995 fuel assemblies currently stored in the VY Spent Fuel Pool, less than 200 are deemed as High Burn-Up Fuel as defined by NRC criteria.

### NDCAP Requests Additions to its PSD Website

At its September 22 Public Meeting, several members of the VT Nuclear Decommissioning Citizens Advisory Panel (NDCAP) requested that the NDCAP website maintained by the Public Service Department include all filings that the State has made with the Nuclear Regulatory Commission (NRC) regarding Vermont Yankee’s on-going decommissioning. (Up to this point, the website has focused on capturing material presented or discussed at all previous NDCAP meetings, some of which includes the more significant filings State Agencies have made.) The State Nuclear Engineer will work with PSD Staff, ANR, AGO, VDH and DEMHS to obtain and post the relevant material.

### Texas Low Level Waste Compact Commission Conducts Overview Workshop

The State Nuclear Engineer and several other VT State Agency Representatives attended an overview workshop conducted by the Texas Low Level (Radioactive) Waste Compact



Commission. The purpose of this workshop is to familiarize Vermont State officials and in-state radioactive waste generators with the Compact's functions, including its processes for disposal of low level radioactive waste, the waste acceptance criteria used by the Compact and the role of Texas state agencies in the disposal process.

#### Vermont Gas Systems Addison Natural Gas Project Construction

Approximately 10,460 feet of pipeline was installed by open-trench method last week by the primary construction contractor for the project. Total 2016 installation between Williston and Middlebury at the end of the week was approximately 28.7 miles. During this reporting period the Department Pipeline Inspector performed inspections of construction for ANGP and construction to do with the VGS looping project Phase 7.

### ***Regional***

#### Integrating Markets and Public Policies

- The next IMAPP meeting is October 6, and the states are expected to provide preliminary feedback at the meeting.
- NESCOE has drafted preliminary comments that indicate that a carbon adder in the energy market is not acceptable to states because (1) it is likely that the adder would need to be fairly high in order to provide sufficient incentives for new renewables; (2) the mechanism will not achieve specified amounts and types of resources, which states are likely to need in order to meet statutory goals; and (3) it would be extremely difficult to allocate costs only to those states with policies driving the need for new renewables.
- The NESCOE draft comments also set forth specific objectives that the states would like to achieve through the IMAPP process:
  - Create a mechanism in the short-term that allows state-contracted resources to be accommodated in the markets (recognizing that the creation of a new market will take 5-7 years);
  - Over the long-term have a market mechanism that would allow individual states to define the quantity, type, and location of resources to be purchased, with assignment of costs to specific states. Additionally, this mechanism would not displace long-term contracts; and
  - Implement a market mechanism that enables individual states to provide subsidies to specific resources (i.e., nuclear stations) that help meet carbon goals, with the mechanism to include a trigger to provide the subsidies only when needed.

#### NEPOOL 2016 Economic Study

- At the request of NEPOOL, ISO-NE is conducting a study of the impact of different renewable scenarios on the wholesale markets. On September 21, ISO-NE provided preliminary results.
  - As expected, the greater the amount of renewables on the system, the lower the wholesale energy price.

- Even with the addition of a significant amount of new renewables (in all scenarios except the most aggressive), CO2 emissions in New England exceed the Regional Greenhouse Gas Initiative targets.
- Increased renewables will not significantly impact ramping requirements (although this result was unexpected and there will be further review of this issue).
- The amount of curtailed renewables will increase as the amount of renewables increase.
- During low load conditions and very aggressive renewable buildout, the amount of dispatchable resources is very low (3,000 MW); raising concerns about system operations.
- The results are still preliminary and the study will continue well into 2017. It is expected that additional sensitivity analyses will be conducted at the end of 2016, with a Phase II component addressing forward capacity market pricing and more detail on system operations being conducted in 2017.

#### Competition in Transmission Planning

- On September 27, NextEra presented proposed changes to the ISO-NE planning process to foster greater competition. A concern that NextEra and NESCOE have previously stated is that the ISO-NE planning process primarily is focused on reliability needs three years into the future, but will only do competitive solicitations for needs identified as greater than three years.
- NextEra is proposing that, regardless of the year of need, competition occur for any project, unless ISO-NE specifically identifies pending NERC/NPCC reliability standards. Additionally, NextEra proposes that ISO-NE expand its planning process to every five years, similar to most other Regional Transmission Organizations.
  - The concern with the latter proposal is that retirements or new resources in the planning area can significantly change the reliability needs. Consequently, the longer the planning horizon, the more likely that a competitive procurement is initiated but then canceled or significantly modified, resulting in extra costs for ratepayers.

#### TDI Interconnection Process

- On September 20, TDI New England presented to the NEPOOL Reliability Committee initial results of the steady-state thermal and voltage studies, and the necessary upgrades identified by these studies. Additional studies are underway and are expected to be completed soon.
- The preliminary list of upgrades includes reconductoring over 100 miles of VELCO transmission lines, replacement of transformers at three VELCO substations, several upgrades of Green Mountain Power's sub-transmission, and reconductoring of several miles of transmission in New Hampshire and Massachusetts.
- TDI expects to complete the studies and finalize the list of projects toward the end of October.

## ***Public Advocacy***

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

VGS filed rebuttal testimony opposing many of the Department's recommendations. VGS focused on the alt reg, prudence, and known and measurable recommendations. VGS added two additional witnesses – a construction management professional and a former Mass DPU chair. Staff is reviewing the testimony and plans to get initial discovery out by weeks end. Surrebuttal testimony is due on Oct 31.

### VGS-Act 250 jurisdictional inquiry re: Vermont Gas's Addison Facilities-no docket

On August 15, Jim Dumont presented to the Rutland office of the Natural Resources Board a Request for a Jurisdiction Opinion regarding the necessity of a Land Use Permit for the Addison Natural Gas Project and/or portions thereof. The District Coordinator directed the Request to Vermont Gas, the Department, the Board and ANR and asked that any comments on the Request be submitted by September 20. Only the Department and VGS ultimately filed comments supporting the Board's jurisdiction; ANR and the Board did not submit comments. Any response from Mr. Dumont was due on September 30, but he requested and was granted an extension until October 3.

### VGS Addison Expansion –Notice of Probable Violations-Docket 8814

A NOPV regarding Vermont Gas's construction practices where electric transmission lines are present was transmitted to VGS on August 8. The NOPV alleges that Vermont Gas failed to follow its own Specifications in this regard. The NOPV requests, among other things, a civil penalty in the amount of \$150,000. Vermont Gas has prepared a preliminary response, which it ultimately chose to file with the Board after a negative article in the media. The Department and VGS have had one meeting and are planning another for October 4. The Department and VGS have jointly requested an extension until October 10 for VGS to submit its complete response.

### VGS-Petition for a Renewable Natural Gas Program and Optional Tariff-Docket 8667

A technical hearing was held on September 2. CLF remains committed to a RPS-type program, whereas the Department and VGS are supportive of the Cow Power model. The Lincoln Project in Salisbury remains on hold, and, while Lincoln's testimony was entered into the record, it did not participate in the hearing. Initial briefs are due September 30. The Department will file in support of the Petition.

### VGS-Town of Hinesburg condemnation-Docket 8643

This parcel is in a park owned by the Town. The Board issued an order on September 13 granting the condemnation petition, but significantly revising the requested Easement Deed based upon the Revised Stipulation with the Town and the live testimony at the technical hearing. The Resident Intervenors filed a Motion to Reconsider with the Board on September 27, together with a Notice of Appeal to the Supreme Court.

### GMP Base Rates Filing – No Docket

The Board issued an order accepting the Department's recommendation not to investigate. GMP's rate proposal is therefore accepted and scheduled to go into effect on Oct 1. GMP and Department staff had a meeting last week to discuss vegetation management. GMP proposes to use the additional funds agreed to in the base rates proceeding to do additional incremental cycle

trim (rather than an enhanced program). Department staff needs to discuss the proposal and determine whether it is appropriate or if further information is necessary.

#### Standard Offer Wheeling Workshop – Docket No. 8693

The Board held a second workshop on this issue on September 27. The issue is basically how to minimize inter-DU wheeling payments as VEC and GMP exceed their pro rata share of standard offer generation and therefore must wheel a portion out to other DUs. Issues pertaining to changes in wheeling methodologies and impacts on standard offer siting were discussed. However, the developers were not well represented at the workshop (only 2 were there) and no clear solutions presented themselves. Participants decided to see if the standard offer pilot program would be a potential place to address the wheeling issue, at least in part, and so agreed to do nothing for now but to consider addressing the issue in the workshop on that issue next week.

#### Swanton Met Tower Penalty Investigation – Docket 8561

This case involves a meteorological tower constructed in Swanton without prior Board approval. Respondent filed a notice of appeal to the Vermont Supreme Court of the Board's Order Denying Reconsideration of the Hearing Officer's decision granting intervenor status to Christine and Dustin Lang. The Supreme Court issued an Order to Show Cause why an interlocutory appeal is appropriate, and the Appellant Belisles failed to respond. The Department filed a Motion to Dismiss the Appeal on September 13<sup>th</sup>, citing Appellant's failure to prosecute and failure to comply with the Court's order, pursuant to V.R.C.P. 41 and V.R.A.P. 42. On September 23<sup>rd</sup>, the Supreme Court issued an order dismissing the appeal. At the PSB, the parties continue to wait for rulings on motions filed by Belisle and PSD, which have been pending since December and January respectively.

#### Petition of Robert Garthwaite to Revoke CPG #NM-1771 – Docket 8774

This case involves a complaint that the holder of the CPG, David Blittersdorf, did not construct the turbines in accordance with the CPG application. On September 16<sup>th</sup>, the Hearing Officer issued a Procedural Order requiring parties to submit any comments on Mr. Blittersdorf's compliance affidavit by September 26<sup>th</sup>. The Department submitted comments (stating ANR's support), stating that it needs more information to make a recommendation as to whether a violation occurred, and recommending that the Board set a schedule providing for a discovery period.

#### GMP-St. Albans Community Digester-Docket 8673

800 kW methane biodigester generation facility to be constructed in St. Albans. After several months of no activity, on September 28, GMP submitted a revised proposal to the Department for review. The schedule remains suspended.

#### Triland Williamstown Solar Project-Docket 8666

Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. On June 17, the Department and ANR jointly submitted a request to the Board to open an investigation into alleged pre-CPG activity at the Project site. The Board has taken no action on this request. On September 28, the Department met with ANR to discuss this docket, as well as several other dockets where pre-CPG "site preparation" activity appears imminent.

The Department is planning to file a Motion with the Board requesting the issuance of an Order to Show Cause why this alleged conduct is not in violation of Section 248. The schedule remains suspended.

Otter Creek Solar, LLC dispute re interconnection with Green Mountain Power Corporation – Docket 8775

This case concerns a dispute among GMP and a solar net metering developer over GMP's treatment of a solar project for which the developer changed its location and GMP subsequently deemed the project's application withdrawn for reason of a "material change." On September 15<sup>th</sup>, Otter Creek filed a letter withdrawing its petition, explaining that it no longer needed to seek interconnection at an alternative location. The Board issued a procedural order on September 15<sup>th</sup> cancelling the technical hearing scheduled for September 16<sup>th</sup> and requesting parties' comments on Otter Creek's motion to withdraw by September 26<sup>th</sup>. The Department submitted comments recommending that the Board move forward with a technical hearing and order determining whether Otter Creek's temporary change in project location affected its placement in GMP's interconnection queue.

South 40 Solar – Docket 8600

The Board issued its final order approving issuance of a CPG for the facility. The Department is reviewing the order, but notes that the Board has required SFS to recalculate its decommissioning cost estimate to account for costs initially "netted-out" due to assumed salvage/recycling value. The order also requires SFS to obtain an affidavit from a certified electrician or engineer stating that the project complies with all applicable safety codes, including both the National Electrical Code and the National Electric Safety Code.

GMCW/McLane Icing Investigation – Docket 8734

The Hearing Officer issued a draft recommendation to the Board which finds that GMCW was twice in violation of the project's winter operating protocol when GMCW operated the turbines under icing conditions in March, 2016. The Hearing Officer agreed with the Department and the McLane's position that the winter operating protocol requires facility shutdown when any of the conditions enumerated in the protocol are present. The Hearing Officer rejected GMCW's position that "extreme weather conditions" must also be present in order to justify facility shutdown. Comments on the recommendation are due on October 4.

Sheffield/Brouha Noise Complaint – Docket 8653

The Hearing Officer has ordered additional outside monitoring at the Brouha residence, and the parties had agreed to have their respective sound experts meet by the end of September in an effort to agree on monitoring and data analysis protocols. The parties secured an extension of time for that meeting to occur until October 20, due to the pressures the Board's sound rulemaking placed on those experts in the interim.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685

The PSD intends to request a seven week extension to the schedule in order to allow sufficient time to review and analyze the changes to the project's economic analysis, and to explore replacement of the departing PERD director as a witness. BED issued discovery on the petitioner. GMP issued late discovery on the petitioner. The petitioner's responses are due by

October 5<sup>th</sup>.

Encore Renewables Thurston Farm Solar East 500 kW Solar Group Net-Metered Facility in Orange – Docket 16-0046-NMP

This Petition, filed 19 days late under Board Rule 5.110(C), raises a number of concerns, particularly regarding aesthetics. The Town, Regional Planning Commission, and adjoining landowners have not commented, perhaps because of the notice issue. This Project is located directly across the road from another identically sized Project issued a CPG earlier this month. The Department intends to file a comment letter on October 4, 2016 recommending a site visit and further comment period.

***Telecommunications***

VELCO Lease

The Department is seeking to lease fiber on a transmission line in Bethel, as part of the Department's fiber project in central Vermont. ECFiber will use this middle mile network to serve locations in Hancock, Rochester, Stockbridge and Bethel. VELCO, the Department, and ECFiber, agreed on a design two weeks ago. The Department is waiting on VELCO to present it with a fiber license agreement. Once the Department executes the license agreement, the Department can finish the project and turn it over to ECFiber to begin serving customers.

Braintree Fiber Issue

Division staff received a message from ECFiber and a resident of Braintree regarding the OCFC-W. ECFiber and the town of Braintree assert that the fiber project along Braintree Hill Road should have extended another ½ mile down the road. Currently the fiber terminates at a Comcast node at the top of Braintree Hill. Staff is researching why the final design excluded this section. The Braintree resident complained that the VTA did not follow up with the town regarding its Business Broadband Improvement District application, which was awarded to the town in 2014. This particular business on Braintree Hill was a part of that district. This fiber project was intended to serve locations identified in the BBID designated area. Staff believes making the ½ mile extension would cost about \$20,000.

FairPoint Petition to Investigate 5903 Service Metrics - Docket 8701

FairPoint has petitioned the Board to allow it to modify its existing service quality metrics and reporting requirements. FairPoint is requesting that it be permitted to report on service quality only for addresses where its customers do not have access to an alternate landline provider. FairPoint is also requesting that the Board modify the troubles cleared metric so that it is measured at 48 hours instead of 24 hours. The Department served its first round of discovery on FairPoint on August 25. FairPoint's responses are due by September 8. FairPoint has agreed to allow the Department to extend its deadline for submitting testimony from September 22 to September 27. The Department is working with its retained consultants to prepare its first round of testimony and analyze FairPoint's discovery responses. In response to Department inquiries, FairPoint has provided additional data to the Department. However, the Department's experts have identified numerous flaws and errors in the data that FairPoint has provided to date. FairPoint has yet to provide data sufficient for the Department's experts to complete a thorough review of the petition. Accordingly, the Department is requesting that FairPoint agree to a schedule modification that will allow the Department an additional month to submit testimony

and so that FairPoint can submit better data to the Department.

#### DPS Petition to Investigate January 5, 2016 E-911 Network Disruption

The Department filed a petition with the Board on September 26, 2016, requesting that the Board open an investigation into a FairPoint equipment failure which led to a disruption of delivering calls to the E-911 system. The E-911 Board is separately investigating two disruptions to 911 service that occurred in June and September, 2016. The Department intends to retain a technical expert to review FairPoint's network design to determine whether there are any modifications that should be made to better ensure reliable delivery of 911 calls.

#### Verizon § 248a Petition for new tower in Waterbury Center - Docket 8601

Verizon has had an application pending since last October for the installation of a new tower on a parcel of land located adjacent to the Stowe-Waterbury town line. The application is opposed by several groups of neighbors. The Town of Waterbury and ANR have also both intervened in the docket, and are seeking to have Verizon move the facility location. Attempts at a settlement for a change of the facility location have thus far failed. The Board is attempting to schedule a site visit for late October. ANR and the neighbor groups have sent notices of depositions for Verizon witnesses, which are to be held on October 5 and 6.

#### Petition to Amend Board Rule 3.706

The CLEC Association of New England ("CANNE") filed a petition with the Board requesting that it amend Board Rule 3.706, which establishes a formula for rental rates for pole attachments. CANNE is requesting that the Board eliminate a portion of the rule that requires telecom providers to pay a rate higher than cable companies. CANNE would like all attaching entities to pay at the lower cable rate. The Department filed comments in response to the petition recommending that the Board modify the rule to establish a unified rate. The Department, however, recommended that the Board investigate whether it can modify the rule to be revenue neutral for the pole owning entities instead of simply moving all attaching entities to a lower rate. The Department consulted with several pole owners and attachers, including GMP, prior to submitting its comments. The Department believes that most pole-owning entities support its approach to a rule modification.

#### Report to the Connectivity Advisory Board

30 V.S.A. § 202f (h) directs the Commissioner of Public Service to submit to the Connectivity Advisory Board an annual accounting of monies in the Connectivity Fund and anticipated revenue for the next year. Staff is finalizing the required report for presentation to the Connectivity Advisory Board at their meeting on September 29. In addition to the information required by statute, the report will include an update on Connectivity Division activities over the past year, such as a recap of community engagement activities and fiber project completion. NOTE: The Connectivity Advisory Board meeting scheduled for September 29 was cancelled due to the resignation of the Chair from the Board and the lack of a Quorum. Efforts are being made to identify new board members and to reschedule the meeting.

#### Announcement of Connectivity Initiative Grant Awards

Staff drafted a media release announcing details of the first round of 2016 Connectivity Initiative grant awards. The release is currently being reviewed and upon approval is scheduled for distribution on Thursday, September 29 (see note above) following the meeting of the Connectivity Advisory Board. Highlights of the first round of 2016 grant awards include the following: \$558,633 in total awarded to five ISPs (ECFiber, FairPoint, Pear Networks, Southern Vermont Broadband Cooperative, Waitsfield/Champlain Valley Telecom) to expand access to broadband to 466 underserved locations in Readsboro, Peru, Stockbridge, Royalton, Lowell, Randolph, Chelsea, Sharon, Craftsbury, Canaan, Charlotte and Norwich.

#### VTRS FCC Complaint Log Filing

Connectivity staff filed the annual Vermont Telecommunications Relay Service Complaint Log with the Federal Communications Commission (FCC). The Complaint Log, which includes complaints received between June 1, 2015 and May 31, 2016, is a compilation of information on each complaint with the date of complaint, the nature of the complaint, the date of its resolution, and an explanation of the resolution. As mandated by the FCC, each state maintains a log of all consumer complaints that allege a violation of the federal minimum standards for Telecommunications Relay Services, as part of CG Docket 03-123. Vermont received four complaints during the contest period.

#### Connectivity Initiative Grant Proposals

Staff reviewed and scored all of the proposals received. A list of conditional awarded projects was developed and staff spent time creating project area maps for each of the 14 projects for presentation at the Telecommunications and Connectivity Advisory Board meeting later this month. In developing the individual project area maps a few anomalies, such as gaps in the address lists provided in the bid submittals. Narratives and maps were created and sent to three of the bidders requesting clarification on their bids submitted. All three bidders have responded, two of which had changes, the modifications to the number of houses will be update based on the feedback received.

#### CoverageCo Project

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

##### Project Activities:

The department continues to work with Northern Reliability and CoverageCo on steps required to validate the wiring and operation of the Northern Reliability equipment at the Resiliency Sites. Preliminary test done by the department and CoverageCo indicate that Northern Reliability's equipment is operating differently than designed for. We are working with Northern Reliability on a plan to service one site, Halifax, that has damage to the cabinet and at the same time they will investigate wiring and operation of the their equipment. After a purchase order is issued we will work out a schedule for the repair and tests.

CoverageCo completed the download of new software to all live sites which resolves a problem of sites going down for modem or backhaul issues. This will result in significant improvement in the system performance. The department will validate the new software this week.

CoverageCo has received all quotations required from TDS for backhaul service in the Roxbury area. The department is pushing CoverageCo to commission the sites in Roxbury as soon as



possible. The contract will be made this week and we are hoping commissioning will be done soon after.

The department has found a deficiency in CoverageCo's own funding plan for sites. They are required by EDA agreement to provide service in three corridors by their own funding, called match sites. Their current plan covers only one of the three corridors so the department is pushing CoverageCo to clarify their intent and provide details of sites that are compliant to the agreement.

### ***CAPI***

Report period for September 18 to 24, 2016

Heat Task Force – CAPI joined the monthly conference call. Congressman Welch's office reports that LIHEAP is anticipated at level funding. Bobby Arnell, Fuel & Utility Programs Chief indicates that the fuel assistance benefit should be slightly higher than last year on average but was hesitant to provide an average benefit figure yet. He also reported a sharp increase in EAP applications. Although not in CAA contracts, funds have been reserved for a second assist for vulnerable households whose incomes are at or below 150% of the HHS poverty guidelines for 2016. These funds will be made available if conditions warrant it. No funds are reserved for those with higher incomes.

**Privileged and Confidential**  
**Memorandum**

**To:** Peter E. Shumlin, Governor  
**From:** Hal Cohen, Secretary, Agency of Human Services  
**Re:** AHS Weekly Report  
**Date:** September 30, 2016

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**Deputy Secretary Update**

Secretary Cohen is out of the Office today. As you know, we have submitted our AHS Transition Book. As Secretary Cohen said, it is quite an impressive document especially when compared to the Transition Book that AHS completed during the last transition in 2010. We think this document demonstrates how AHS has evolved over the past six years along with its particular depth, breadth and the recent innovation of AHS as it continues to integrate health and human services to bring holistic, streamlined and efficient care to Vermonters.

In terms of innovation, AHS, in collaboration with the Harvard Kennedy School Government Performance Lab, has identified a potential project for Pay for Success (PFS) also known as Social Impact Bond. AHS has identified Evidenced Based Home Visiting as a service area where limited funding inhibited quality models from expanding to meet the needs of mothers and children in Vermont. The three models currently available in Vermont –Nurse Family Partnership, Parents as Teachers, and Maternal Early Childhood Sustained Home visiting– also come with a range of previous research indicating the positive outcomes gained for families in other locations around the country. Outcomes achieved vary by model but include: reduced child injuries, reduced pre-term birth, increased maternal enjoyment in parenting, and increased school readiness. Next steps are to conduct a feasibility assessment of PFS for expanding evidence-based home visiting programs throughout the State.

**AHS Highlights:**

**Agency of Human Services Central Office (AHS CO):**

**Refugee Office**

The US Committee for Refugees and Immigrants (USCRI) received approval from the Department of State to resettle 100 refugees in Rutland in federal fiscal year 2017. The State Refugee Office was informed by the Congressional Delegation (we still have to receive the actual grant award) that their application to the federal Office of Refugee Resettlement (ORR, in the Administration for Children and Families at the Department of Health and Human Services) for a discretionary grant to provide services to refugees in Rutland was successful. The AHS Refugee Office will receive \$150,000 per year for a three-year period to support resettlement in Rutland. The Rutland Refugee Resettlement Services (3RS) project will be implemented through a partnership between the DCF Economic Services Reach Up Program and the Vermont Refugee Resettlement Program/USCRI. 3RS will provide a set of robust and culturally responsive employability and social services to newly arrived refugee families such as case management, employment services, English language training and health case management to newly arrived refugees.

**Vermont Department of Health (VDH):**

**Lead Testing in Schools**

The Health Department is working with the Department of Environmental Conservation to explore the possibility of testing schools for lead in drinking water through the work of the Envision Program. Currently, Vermont lacks the data to determine the prevalence of elevated lead levels in drinking water at some Vermont schools. Resources, sampling strategies and regulatory responsibilities as well as experiences in other states will be discussed.

#### Atrazine Drinking Water

On Thursday, September 28<sup>th</sup>, the Health Department was informed by the Division of Watershed and Groundwater Protection at the Department of Environmental Conservation that a public water supplier was upset with how data about atrazine in public drinking water were being presented on the Health Department's online Drinking Water Data Explorer, which presents annual drinking water data for Vermont's 100 largest Public Community Water Systems. The Data Explorer was taken off-line on Monday while the Health Department reviews how to better present results that fall below laboratory detection limits. While the site is down, users are encouraged to visit the DEC's Drinking Water Watch which presents the same data at the sample level. Overall, atrazine is detected in few public drinking water supplies.

#### PFOA public meeting September 28th

At Wednesday's PFOA public meeting, the Department of Health announced the dates for the blood clinics in November, eligibility criteria and the process to schedule appointments. A brief synopsis was presented regarding blood results from the past eight clinics. VDH reviewed the current status of the in-depth data analysis and confirmed we are on track for a report by the end of the year.

Challenging questions that came up included questions about PFOA build up in bodies organs, health outcomes affiliated with PFOA, local physicians not being "experts" on PFOA, and individuals that wish to be tested that don't meet current criteria and future status of long term blood monitoring.

#### Naloxone update

The Division of Emergency Preparedness and Injury Prevention is working with partners to ensure the availability of supplies of Naloxone across the state. Later this week two additional sites will be trained and supplied to use Narcan for a suspected opioid overdose case. These new sites include: The Howard Center of St. Albans and Turning Point Center of Central Vermont.

#### **Department of Mental Health (DMH):**

##### Vermont Psychiatric Care Hospital

Census at VPCH is at 25, with admissions and discharges occurring through the week. The hospital is concluding a dedicated week of training with staff for deployment of the new Electronic Health Record (EHR). Technical and contracted pharmacy personnel will be readying systems over this coming weekend in preparation for system readiness and functionality to assure as smooth a transition as possible for direct care staff. Current Go-Live date for the switch to the EHR is scheduled for 6:30 AM on Monday, October 3<sup>rd</sup>. A new employee orientation is starting on Monday as well, with 1 temporary mental health specialist starting and 2 new permanent nurses starting their orientation.

#### Emergency Departments

This week saw 24 people in need of inpatient psychiatric hospitalization, including 4 court orders. 16 individuals have been admitted to date. 2 adults have only recently presented on emergency examination status awaiting inpatient admission; and one of the two individuals is likely to be admitted later today. There are 3 individuals under current court order for evaluation. The longest delay

currently for determination has been waiting less than 48 hours. 3 adults are currently waiting for voluntary admission; and two of the three are less than 24 hours. There are no children waiting for admission.

The overall occupancy rate in the adult inpatient system of care has been averaging 96% occupancy, while the child and adolescent inpatient system of care has had an average occupancy of 94%. This week saw a slight increase in individuals needing inpatient psychiatric treatment and wait times have continued to decrease.

### **Department of Corrections (DOC):**

#### **Population**

The Department's incarcerated population averaged **1815** for the previous week. Last year at this time, the average was **+10** over the current number.

The Department's incarcerated male population averaged **1657** for the previous week. Last year at this time, the average was **+12** over the current number.

The Department's incarcerated female population averaged **159** for the previous week. Last year at this time, the average was **-3** under the current number.

The Department's overall detainer population averaged **459** for the previous week. Last year at this time, the average was **-73** under the current number.

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

### **Department of Disabilities Aging and Independent Living (DAIL):**

#### **Request for Human Services Board Hearing re Danby Facility Licensing**

As you know, neighbors of the Path at Stone Summit in Danby have been fighting the licensing of the facility since the beginning of the application process. Now that the facility has been licensed, they have worked with an attorney to file a fair hearing request in relation to the issuing of the license. They are requesting a review of our authority to grant the license and questioning the process used to solicit and review the licensing application. We question whether or not the neighbors have standing and whether or not the Legislature envisioned that neighbors in situations like this one would be entitled to a hearing. We are also unclear that the HSB has the authority to instruct the Department as to whether or not they can issue a license. Based on these issues we do plan to move to dismiss and will keep the Secretary's Office and the Governor's Office informed.

#### **Voc Rehab Awarded Dept of Education Grant**

As you know, DAIL/Voc Rehab has been awarded \$8,998,338.00 from the Disability Innovation Fund - Transition Model Systems Program US Department of Education. The budget period will run from 10/01/2016 through 09/30/2021 and support Vermont's Linking Learning to Careers (LLC) program to support the transition of high school students with disabilities to early career success.

The LLC project will implement and evaluate an innovative model for the transition of students with disabilities to early career success, including paid, competitive employment, postsecondary school

enrollment, and improved confidence to achieve career goals. The LLC innovation connects regional community college career consultants with state vocational rehabilitation services and school programming. These immediate connections will be enhanced by the provision of: 1) a targeted continuum of work-based learning opportunities, including at least one employer-paid position in integrated, competitive jobs; 2) two statewide assistive technology specialists; 3) college mentors; 4) expanded postsecondary college courses during high school; and 5) additional transportation funding and training.

LLC will bring stakeholders together to create successful career pathways for young adults in Vermont.

### **Department for Children and Families (DCF):**

#### **Child Protection Oversight Committee Update**

The Child Protection Oversight Committee met on Tuesday, September 27<sup>th</sup> in order to take testimony on DCF's proposal on Mandatory Reporting; the DCF caseload and social worker data; Foster Parents' as Parties to CHINS proceedings; Updates on the CHINS Working Group progress; and an overview of the pressures on the Guardian Ad Litem. The next meeting is in late October; DCF will present a draft proposal for mandatory reporting that addresses duplicate reports and includes mechanisms for holding mandated reporters accountable for non-reporting in a civil setting and non-reporting with the intention of concealment in the criminal setting. Additionally, CPOC asked that DCF organize and provide a presentation on the scope of the opiate crisis as it relates to child welfare.

#### **Act 166 Update**

CDD continues to process new requests for staff of prequalified private pre-K child care programs to be fingerprinted for this school year. CDD has recently received a large volume of fingerprint results and is diligently working to process them and inform programs of individual clearances. CDD and AOE have partnered to develop a system where superintendents can provide CDD with a complete list of private prequalified pre-K programs they have contracted with. CDD can then inform superintendents of clearances as they are received in order to satisfy education law requirements. CDD is working at capacity and is utilizing various strategies to meet this urgent need for Act 166 providers, including employing temporary employees. To date, only one background check has had a result. An individual had written a bad check – this instance was granted a variance.

### **Department of Vermont Health Access (DVHA):**

#### **APM/ACO**

Negotiations with OneCare continued this week. Significant progress was made toward finalizing the contract

#### **Vermont Health Connect Call Center Customer Support**

Initial results from the Maximus Tier 1 Call Center adding ~30 CSRs for a total of 127 as of last Friday are promising; 69% of calls were answered within 24 seconds on Tuesday the 27<sup>th</sup>, a dramatic improvement over previous weeks. Average wait time was 1.6 minutes. We expect to see these metrics continue to improve today and tomorrow. By November 1<sup>st</sup>, Maximus anticipates having a full staff of 200 CSRs.

State staff are actively working on a variety of fronts to support Maximus' readiness for Open Enrollment, including more targeted and proactive customer outreach efforts, recommending opportunities for Maximus to leverage their phone system technology and call management techniques, and review of their hiring practices.

**Other items for consideration:**

**Agency of Human Services Central Office (AHS CO):**

**Washington County - Statewide Addiction Treatment Coordination Pilot**

AHS departments and community partners launched the SATC pilot in Washington County on 9/26. SATC optimizes coordination of substance addiction referrals and ensures that AHS divisions have selected approved substance addiction screening tools, integrated their use into their work, and trained staff in the use of these tools. The SATC framework provides an opportunity for both AHS divisions and community partners to identify what is working well in the substance abuse treatment system, where improvements can be made, and where energy and resources should be most sharply focused.

Over the next year the SATC group and the Washington County Substance Abuse Regional Partnership will combine forces to collectively rise to the challenges, which have become so pervasive in Vermont, represented by substance use disorders generally, and opioid addiction specifically.

**IFS Exploratory Committee Changes Name, Reflecting Progress**

The Bennington District's Integrating Family Services Exploratory Committee agreed Thursday to serve as the Advisory Team as the model progresses in the district. The Local Interagency Team will be the IFS Core Team and will be working on developing a letter of intent and other agreements over the next few months.

**Bennington Community Proactive with New Housing Resources**

After years of being under-resourced, the Bennington district's housing resources are improving rapidly. The Bennington County Coalition for the Homeless purchased a property that will allow them to expand their operations, including the emergency shelter. The Project Against Violent Encounters will be opening a new shelter for families and individuals fleeing domestic violence this fall. BROCC Community Action received funding to master lease several apartments specifically for families receiving Reach Up Financial Assistance. The Continuum of Care and Housing Review Team in the district are thinking now about how to effectively track capacity and outcomes across agencies.

**Brattleboro District Emergency Shelter This Winter**

Groundworks Collaborative in Brattleboro has identified a location for the emergency overflow shelter for this year. They will continue one more year in the First Baptist Church, having reached an agreement with the current and prospective owners. Space will be extremely limited compared to previous years due to compliance with fire code regulations. Groundworks is creating an Advisory Committee for the overflow that will include DCF Economic Services and AHS Field Services in the district. The committee will focus on establishing a smooth communication process between organizations this year and identification of and policy development for a permanent location for the overflow shelter.

**Vermont Department of Health (VDH):**

**International Standard for Organization Accreditation**

The Vermont Department of Health Laboratory has obtained International Standard for Organization

(ISO) 17025 accreditation for the food microbiology testing area. ISO 17025 lab accreditation attests to the competency and technical capability of the VDH laboratory to perform microbiological food testing and generate technically valid results in support of the VDH manufactured food regulatory program, foodborne outbreak investigations and the Vermont Department of Agriculture's Food Safety Consumer Protection Program.

### **Department of Corrections (DOC):**

#### **Joint Justice Legislative Oversight Committee:**

The Committee met on Wednesday, September 28<sup>th</sup> in Rutland. The morning was spent at the Rutland Probation and Parole Office. The Committee received a tour from staff which focused on programs offered at the location and staff safety issues. In the afternoon, the Committee convened at the Marble Valley Regional Correctional Facility. Superintendent Rutherford and his staff provided a tour which highlighted safety and security in addition to the programming taking place at the facility. Of particular interest was the Community High School of Vermont building which had several classes taking place at the time. Commissioner Menard provided the committee with updates on the work being done around mental health and segregation, the Second Chance Act Grant, plans to implement an animal program at the Southeast State Correctional Facility, and, the current population numbers. The next meeting is on October 11, 2016.

### **Department for Children and Families (DCF):**

#### **Children's Integrated Services and Washington County Mental Health Services**

The Child Development Division's (CDD), Children's Integrated Services (CIS) provides health promotion, prevention, and early intervention services to pregnant and postpartum women; infants and children birth to age six (6); their families and child development providers. CIS services include: Maternal-Child Health Nursing; Family Support Services; Part-C Early Intervention; Early Childhood and Family Mental Health; and Specialized Child Care Supports (\*through age 13). CIS services are part of a coordinated continuum of care across multiple types of providers and settings, through connections with high quality health care and community support services. The goal is to improve the health and well-being of pregnant/postpartum women, infants and children, to achieve maternal and child safety, family stability, and optimal healthy development. Currently there are eight providers across the State providing these bundled services. After extensive negotiations, CIS has developed a 9<sup>th</sup> bundled services contract that will incorporate services from both Washington County Mental Health and The Family Center of Washington County. The terms of the contract have been negotiated and is anticipated to be in place by the end of December.

### **Department of Vermont Health Access (DVHA):**

#### **Audits**

The Office of Inspector General released their audit of the Vermont Health Connect. The report itself was well balanced.

Audits currently in process, going public or up and coming – week of 9/28/16:

KPMG 2016 A133 Single Audit - Medicaid Audit ongoing

KPMG 2016 SIM - audit fieldwork wrapping up

KPMG 2016 CAFR audit in progress

SSG Legislative VHC Assessment Review- requests for information and interviews with staff ongoing

VITL Report response due to SOV 9/28/16. Will go public this week.

OIG Part II VHC Cost Allocation Report finalized. Will go public this week.

### Budget

DVHA's '17 BAA and '18 budget files were submitted to AHS for review

### Blueprint

CMS reports quarterly on the progress of each of the states participating in its Multi-Payer Advanced Primary Care Practice (MAPCP) Demonstration. The latest report shows results for the first 16 quarters of the Demonstration.

### Legislative testimony


- Joint Fiscal Committee (9/15/16)
  - Pharmacy Rebate Experience – presented to the committee:
    - Rebate collection experience (CY 2011-2015)
    - Medicaid pharmacy costs (gross and net); Per Member Per Year Costs
    - State by state comparison of rebate experience
  - Vermont Health Connect – presented to the committee:
    - Updates on customer support center & self-service opens
    - Preparations for open enrollment 2017
  - After the hearing DVHA provided the committee with the following information:
    - Educational requirements and pay for Maximus customer service representatives
    - SFY 2016 Medicaid Pharmacy Spend with Rebate Collections
    - List of states in the Sovereign States Drug Consortium (SSDC), total Fee for Service PDL lives, and drug spend
- Health Care Reform Oversight Committee (9/16/16)
  - Redetermination profile and update on exchange – majority of testimony was focused on redeterminations
  - No follow up questions from committee





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**CONFIDENTIAL AND PRIVILEGED  
MEMORANDUM**

TO: Governor Peter Shumlin   
FROM: Rebecca Holcombe, Secretary, Agency of Education  
SUBJECT: AOE Weekly Report  
DATE: September 30, 2016

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**Blue Ribbon Commission**

Blue Ribbon Commission is currently considering proposing a model that would spend about \$42k on an infant. Because this group is unwilling to consider other ways to deliver childcare or the necessary scale to be a viable provider, the only variable that can change is cost....upwards. I worry that the ask will be so preposterous that we lose a chance to make some gains on this critical issue.

**PK**

We are still trying to figure out a way to conduct an accurate count for the purpose of setting the tax rate, given the challenges around fingerprinting at CDD. Brad had a family emergency, and we are backed up with budget issues and the monitoring of the PK expansion grant, so will get to this as soon as we can. We have reached out to superintendents again to support communications with CDD regarding fingerprints.

**PK expansion grant**

The monitoring of the PK expansion grant went much better than expected. However, this grant has been very challenging to administer, and we have been unable to recruit enough sites to expend the total award. We are looking at returning some portion of the grant due to an insufficient number of sites. It is clear USED would like us to not return dollars; apparently the work has not gone as well as expected in other states. I think the problem is not the goal of the grant, but the way it is conceived.

**Public presentations**

VSA all members meeting

Prevent Child Abuse VT anniversary—The Governor was amazing. He hit all the important issues.

The VSA Superintendents Leadership Academy.

The VT Curriculum Leaders Association.

**Our Integrated Field Review process** to support school quality is still getting some national attention. Here is a recent article from EdWeek:

*School Inspections Offer a Diagnostic Look at Quality: Aiming to get beyond just spreadsheets and test scores, Vermont and other states experiment with inspections to scope out schools' strengths and weaknesses*

By [Alyson Klein](#)

September 27, 2016

Educators have gotten used to poring over spreadsheets filled with test scores to get a sense of their students'—and schools'—strengths and weaknesses.

What they don't often see: feedback from other teachers, administrators, and students who can offer a fresh perspective on where a school stands when it comes to instruction, resources, climate, financial efficiency, and more.

A handful of states—including, recently, Vermont—have worked to change that, using a model borrowed from other countries and known in Great Britain as "school inspections," in which a team of experts or educators visits a school and offers objective feedback on teaching, learning, management and more.

Several states have experimented with the model for their lowest-performing schools, including Kentucky, Massachusetts, and New York, said Craig Jerald, the president of Break the Curve Consulting, who has studied the strategy.

Vermont, by contrast, plans to eventually conduct inspections, which it calls "integrated field reviews," in all its schools, whether low-performing or not. The state began piloting the program last school year in about 40 schools and is continuing to test it this year in about 50, with the ultimate goal of reviewing each school every three years.

### **Refining the Process**

Vermont is still figuring out how the reviews could be used to support schools under the new Every Student Succeeds Act, said Josh Souliere, the state's assistant director of education quality reviews. The reviews aren't expected to be used for federal accountability, but they could be a component of state-level "technical assistance" for low-performing schools, he said.

But the true purpose of the reviews is to help educators and district leaders get a sense of how a range of factors—including curriculum coordination, instruction, personalized learning, and the social and emotional health of students—affect the overall success of a school and its "supervisory union" (Vermont's term for local education agencies).

"These reviews are intended to measure the things that we can't measure quantitatively, making sure students are experiencing an equitable education, both across the district and within a school," said Lori Dolezal, an education quality manager at the Vermont education department, who took part in some of the reviews conducted last school year. "It's not punitive, it's exploratory. It's OK to find problems of practice. That's the whole point."

### **Personalized Look**

Under Vermont's pilot, a team of 15 to 20 reviewers—among them teachers, specialists, central-office staff, officials from the state education agency, and even students—visit a particular supervisory union. Then they break up into teams of about three or four people and head out to individual schools.

Those teams will spend about half a day at a school collecting "evidence." That can mean conducting interviews with teachers, students, and parents, and observing classes. Teams also consider supporting documents that get at how well the school is implementing the state's education quality standards, including local tests, curriculum materials, budgets, and policies and procedures. A second team will visit the school for the second half of the day and perform a similar review.

A school can rebut anything in the formal report that leaders think is unfair or inaccurate.

At least for now, it's up to local administrators and educators to decide what to do with the information. School officials who took part in last year's process generally say the feedback was illuminating and felt supportive—even if the prospect of reviewers coming in and judging a school made some educators nervous at first.

"It felt very personalized," said Emilie Knisley, the superintendent of the 450-student Blue Mountain district in northeast Vermont. "It felt like you could take the recommendations and take action on them in a way that you can't when you're just getting a set of test scores."

Knisley also served as a reviewer herself, visiting schools in other parts of the state. That was eye-opening, too.

"It ended up resulting in a lot of people being able to share experiences across schools" and get ideas

they could take back to their own systems, she said. "It's rare that you get to talk to people in other districts."

Already, in some cases, the reports have helped nudge school boards, which often oversee supervisory-union budgets, to provide funding for resources reviewers felt were lacking.

For instance, the team visiting Knisley's district noted that some students didn't have access to the same classroom technology as others in the same school. That gave local leaders ammunition to ask the school board for money to install new interactive white boards in elementary classrooms.

### **ESSA Connections**

Experts see plenty of potential for the reviews in the ESSA era. The new law requires states to consider multiple measures of performance, not just test scores, in evaluating school performance.

"It's an elegant way to handle a lot of things that people now want out of an accountability system," including gauging school culture and support for teaching, said Jerald, who has examined school inspections in Great Britain and elsewhere, but not specifically Vermont's system.

And the reports are most valuable when reviewers are blunt and don't seek to spare a school leader's feelings, Jerald added. "Improvement begins with honesty," he said.

Inspections can "give you a real diagnosis of what's going on in a school" in a way that test scores alone can't, said Linda Darling-Hammond, the president of the Learning Policy Institute, a research organization in Palo Alto, Calif., and in Washington. But they are not enough on their own as a turnaround tool, she cautioned.

"For this to work, you need to have a good improvement strategy to follow up the review," she said.

Vol. 36, Issue 06, Page 31

### **Media Contacts:**

**Matt Hongoltz-Hetling, Valley News:** Matt asked for the contact information for Act 46 study committee consultants. Haley referred him to Josh O'Gorman at the VSBA.

**Katie Titterton, KidsVT:** Katie asked when and why the state stopped implementing the Ready Schools Survey. Haley forwarded the question to Kate Rogers and is awaiting a response.

**Sean Cavanagh, Education Week:** Sean is writing a special report on the topic of personalized learning and saw an RFP put out by the AOE for a vendor to help with professional learning and developing flexible and personalized pathways. He asked what company we hired to do the work, how much the contract is for, and if there are any details about the contract award or project that have changed or been altered since the original proposal. Jen Gresham and MC Moran are working on a response.

**Colin Flanders, Essex Reporter:** Colin asked if the harassment data for schools is available on the website or if we could provide it. He is hoping to obtain both statewide and CCSU specific data. Haley looped in the legal team to see what we have.

**Alicia Freese, Seven Days:** Alicia called to see if any entity asked to take over the Burlington College name. Haley told her the corporation still exists as an entity until December 31, so for now the name is still taken. Haley also gave her the statute that prevents an entity from using the term "college," "university" or "institution" unless it is approved. Alicia also asked for the entity by name.

OFFICE OF THE SECRETARY

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**Executive Privilege**

**TO: Governor Peter Shumlin**  
**FROM: Secretary Chris Cole**  
**DATE: Friday, September 30, 2016**  
**SUBJECT: VTrans - Confidential Report to the Governor**

**NOTES FOR GOVERNOR**

**I-91 Brattleboro Bridge Project**

The I-91 Brattleboro bridge project has only 9 segments remaining (there are 28 per pier), so excellent progress has been made this construction season. The project team is scheduling to close the Interstate on October 25 and 26 to address any potholes before winter sets in. It will only be closed one lane per day. Traffic volumes have been analyzed as being the lowest on these dates and the team is in touch with the town.

**NOTES FOR STAFF**

**NASTO Policy Committee**

Worked with staff to develop a list of potential regional priority topics for submission to the NASTO Policy Committee for consideration. The Committee will prepare a draft list of policies for vetting with the NASTO CEOs at their November 15 meeting at the AASHTO Conference. The Policy Committee members will plan to meet early in the conference to finalize the list.

**Lamoille Valley Rail Trail**

Met with Legal and Rail staff to discuss the modifications to the LVRT Lease/Maintenance agreement. Dan Dutcher will be making minor modifications and the document will then be reviewed by Dan Delabruere and returned to Cindy for VAST review.

**Federal Legislation**

Congress passed a short-term Continuing Resolution to keep the government open through December 9. Efforts to get any agreement beyond the CR for a one-year omnibus for Appropriations bills are stalled.

A new bill related to TSA that would impact rail security has been introduced in Senate Commerce, S.3379. It's apparently in response to finding that TSA uses only 3% of its

budget on surface transportation security issues. Quote from Senator Thune: "TSA has broad responsibilities for transportation security, but oversight and independent audits have raised considerable concern about its approach to protecting rail, transit, maritime, and highway travelers."

### **Construction**

We have 39 active work zones: 16 bridge, 6 safety, 10 paving, 2 reclaim, 4 roadway and 1 rail. We anticipate 90 contracts active this year.

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Deborah L. Markowitz  
Agency Secretary

Trey Martin  
Deputy Secretary

**State of Vermont**  
**Agency of Natural Resources**

**CONFIDENTIAL and PRIVILEGED**

**To:** Governor Peter Shumlin

**From:** Deborah Markowitz, Secretary, Agency of Natural Resources

**Date:** September 30, 2016

**Subject:** ANR Weekly Report

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**Governor Level Issues:**

**FWD Board Meeting:** The FW Board meeting was well attended by the public. FW staff presented the Department's recommendation in response to a petition that is currently being considered by the Board to expand trapping opportunities in Vermont. Chris Bernier, the Dept.'s furbearer biologist, presented a 90-minute assessment of the three petition items – expanding the bobcat trapping season, expanding the otter season, and a housekeeping measure on trap check times for colony traps. The FW Board conducted a straw vote that adopted the Department's recommendation to expand the otter season and amend the check time (the Department recommended against extending the bobcat trapping season). The Board also asked the Department to consider making the trapper survey mandatory to improve the Departments data. You may hear from the very vocal anti-trapping group.

**PFOA Updates:** Talks with Saint Gobain had slowed. I had a phone conversation with Saint Gobain's CEO in hopes of picking up the pace of and level of commitment in settlement talks. Following that conversation, the company committed to weekly settlement meetings with the goal of reaching an agreement that would allow waterline construction to begin in the spring. Weekly settlement discussions will begin the week of October 3. Final design is the next step towards waterline construction. The State will seek a loan for final design (~\$2M) through the Drinking Water State Revolving Funds and will pursue cost recovery of those monies if Saint-Gobain does not agree to pay for these costs as part of a settlement agreement. A community meeting was held Wednesday night in North Bennington and this was announced. DEC and its contractor have begun resampling of homes under 20ppt because Saint-Gobain refused to meet several deadlines to provide the State with a resampling plan.

**GMP eFarm – St. Albans bio digester:** OPP and DEC staff met with GMP and VAAFM on Thursday, 9/29, to review the suite of changes GMP has made to their project over the past three months, a period where the utility formally requested the PSB stall their review of their project so that GMP could address issues raised in ANR and PSD's direct testimony. The meeting was constructive and ANR agreed the changes GMP proposed to the project would address Agency concerns related to stormwater, manure discharge into Jewett Brooks, and GMP's efforts to reduce the amount of phosphorous spread on participating farmers' fields. GMP needs to provide the Agency some additional information, but it appears GMP will be able to meet their goal of filing supplemental testimony with the PSB on Friday, 10/7, restarting the formal Section 248 process. At that time ANR will likely entertain a MOU with GMP that will settle all remaining Agency issues in that docket. I will be meeting with Mary Powell next week and this, amongst other topics, will be on the agenda.

**Magic Mountain:** Parker Riehle of Ski Vermont contacted OPP on Thursday, 9/29, on behalf of Magic Mountain. Magic is set to transfer ownership on October 7; however, the resort's snowmaking system is operating without ANR or Act 250 permit coverage as a result of changes to the system that were never permitted in the late '00's. Magic's potential buyer may scuttle the deal if the resort cannot make snow next season. OPP is working with DEC leadership to arrange a meeting with Magic early next week to explore whether Magic will agree to enter into an assurance of discontinuance that includes a schedule to rebuilt the snowmaking pond and system consistent with current state regulations and obtain the necessary permits, while allowing the resort to operate next season. This may not be possible and will depend on the current state of the existing snowmaking system and Magic's willingness to pursue an aggressive timeline to remedy the situation, but the pending sale does present an excellent opportunity to address problems with the snowmaking system that have persisted for over a decade. Note that we had a conversation with Magic in June and discussed the need to resolve the snowmaking issue at that time, so this should not have come as a surprise to them.

**FEMA Dialogue:** After years of dialogue, we have secured FEMA Region One's support for change to DEC's Stream Alteration General Permit and Rule. It took a visit from me to FEMA headquarters in DC and a discussion with the deputy to get this on the right track after years of rejection from FEMA region one. The changes will win Vermont a letter of conditional acceptance of the state's bridge and culvert codes and standards under the FEMA Public Assistance Program. This is an outcome that has been sought since 2011. Vermont municipalities could see between \$50K-200K per structure for post disaster stream crossing replacements. Once DEC's General Permit is adopted and the Rule amended, FEMA will issue a formal letter on Public Assistance eligibility for our standards. This is a tremendous victory for us and I am happy to brief you further on its importance what it means for our communities.

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## **EVERYTHING ELSE:**

### **Press Issues/Releases:**

**Fish and Wildlife Releases:** 2016 Leashed Tracking Dogs for Recovery of Game; Tree Stand Safety Tips for Hunters: Learn more about Tree Stand Safety Awareness Month.

**VPR- Chromium 6 in Drinking Water:** DEC shared this update with you in the last weekly. The story has now come out and we included the link at the bottom. The Environmental Working Group released a report on Chromium 6 in public drinking water systems. The chemical is unregulated nationally and in Vermont. California is the only state with a standard at 10ppb and a goal of 0.02ppb. The standard is higher than the goal because it takes into account the cost of treatment. The chemical is a carcinogen. EPA does spot checks for emerging chemicals in Vermont water systems every five years. Chromium 6 was found in all ten systems tested (Winhall Stratton Fire District #1, Jay Peak Basin Complex, Brattleboro, Shaftsbury, Bennington, Barre City, South Burlington, Rutland, Burlington, Lyndonville) ranging between 0.26ppb and 0.04ppb. Both DEC and VDH is considering the emerging information. Treatment techniques are prohibitively expensive at this time. We are fortunate our levels are so low. Alyssa and the Deputy Director of the Drinking Water Program did the interview.

**Rebuilding the Stone Hut:** WCAX visited the Stone Hut last week and reported on the work in progress.

**New Mountain Bike Trails:** A press event was held last Friday to celebrate the new mountain bike trails at Little River State Park.

### **Significant Events/Meetings:**

**Stormwater Meeting with Ernie Pomerleau:** In 2017, the new permit requiring retrofits of parcels with three-acres or more of impervious surface will be drafted. It will take effect in 2018 as one strategy to achieving compliance with the phosphorus targets in the Lake Champlain TMDL and the Vermont Clean Water Act. It is significantly cheaper to address stormwater in new development versus retrofits. DEC's estimates show that it's two times cheaper. We met with Pomerleau who presented data that it may be two to six times cheaper. These costs feed into the compliance "gap" mentioned above that the Treasurer's report will consider. DEC is spending time now to determine what flexibilities can we provide to meet the goals of the TMDL and Vermont Clean Water Act, while driving towards the most cost-effective solutions. We aim to make Pomerleau an ally through the process and the Treasurer is also open to adding cost-reducing policy options into the report.

**Clean Water Fund Business & Agriculture Meetings:** DEC joined ACCD, AAFM and the Treasurer's Office for (separate) stakeholder meetings on the cost for clean water compliance, available revenues and funding gaps. The total gap is approximately \$70M per year for twenty years for clean water compliance. If additional State resources are not provided through the Clean Water Fund, which sunsets in FY18, the private sector, farms and municipalities will absorb those costs. In the meetings, hundreds of stakeholders are giving feedback on the nearly sixty potential revenue and financing options. The Treasurer will consider these comments and make a set of recommendations to the Vermont Legislature on long-term financing in January. The media has not yet become aware of the \$70M annual resource gap. We are considering policies and program changes that we could also recommend in the Treasurer's report to bring costs down. There are some options here.



**Whitewater Weekend:** This past weekend the annual water release from the US Army Corps of Engineers' Ball Mountain Dam produced its usual world-class whitewater rafting and kayaking opportunities on the West River in Jamaica. Jamaica State Park campground was full to capacity and park staff managed the popular shuttle service for paddlers and their boats. The shuttle served 951 paddlers and transported 730 boats. In total, the event resulted in \$9,960 in revenue to the Parks Special Fund.

**Big E:** Parks Regional Ranger Supervisor Nick Caputo and Regional Manager Ethan Phelps represented State Parks this past weekend at the Big E event in West Springfield, Massachusetts, helping to staff the Vermont exhibit that saw over 100,000 visitors on Saturday, "Vermont Day".

## **SUMMARY OF KEY DEPARTMENT ACTIVITY**

### **Office of Planning and Policy (OPP)**

**GHG lifecycle analysis for Ranger Solar Coolidge:** On Wednesday, Range Solar provided ANR a lifecycle greenhouse gas analysis for their proposed 20MW facility in Ludlow. The Agency requested the analysis in order to address the consideration of GHG impacts required by Section 248. Given the size of the project (10x larger than most utility scale solar projects currently operating in the state) and the fact that the project will clear more than 40 acres of forest at the site, Agency staff requested a detailed accounting of the carbon deficiency created by site preparation and site construction and demonstration of the benefits the project may present in off-setting carbon emissions from fossil fuels. Agency staff are reviewing the report. Provided the methodology is acceptable and the report concludes the project is a net-benefit from a GHG perspective, the Agency will begin to finalize an MOU with Ranger that will settle any remaining outstanding issues with the project raised in ANR's direct testimony. The Agency is likely to recommend lifecycle GHG analysis for future energy generation projects that involve significant areas of tress clearing.

**Updated site plan from Commonwealth Dairy, Brattleboro:** Commonwealth finally provided the Agency an updated site plan for their proposed headquarters facility in Brattleboro. The updated information came almost a month after Commonwealth requested a meeting with state agencies to ascertain the permitting viability of their project. Commonwealth now has less than 60 days to determine if the project is viable before their corporate board decides whether Vermont or Arizona will host the facility. The updated plans did not fully avoid impacts to wetland and stream buffers and Commonwealth indicated would be possible at the initial August meeting. Staff in the wetlands, streams and fisheries programs are reviewing the plans and seeking additional information as needed. OPP will formulate an Agency positon on the proposal next week, which may require Commonwealth to make additional modifications if they hope to obtain state environmental and Act 250 permits. OPP has set weekly calls with ACCD and NRB to keep those agencies briefed on the status and content of the Agency's review.

**South Burlington City Center:** OPP has begun regular communications with Chris Snyder and his team at Snyder Homes regarding their major new city center project in South Burlington. Creation of a new city center at this location has been a goal of South Burlington for over 40

years and in recent years the city has enacted a form based code and TIFF financing to move the project forward. The project is designed to address most natural resource constraints, but does propose impacting a class II wetland. Snyder has represented that the city's form based code requires a road layout, density and massing of structures that all be requires they impact the wetland or concede roughly 15% of the overall project, which would make the overall development financially infeasible and not meet the goals of the City. OPP provided Snyder guidance on what material should be amassed and provided to the Agency to demonstrate the project has avoided and minimized wetlands impacts to the extent practicable so that they can begin discussing mitigation options with the wetlands program who have yet to make that option of the wetlands rule available to the project. Snyder recently hired the Necrason group to help facilitate communication with the Agency and the city. OPP director met with Adam Necrason and Rebecca Ramos this week to discuss the project and provide an overview of ANR's role and current position in the review.

This is a very high profile project with a fact pattern that seems to be a good fit for the mitigation options set forth in the Vermont wetland rules. The wetlands program should stay in close communication with DEC and Agency leadership as they review additional information.

**New Applications:** Week of September 19<sup>th</sup>, OPP received 8 new Act 250 applications and 2 new Section 248 petitions.

### **Environmental Conservation (DEC)**

**Clean Water Meeting Being Planned for January 2017:** USDA-NRCS, UVM-Extension, AAFM, and ANR are planning a one-day meeting on January 13, 2017 for partners/organizations statewide to network and share best practices for assisting the agricultural community with clean water projects. This event will “kick-off” the beginning of Phase I TMDL action. Current Secretaries/Commissioners are being asked to “save the date,” with the understanding that adjustments will be made in the event of a transition.

**Arsenic Exceedance at Coventry Fire District:** The Coventry Fire District No. 1 was issued a violation for a recent Maximum Contaminant Level (MCL) exceedance for naturally-occurring arsenic. Arsenic is a carcinogen. The MCL for arsenic is 0.010 MG/L and samples taken from this system for the compliance period (running annual average) indicate a concentration of 0.011 MG/L. The compliance directives include: the issuance of public notice to all system users; and to develop a treatment plan to reduce levels of arsenic below the MCL. DEC worked closely with VDH on the public notice template (all homes were notified), which recommends users seek an alternate source of water for drinking, cooking, and making baby formula. We have also worked closely with Fire District officials on the public notification process. On September 30 we will conduct a comprehensive sanitary survey of the public water system and will also evaluate potential treatment options to reduce arsenic concentrations reliably and consistently below the MCL. Taylor Dobbs of VPR is interested in this story, but has not yet covered it.

**Illegal Open Burning Settlement (Montgomery):** DEC settled an open burning violation against WHO Land Holdings, LLC. The violation involved the burning of several hundred tires in a

remote location in the town of Montgomery. The settlement included a monetary penalty of \$7,500.

### **Fish & Wildlife (FWD)**

**Fishing Activity:** Fishing pressure is leveling off but there are still people out taking advantage of the nice weather. Usual minor violations (including quite a few license related issues) were detected statewide including some incidental boating issues.

**New K-9 Team:** Senior Warden Rich Watkin and K9 Ramsey graduated from the K9 Academy. Congratulations Rich and Ramsey!



**Rare, threatened, and endangered species (RTE) will be protected in powerline upgrades:** Staff went on a site visit with staff of Green Mt. Power and HB (consultants) to review upgrades to their line from Florence to West Rutland. There are a number plants including state threatened harsh-leaved sunflower (*Helianthus strumosus*) and a huge population of the rare smooth false-foxglove (*Aureolaria flava*). The work will entail replacement of a number of poles ideally done during the dormant season. They agreed to flag all RTE prior to work and fence if close to actual work and would leave old poles in place if located in sensitive areas.

**Possibly harmful discharge:** Staff alerted DEC of a sediment discharge that was occurring in Cold Brook in Wilmington. The discharge was coming from Mt Snow's West Lake project. There is concern that this discharge is occurring while baseline water quality and aquatic resource assessments are taking place for Hermitage's water quality certification.

**Dam Issues in Essex:** Staff met with a USFWS fish passage engineer to review downstream fish passage at Essex 19 dam on Winooski River. A recent study by the USFWS identified some issues with salmon smolts not moving downstream at this dam. The engineer was evaluating the current conditions and operation methods to see if improvements could be made. The evaluation occurred while the dam was drawn down for other repairs. This allowed in depth examination of downstream passage and identified some potential improvements.

### **Forests, Parks and Recreation (FPR)**

**License Issued for Burying Cable Under Kingsland Bay State Park:** The Department has finalized and executed a license agreement with the Vermont Green Line Devco, LLC for use of Kingsland Bay State Park for a buried electric transmission cable (Anbaric/Vermont Green Line project). The license is contingent upon and does not become effective until the Vermont Public Service Board issues a Certificate of Public Good for this project. The license requires that all construction/installation work at the park occur outside the summer operating season, reimbursement of state park revenues that would be lost during the construction phases, development and implementation of a comprehensive public outreach plan for park visitors, neighbors and local residents and boaters, and a one-time \$500,000 payment to the department to be used for needed park improvements.

**Autumn Camping is Popular:** The fall camping season is fully underway and Park Managers are reporting brisk activity.



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**State of Vermont**  
**Department of Public Safety**  
103 South Main Street  
Waterbury, Vermont 05671-2101  
[www.dps.state.vt.us](http://www.dps.state.vt.us)

**To:** The Honorable Peter Shumlin  
**From:** Joe Flynn, Deputy Commissioner of Public Safety  
**Date:** September 30, 2016  
**Subject:** Weekly Report

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Priorities:

Administration

We will be scheduling first quarter budget review meetings with all Divisions for late October.

Our budget discussion with Commissioner Pallito is scheduled for October 6 from 12:30-1:45. Commissioner Pallito has issued some very specific guidelines on how to prepare for this meeting that need to be discuss so we can start preparing our documentation to support these requirements.

Rick Hallenbeck and Marie Hayward have both attended Willis system training and will begin alternating as representatives for Admin on the Classification Committee starting with the October meet

We have set up a meeting to get together with DEMHS to discuss the Federal Procurement issue of specifying brand/model of equipment to be purchased with granted funds. While commonality and interoperability is understood this practice is not compliant with federal procurement rules. This was discovered during an internal sub-recipient audits.

The KPMG Auditors are still here working and have many questions that we have been responding to.

CJS

Forensic Lab-

BGS has sent a construction schedule for Capital Bill renovations in the Lab to accommodate drug analysis work. The completion date as of now is July 2017. The equipment necessary to conduct the drug analysis is to be procured through a grant from GHSP at AOT.

We are having persistent problems with our air handling systems and they are ongoing. Unit #2 was down for maintenance for a week – lab work halted as a result. A request was made to BGS to perform similar work off hours so as not to impact Lab functions during the day. Furthermore we have request BGS to evaluate system redundancy (back up unit should work at 100%, but that's not the case which leads to work stoppage when system down).

OTM-

#### National Criminal Justice Reform Project

All four parties to attend the summit in October have been scheduled. (DPS, Corrections, Vermont Courts) Dean is/has made arrangements to meet with the Commissioner about a status meeting with Administration prior to the trip.

#### The Police Data Initiative (PDI)

Kristi Waits continues to refine the data sets with Scott Waterman's oversight, on behalf of VSP. It is anticipated that the data sets will be available for VSP Command staff to review for potential approval during the week of Oct. 3rd, at their availability.

As Pilot 1 eTicket nears completion three Valcour CAD/RMS based agencies have been submitting electronic traffic tickets through VJISS to the Court system. Testing of the ability to scan into the Tracs application interface between Spillman and the VJISS interface to the Court system was completed and is working. Officer feedback continues to be very positive. Spillman agencies can currently submit warnings through the Tracs product, but not citations. As Pilot 2 nears, following a meeting with the DII Commissioner Boes yesterday, the Project Manager Jen Mincar indicated that he (Boes) is questioning the long term financial sustainability of the project if we move forward with implementing eTicketing to Spillman (i.e. VSP) agencies. This will require more discussion and review by DPS leadership, project management and DII.

A urgent GIS need justification letter was sent to the Secretary of Administration to review during their budget discussions. That document described the needs and the lack of critical support resources that currently exist. After much informative discussion between the DPS GIS partners that attended a meeting at HQ, Deputy Commission Flynn requested that Kim Prior (OTM) begin attending the state's Enterprise GIS Consortium (EGC) meetings. This Consortium, while it does not currently provide tangible services to agencies or departments, has been working on a statewide GIS plan that DPS should become a more active party in <http://vcgi.vermont.gov/resources/egc>. The newly appoint Director of the Vermont Center for Geographic Information (VCGI) has requested that Kim Prior provide a list by Friday Sept 30th, of the GIS demands that DPS faces. He will submit it to the EGC membership, to see if additional ideas for work-arounds can be suggested to DPS to meet critical needs until permanent staffing can be addressed in some fashion

We are beginning contract work with GeoComm for the E911 data refresh within Spillman that will allow VSP and municipal dispatchers the critical updated response map data for dispatching services.

Local, state and federal agencies outside of DPS were sent documentation about staff numbers associated with the VIBRS bill, allowing them to clean up unnecessary or inactive accounts before the final bills are created. The goal is to reduce the number of complaints and resubmission of VIBRS invoices that occurred last year, which put additional stress on the accounting process. We drafted an email to send to Agency Heads across the state regarding the potential change in charge back processes utilized by DPS in future billing cycles. The ultimate goal, as discussed with Deputy Commissioner Flynn, is to determine if Public Safety will continue to carry the majority of the financial burden for providing law enforcement technology

services to non-DPS agencies. Or if the agencies outside of DPS that are utilizing these services need to carry more of a “true” cost for these services.

#### VCIC-

The vacant Deputy Director search committee has completed interviews and the position was offered to the preferred candidate.

The Marijuana Registry reclassified position is completing additional review before selecting a candidate, and the vacant Criminal Record Specialist position is currently scheduling interviews for the following week.

The Record Check Section continues to see a high volume of fingerprint-supported record check requests due to the implementation of Act 166 requirements. Current processing times remain at the established two-week window and limited overtime is being utilized to maintain this target. Since August 1st the section has returned 3,393 fingerprint supported record checks while 1,835 were returned during the same period last year, an increase of 84%.

VCIC continues to participate in a small-scale pilot to improve how criminal disposition information is relayed to the FBI by switching from a physical submission via CD to a secure federal portal. There is a significant likelihood this will ultimately allow more efficient processing of disposition data at the federal level for firearms and other checks and requires no infrastructure changes at the state level.

A status update was provided by the Court Administrator office concerning their impending case management system upgrade. We continue to advocate for as many data sharing capabilities as possible in order to streamline paper processes wherever possible. Targeted areas for improvement include unified charge code tables, sex offender registry order management, and more efficient disposition reporting (especially with regards to modified dispositions).

#### DEMHS

On-line registration is now open for the Emergency Preparedness Conference coming up on Nov. 4-5 at Lake Morey - <http://demhs.vermont.gov/conference>

The Director is attending the National Emergency Managers' Association (NEMA) annual meeting.

There are now a total of 17,100 VT ALERT users.

A VT Alert test conducted by AHS to the Waterbury complex was conducted this week. Over 700 state employees received the test.

A VT Alert presentation was provided to Central Vermont RPC.

A national test of the Emergency Alert System was conducted.

EM Planner facilitated conference call regarding School Crisis Planning Team priorities for next year.

EM Planner facilitated School Safety meetings at the Derby Barracks and LEPC 9, and at Charlotte Central School.

Local Emergency Operations Plan submission rate is currently at 89%. We are at the highest yearly submission rate ever obtained.

Hazard Mitigation Team met on 09/26; we are working with DPS procurement to finalize a RFP for a consultant to assist with State Hazard Mitigation Plan public outreach and development, in accordance with the FEMA-approved scope of work for our HMGP State Planning grant.

We continue to make incremental progress on flood readiness as measured by the ERAF criteria. Here are the latest numbers:

CRITERION	# COMMUNITIES	%	CHANGE SINCE LAST REPORTED IN APRIL 2016
Total	287		
NFIP participation	256	89%	-3%
23013 Roads and Bridge Standards	266	93%	+2%
Local Emergency Operations Plan in place	248	89%	Same as right before May 1, and plans still trickling in, so we will exceed last year.
Local Hazard Mitigation Plan	187	66%	+5%
River Corridor Protection (interim)	64	22%	No change reported
River Corridor Protection (permanent)	15	5%	No change reported

Overall, 44% of communities are now at the minimum ERAF rate of 7.5% (down 4% since last reported); 39% are receiving the 12.5% rate (up 3%), and 17% are receiving the 17.5% rate (up 1%).

DEMHS staff presentation at VT Yankee Decommissioning meeting quoted in Vermont Public Radio and Brattleboro Reformer articles.



New England Public Radio requested same information from above in a separate interview. Director Herrick spoke with reporter.

Fielded inquiry from Vermont Public Television regarding travel during crisis'. Engineer wondering if personnel from TV/Radio would be allowed on the roads to help maintain signal - thus helping emergency response. VSP confirmed road access is on a situational basis, with personal safety being paramount. Call not for news story, but for planning purposes.

HS Chief worked on pulling financial data together for the Operation Stonegarden VTDigger request.

Recovery and Mitigation Chief responded to an inquiry from Senator Leahy's office regarding recent progress in getting FEMA guidance on how to revise Vermont's Stream Alteration Permit for PA Codes and Standards eligibility.

### Fire Safety

The Division received \$5.0 million in new plan review construction valuation collecting \$32,000.00 in permit fee revenue.

The division continues to work on the ACT 156 legislative report for the Office of Professional Regulation. Draft should be done within 2 weeks.

Paul Spicer, Assistant Fire Marshal from the Springfield Office has accepted employment with the Springfield Fire Department. Paul has been with the Division of Fire Safety for 10 + years. I am contemplating converting the vacancy to a needed electrical inspector position.

I attended the Franklin/Lamoille Regional Fire School on Saturday morning and spoke to the audience for a few minutes about the academy and Chief Lynch. Well received and a lot of positive feedback on replacing Jim.

We will be moving forward with paper work (Capital Construction) to turn the East Cottage dorm into useable dorm room space which is needed to support the fire service.

On Monday the fire service training council met here in our Berlin office. Peter attended and provided the council an excellent overview of the academy to include his vision of outreach to the entire fire service community for which he has been doing an outstanding job. Tom Estey will be replacing Al Barber as the VSFA representative on the council. I did talk about the heat exertion initiative and Dan Whipple from Occupational Safety spoke to it also. The group welcomed this and I told them more information will surface on this important subject.

The Fire Academy continues to work on the permitting for the new burn building.

The Photovoltaic safety course was held in Morrisville with 21 students.

A Modern Fire Behavior class was held at Franklin / Lamoille Regional Fire School with 12 students.

A Ventilation class was held in Rutland Town with 23 students.

The fire academy has offered employment to a candidate to fill the Site Coordinator Position.

A water test was taken on Monday from the training ground water tank to check the levels of PFOA. The test results will be back in one week. If the water levels are below the safe limits the tank can be used again.

A representative from Senator Sanders Office and Senator Leahy's Office contacted us to meet on October 20th to discuss fire service training. This is an annual informal meeting and this year I will be attending. The representatives are Haley Peru and Diane Derby who are liaison reps for the Washington delegation for first responders.

Peter Lynch spoke with Representative Shaw and the Brandon Fire Chief in an informal setting. Butch Shaw was present as Assistant Chief of the Department. Basic meet and greet.

#### Vermont State Police

A-Troop-

Middlesex:

Routine week last week with 102 cases and 1 arrest.

St. Albans:

Executed a search warrant on a fatal vehicle from July as part of the investigation which is ongoing. We also had troops involved in the CSST and Clan Lab for calls on Friday and Saturday.

Williston:

Five mile fuel spill on Skunk Hollow Road in Jericho, road closed for three hours before reopening. One ton commercial truck involved from a fuel tank removal company. Agency of Natural Resources doing the follow up.

Officer involved shooting in Winooski, FCSD Deputy assisting Winooski PD with apprehension of a wanted subject. Officer's okay, subject deceased, MCU, CSST called out to take the case.

21 - MV complaints, 14 - agency assists, 1 - theft, 11 - citizen assists. Barracks inspection and PT test also occurred.

B-Troop-

St. Johnsbury:

## 2 DUI Arrests

Barracks handled 131 cases this week, resulting in 13 arrests for 16 offenses. (This does not include one arrest on an outstanding VT arrest warrant.) The offenses were: Retail Theft (x1), False Information to a Police Officer (x1), Manufacturing Drugs (x2), Possession of a Narcotic, Stimulant, Depressant (x2), Fugitive from Justice (x1), Negligent Operation (x1), DUI (x2), Violation of Abuse Prevention Order (x1), Domestic Assault (x1), Unlawful Mischief (x2), Aggravated Assault (x1), Trespassing (x1).

Received information regarding a possible methamphetamine lab in Ryegate VT. Obtained enough information to obtain a search warrant which was executed on 09-16-2016. Two individuals were arrested and charged with Possession of a narcotic/stimulant/depressant and Manufacturing.

Derby:

## 2 DUI Arrests

Derby troops had another busy week and showed a significant increase in motor vehicle stops, citations and warnings. This is an increase seen in both morning and evening enforcement efforts.

Visiting schools.

Troops arrested a subject who was wanted for aggravated domestic assault for an incident that occurred in Lowell on 9/11 2016.

Troops arrested a subject for domestic assault in Derby.

Troopers responded to an incident in Derby where an intoxicated subject had assaulted his girlfriend and the incident spilled out into the streets. Border Patrol was on scene. Troopers arrived and subsequently an investigation placed subject in custody. Subject resisted and troops lodged him for Domestic Assault, Disorderly Conduct and Resisting Arrest.

Troops arrested a subject in Barton for Domestic Assault.

Troops executed a search warrant in Troy for cultivation of marijuana. This was a case in which the complaint came by way of a tip. Initial intel and gathered a great deal of necessary information and coordinated a flight with BP to get eyes on. After which he wrote the search warrant and Troops from Derby and BP agents executed the warrant. 118 plants were seized and the subject who is on the registry for medical marijuana was arrested and processed.

Trooper stopped a vehicle in Derby and after conversations with the occupants conducted a consent search seizing marijuana. The operator was issued a juvenile petition.

Troops made a motor vehicle stop in Derby and the operator was taken into custody and processed for DUI.

Troops made a motor vehicle stop in Barton and the operator was taken into custody and processed for DUI.

BCI

Assault case at CRCF. Female inmate assaulted a correctional officer. Female was cited into court.

Follow up on child drowning case for State's Attorney (Washington County).

Honor Guard detail at fair Haven for Tpr. Young.

Drug case at Chittenden Correctional. Inmate found in possession of numerous pills in isolation.

Fire investigation in Sheldon. Ruled accidental.

Fire investigation in Westminster with injury.

Fire investigation in Rutland. Incendiary house fire. Still under investigation.

New case. Interviewed a 12 year old male who admitted to inappropriately touching a 9 year old female.

Cross Border training at Jay Peak.

Death investigation of a 74 year old male in Georgia. Death ruled natural. No autopsy.

Follow up on baby death investigation in Jericho. Waiting on more follow up on toxicology. Investigation leading towards positional asphyxiation. SA has been in the loop since the beginning.

Meeting with NIU regarding follow up to an overdose case. Identifying persons involved.

Death investigation of a 63 year old male believed to have suffered a cardiac event. OCME agreed to sign death certificate.

Follow up of sex offense regarding a dance instructor. Cell phone analysis completed by ICAC.

Harley Breer investigation continues. Breer made contact with a witness through mail. Case written up and sent to the State's Attorney for review.

12 year old female received sexually charged text from a 16 year old male. Interview with DCF and the 12 year old female completed. No crime committed.

Four Pre-Employment polygraphs for OPD.

Prepared for criminal exam for Hartford PD. Child abuse case involving a parent and her young children.

New applicant background investigation assigned.

Assist Uniform with report of male attempting to lure a 12 yr old female into a car.

CSST activation for Search in Westminster area.

Burglary/possession of MJ case with arrest of three individuals in Averil.

New case. Report of Child abuse. Child returned from daycare and had marks on him.

Follow up on Report of missing person (Keith Dennis). He was a truck driver working for a company and turned in his truck and got a ride with someone in June in Alabama.

Death Investigation, Orleans 27 yr old female with extensive medical history. Pending Autopsy.

C Troop-

Rutland:

1 DUI Arrest

Investigated a theft of a bicycle at Dick's Sporting Goods and with the assistance of the VSP Facebook page, he was able to identify the suspect.

Arrested one for 1st Degree Agg Domestic Assault for choking his wife.

Arrested one for VOC, Unlawful Mischief and Simple Assault for assaulting his caregiver.

Assisted DCF with procuring an ECO for two minor children which were removed from the home and placed into the custody of the State.

The night shift responded to Mac's Market in East Wallingford for a robbery. Surveillance video sent to the VIC and bulletin issued.

The night shift assisted Rutland City PD with a burglary at Craigan's Gun Shop.

Arrested one for Domestic Assault for putting his roommate's head through a wall.

The night shift assisted BCI with a suspicious death in Poultney.

Investigated a motor vehicle crash in W. Rutland and arrested the operator for DUI.

Located a missing person in the National Forest in Mt. Tabor.

Arrested one for Domestic Assault for assaulting his roommate.

New Haven:

1 DUI Arrest

Ongoing Combined MV Enforcement/Crash Reduction + Educational Public Relations.

School safety meeting in Vergennes.

DUI Arrest in Bristol.

Aggravated Assault in Ripton by two males. SoWatch involved along with BCI, TSU and ATF. No arrests at this time, but more resources are working towards a safe arrest and resolution.

Shaftsbury:

2 DUI Arrests

Shaftsbury Troops made 7 arrests last week to include: DUI, Domestic Assault, Disorderly Conduct X2, DUI, COR, and DLS.

Extracted two marijuana plants.

Presented at Mount Anthony HS for a Law Enforcement class at CDC.

Station Commander's meeting in Rutland.

BCI

Special Investigation.

Agg. Assault – Assisted 473 with case follow up, attempted to locate Michael LaFountain, active arrest warrant. Subject turned himself in.

Attended memorial service for Trooper Young at New Haven Barracks.

Instruct Evidence scanning procedures to troops in Shaftsbury, New Haven, Rutland.

Case follow up – Agg. Assault in Ripton; Assisted with detail to get accused into custody which was successful. Executed search warrant on residence.

Met with AG's office in Montpelier to prepare for deposition in lawsuit.

Attended Deposition in Rutland with AG's office.

Scanned in old homicide evidence into new system.

Interview with Foster Parent of 16-year-old male victim of sex abuse complaint.

Received A.G. response regarding Hartford PD special. Declined to prosecution for euthanizing Pitbull. Owner notified.

Called in to interview offender in Ripton assault.

Case Follow-Up: Sex Offense. Town of Brattleboro. It was reported a 23 year old autistic male subject sexually abused his 15 year old niece.

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

Case Follow-Up: Sex Offense. City of Rutland. A 48 year old female reports being sexually abused by her 43 year old ex-boyfriend. Case Completed sent for review.

New Case: Agency Assist. City of Rutland. Assisted the Rutland County States' Attorney's Office with an on-going Sexual Assault investigation.

New Case: Sex Offense. Town of Chittenden. It was reported a 10 year old girl was sexually abused by her mother's boyfriend. Victim and Offender Interviewed.

Peer review with DCF.

New applicant background investigation started.

D-Troop-

Royalton:

3 DUI Arrests

DUI Arrest- stopped a vehicle for erratic operation and arrested the operator for DUI.

DUI Arrest-stopped a vehicle for a minor motor vehicle violation and arrested the operator for DUI and False Information to a Police Officer. She issued a VCVC for Possession of Marijuana.

DUI Arrest-stopped a vehicle for a minor motor vehicle violation and arrested the operator for DUI.

DLS Arrests.

Arrested a male with an outstanding arrest warrant.

Conducted two consent searches and issued three VCVCs for Possession of Marijuana.

Westminster:

1 DUI Arrest

MV enforcement-zero fatalities, 62 DPATS, 148 car stops, Tpr. stopped a vehicle for going 110 mph on I91 in Westminster; arrested one for Excessive Speed & Negligent Operation, Tpr. stopped a vehicle on I91 in Brattleboro for speeding; arrested one for DUI.

Criminal investigations-VSP was contacted by the victim of an alleged sexual assault. It was reported to that the 16 year old female victim had been forced to have non-consensual sex with an 18 year old male after school hours at the Bellows Falls Union High School in Westminster, inside the building, on two separate occasions. BCI arrested the male at his residence in Westminster. He was cited to appear to answer to two counts of Sexual Assault.

Several burglary investigations are ongoing.

BCI

(Two) inmate assault Correctional Officer cases at SSCF.

Enticing / L&L investigation via Electronic Device.

Juvenile victim interviewed – Electronic Devices seized – Unknown Perp at this time.

Special Investigation in C Troop.

Windham CAC Case Review at Westminster Barracks

Fair and Impartial Policing Comm. Meeting-VT Law School.

Assist CSST check I-91 rest area for murder weapon (2015 homicide case)

New Applicant Background Invest.

SESCF – Sex Assault – Inmate on CO. Interview with victim.

Bethel – Sex Assault – 22 y/o alleged offender, 15 y/o victim. Still awaiting information from NH DCYF regarding offense.



Promotional Interview – Royalton.

Death Investigation – Hancock – Untimely death of 62 y/o male. No suspicious circumstances.

Death Investigation – Sharon – Untimely death of 72 y/o female. No suspicious circumstances.

Accidental Shooting – Halifax – Hunting accident. One victim with minor gunshot wounds to hands and forearms. Transferred to Fish and Game.

Springfield, MA with DCF for two forensic interviews of kids in Westminster sex case (kids live in MA with mom).

Windham County SIU peer review at Westminster.

Attempts to locate suspect in Westminster sex case Tuesday afternoon were unsuccessful.  
forensic Interview of victim at Safe Place for Bethel sexual assault case.

SA review of case complete after victim came forward with new information in Londonderry sexual assault case from the 90's. Accused arrested in Winhall and flash-cited for Monday. Lodging paperwork completed.

SAR training.

Fugitive from Justice, Southern State Correctional inmate with NY warrant, submitted affidavit to Windsor SA Office

Natural death investigation Westminster, VT 68 year old male, Cardiac.

13 y/o female said he mother's boyfriend touched her breast during a hug – victim, witness, and suspect interview complete – no criminal action – DCF not substantiating.

PowerDMS training – Heatstroke & VCVC data collection.

TOPS-

Several meetings during week (TIMS, CMV, Operation Lifesaver); Ongoing grant management; Crash class instruction at VPA; VHSA Road User Fair (Montpelier).

#### MAJOR CRIME UNIT-

Officer Involved Shooting - Winooski- Completed Officer interviews, Completed/worked on reports, CSST on scene for 8th casing recovery. Evidence delivered to lab. Recovered Cell phone video footage recorded during incident.

Vreeland Homicide – Discovery submission, obstruction investigation and met with Orleans SA.

Gaudette unsolved Homicide- Authored search warrant for residence, continued scanning/reorganizing case book, conference call with AG office.

Rashed Homicide - Search for firearm in Putney rest area – Nothing located.

Hart Homicide – Interviewed subject in Rutland. Attempted re-interview of Laraway.

Smith Homicide – Working out detailed timeline, update of family.

Victim Advocate background and interviews.



**State of Vermont**  
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*Justin Johnson, Secretary*

## **PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR**

**TO:** Governor Peter Shumlin  
**FROM:** Secretary Justin Johnson  
**DATE:** September 30, 2016  
**SUBJECT:** Confidential Report to the Governor

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### **BUILDINGS AND GENERAL RESOURCES**

#### **Issue Updates:**

144 State Street: This will be the Governor's transition from November to January. Furniture/fit-up is underway. Rick has a site visit scheduled this week with DII and Security at the location.

Montpelier The Taylor Street Parking Lot: Renewal is in the works for the next Legislative Session.

Montpelier 115 State Street – Security System Lockdown and Camera Installation: Stanley Security was the low bidder in response to the RFP sent out by the Sergeant-at-Arms. The scope of work is to install (6) new entry door security cameras using existing wiring.

Ag Lab: We hope to learn how discussions have gone for the VAEL DRB Appeal briefs schedule. The next status conference will be on October 3<sup>rd</sup>. There will be a management meeting on Friday.

Northern State Correctional Facility: On Friday there will be a selection community meeting on door controls at Northern State Correctional Facility and the implications statewide.

### **FINANCE AND MANAGEMENT**

Nothing new to report.

### **HEALTH CARE REFORM**

Nothing new to report.

## **HUMAN RESOURCES**

### **Significant Events/Meetings:**

Working furiously with Workers Compensation to transition to PMA. Much left to be done but progress is being made.

Learning Management System (LMS), which will be known as SOV LINC, will go live October 10, 2016. It will be rolled out to agencies and departments over ten days. We are drafting a communication from the Secretary of Administration to be sent to appoint authorities announcing the new system.

Working with Classification Study consultants ensure we have a final report in time for a legislative report due in November.

Alerted the legislature of the approval of the most recent batch of Pilot Positions.

Sent a survey to the 1300+ hiring managers across the state to gain their perspective as we assess how to move to a talent acquisition model of employee recruitment. Very good response rate so far.

Beginning October 1, all new employees will automatically be enrolled in life insurance unless they opt-out within the first 30 days.

In the early stages of developing an MOU with the legislative branch to formalize roles and responsibilities between DHR and the legislature in regards to legislative employee data and use of the VTHR system.

Presented DHR's FY18 budget proposal to the Finance and Management team.

Nearing completion of interviews for the legislatively mandated attorney study.

Sent revised versions of the ethics and investigations policies to VSEA for review.

## **INFORMATION AND INNOVATION**

### **Evolving Issues:**

#### **Web Updates:**

- The exit meeting for the audit of the Web Portal was held 9/26. There were a few requests for additional information and some findings are being adjusted given new information.
- A new Website for the Vermont Energy Generation Siting Policy Commission is now live at [sitingcommission.vermont.gov](http://sitingcommission.vermont.gov).
- The new Green Mountain Care Website is now live at [www.greenmountaincare.org](http://www.greenmountaincare.org).
- The new Veteran's Affairs Website will be launching as soon as final review is complete.
- A Web Portal Board Meeting has been scheduled for 10/14 at 3:00.

**LIBRARIES**

Nothing to report.

**TAXES**

Nothing new to report.

**CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**  
**From: Patrick Delaney, Commissioner**  
**Date: September 30, 2016**  
**Re: Weekly Report**

**Vermont Department of Liquor Control**

Legislative Issues/Contacts/Updates:

Met with Damien Leonard, legislative council, to commence initial review for the Title 7 re-write project.

Press Issues/Releases/Contacts:

Finalized details for the November issue of 802 Spirits magazine. The front page advertising slots have all been purchased for the next 12 months

We are negotiating with a magazine distributor to cover the Southern part of the State. A sizable portion of the State that has historically had no previous distribution for our publication

Significant Events/Meetings:

Met with Damien Leonard to review progress on Title 7 re-write. We have agreed to an action plan moving forward. He will forward us 2 chapters per week to review and comment on. We will meet every other Monday to discuss our recommendations. We will forward the board the reviewed chapters every two weeks for their review and response. We anticipate that this process will be completed by the end of October.

On September 27 & 28, I and Deputy Commissioner Kessler conducted interviews with five candidates for the Marketing Director position. We have one additional interview to complete on Friday, October 1<sup>st</sup>. Have identified several candidates for second round interviews on Tuesday, September 30.

Summary of Key Department Activity:

*Agency Issues:*

The agency in Chelsea continues to have payment shortages. We continued our recovery policy and will not ship additional merchandise. We will be mandating an increase in their bond amount. It would appear that we will be closing the store.

*Staffing:*

Second round Marketing Director interviews have been scheduled for next Tuesday. Deputy Commissioner Kessler met with DHR to request an addition step pay increase for the Warehouse worker one and two positions. We await a response.

*Warehouse Reorganization:*

New shelves have been labeled and are about 40 % filled with inventory.

**Commissioner's Commentary:** Departmental arrangements for an October N.A.B.C.A. Administrator's Conference in Burlington have been completed. I participated in an N.A.B.C.A. conference call to plan a Communication Committee agenda.

I had a meeting to prepare for our upcoming department budget meeting with next week on the 5<sup>th</sup> floor.

**116 STATE STREET  
MONTPELIER, VERMONT 05620**



**OFFICE OF THE SECRETARY  
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**Chuck Ross, SECRETARY**

**STATE OF VERMONT  
AGENCY OF AGRICULTURE**

**Confidential and Privileged**

**TO:** Gov. Peter Shumlin  
**FROM:** Chuck Ross, Secretary of Agriculture  
**RE:** Weekly Memo  
**DATE:** September 30, 2016

**Summary of Key Activity**

Secretary Ross was interviewed on Vermont Public Radio along with Bob Parsons, UVM regarding milk pricing pressures on dairy farmers.

Secretary Ross spoke at Farm to School press event held at the Winooski Schools highlighting the continued importance of local food procurement on the economy, nutrition and agricultural literacy. Universal Meals are now a component available to certain school districts that meet the criterion. No press showed.

Secretary Ross and Deputy Secretary Bothfeld attended stakeholder meetings held in St. Albans and Randolph for public input on how to pay for the Clean Water Fund beginning July 1, 2018. Attendance was light, less than 30 people in St Albans and less than 20 in Randolph.

Secretary Ross offered opening remarks to the United Nations G77 retreat being held in Manchester entitled "The Retreat on Sustainability in Vermont: A Discourse on the Sufficiency Economy Philosophy and Sustainable and Resilient Communities". He welcomed over 35 diplomats to Vermont and spoke to the importance of leadership from our governor and our partners as well as the resilient nature of Vermonters in building a food network that works for everyone.

Secretary Ross met with Marie & Eugene Audet at their Bridport farm to discuss water regulations and the future of dairy. It was a positive conversation.

Secretary Ross participated in Vermont Council on Rural Development board meeting. He explained and discussed the working landscape enterprise fund and its effectiveness in supporting jobs and the economy of the working landscape with particular emphasis on advancing the forestry industry.

Deputy Secretary Jolinda LaClair and Ag Development Coordinator Ali Zapparo travelled to Eastern States for Vermont Day (9/24). Forty Vermont businesses, and partners from Department of Tourism and Marketing, and Forests, Parks and Recreation, highlighted the Vermont brand. Estimates are 100k visitors go through the Vermont building on that one day...sales broke previous year records. Former Governor Douglas, Senator Starr and Representative Barbara Murphy joined trustees and vendors to open the building on the 100<sup>th</sup> anniversary of Eastern States. Secretary Ross visited the week prior, and Governor Shumlin will join for Harvest New England day on Friday 9/30 at which ten additional small and emerging businesses will the opportunity to sell their products.

On Friday, September 23, personnel from the agrichemical management and plant industry sections provided testimony to the Joint Legislative Justice Oversight Committee. Testimony focused on details of the Agency's efforts to establish a cannabis testing program in the Agriculture and Environmental Protection laboratory, and how best to proceed with providing legal protection for employees handling laboratory tetrahydrocannabinol (THC) standards and cannabis exceeding the 0.3% THC limit.



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**Chuck Ross, SECRETARY**

**STATE OF VERMONT  
AGENCY OF AGRICULTURE**

**Confidential and Privileged**

**TO:** Gov. Peter Shumlin  
**FROM:** Chuck Ross, Secretary of Agriculture  
**RE:** Weekly Memo  
**DATE:** September 30, 2016

**Significant Meetings:**

- State Veterinarians Haas and Mehlenbacher participated in a national meeting via webinar focused on the U.S. Foot-and-Mouth Vaccine Bank. Based on a survey of the state animal health officials in 28 states, it has been estimated that the existing Bank only has capacity to provide 10% of the vaccine product that would be required to effectively mitigate even a small to moderate sized outbreak. The U.S. currently co-maintains the Bank with Mexico and Canada. Follow up national discussion will focus on how to make this important resource more robust and dependable.
- The animal health section participated in the annual training of VT humane officers at Shelburne Farms this week. VAAFM employees presented information to attendees on biosecurity, animal ID, acceptable livestock husbandry practices, and livestock/poultry handling. Part of the training involved hands-on interaction with the livestock and poultry at Shelburne Farms. The class was full.
- Kristin Haas, State Veterinarian, participated in a conference call with colleagues at the Department of Health (VDOH), Secretary of State's office and the Vermont Veterinary Medical Association regarding recommendations that the VDOH is required to make to the Legislature related to management of controlled substances by veterinarians.
- VAAFM Farm to School Program Coordinator, VT Dept. of Health Staff and Agency of Ed Child Nutrition Program Director Meets with School Board Association and Superintendent Association to discuss School Wellness Policy Guidelines
  - The meeting was organized by representatives of VDH, in light of the new federal rule on wellness policies
  - VAAFM has been engaged with these guidelines since they were first published in 2008, in order to use farm to school as a tool to successfully implement school wellness policies
  - The SBA was pleased that VAAFM and VDH were willing to change language in the guidelines to properly reflect required policies and supporting activities

**Evolving Issues:**

- On Friday, September 23, personnel from the agrichemical management and plant industry sections provided testimony to the Joint Legislative Justice Oversight Committee. Testimony focused on details of the Agency's efforts to establish a cannabis testing program in the Agriculture and Environmental Protection laboratory, and how best to proceed with providing legal protection for employees handling laboratory tetrahydrocannabinol (THC) standards and cannabis exceeding the 0.3% THC limit.
  - During the course of the conversation, Legislative Counsel pointed out that adding protections could be accomplished via technical corrections amendments during the upcoming legislative

session. Additionally, development of a Memorandum of Understanding (MOU) between AAFCM and Public Safety outlining handling and disposal expectations and requirements would also be beneficial.

- The Animal Health section has quarantined a hobby farm with swine located in southern Vermont as a result of one boar testing positive on a screening test for Brucellosis. Confirmatory testing completed at the federal reference lab was negative, but some of the clinical history in the herd could be consistent with Brucellosis. State veterinarians are currently consulting with USDA APHIS to determine next steps in this case.
- Kristin Haas, State Veterinarian, received a call this week from the Chittenden County Humane Society regarding the law recently passed in Montreal that has banned Pit Bulls. The humane society was inquiring as to the international movement requirements for dogs in anticipation of bringing some of the Pittys currently located in Montreal shelters into VT for subsequent adoption. Laws that ban dogs based only on breed are ill-informed, misguided and do not make towns safer. It is extremely unfortunate that Montreal has made this decision.
- The FSCP Division is in the process of holding interviews for the Food Systems Coordinator, who will provide support for multiple sections within the Agency and will play a key role in the management of the FSCP Division's enforcement activities.

#### **Press Contacts:**

- Diana Rodgers of SustainableDish.com inquired about Vermont's Humane handling rules for a story she is writing on Humane slaughter for a New England magazine.
- Kristin Haas, State Veterinarian, spoke with a VPR reporter this week regarding the alleged increased prevalence of Anaplasmosis in VT cattle. In 2014, Canada ceased their testing requirement for this disease prior to import into that country so less testing is currently performed, but there has been an increased detection rate of this disease in cattle, possibly due to the fact that the vectors that spread it are more prevalent in the northeast due to climate change.

### **Summary of Key Agency Department Activity**

#### **Administration:**

Mexican Consulate Vermont Ambassador – Deputy Secretary for Dairy Policy Bothfeld met with Mexican Consulate representative in Vermont Jessica Holmes to discuss resources in Vermont for farmers and migrant labor, the state's role in protecting migrant farm labor and the issue of farm labor housing. Bothfeld and Holmes will meet with representatives of Ben & Jerry's to discuss their Caring Dairy Program in the future.

#### **Section 248:**

- The VAAFCM attended a site visit for the Otter Valley solar project in Pittsford. The 2.18 MW facility will impact a majority of the 12.5-acre site, except for an existing stand of trees that are considered a significant natural resource by the Agency of Natural Resources, as well as some wetlands, two of which are currently in rotation. The majority of the site was in corn this past season. The VAAFCM requested information from the petitioner in order to conduct its analysis of the impacts to the primary agricultural soils.
- VAAFCM's counsel will submit an appearance in the Swanton Wind case, due to the presence of primary agricultural soils on the site of the facility, and as required by law.
- VAAFCM continues to develop its policy on how it will analyze impacts to primary agricultural soils associated with energy generation facility development.
- In order to address this new responsibility in Section 248, VAAFCM will post a temporary/ part time position to help with review and analysis of impacts, and looks forward to get someone onboard.
- Deputy Secretary for Dairy Policy Bothfeld met with representatives of ANR and Green Mountain Power for a status update on the application to the Public Service Board regarding the multi-farm digester proposed for St. Albans Bay. GMP will file amended testimony by October 7.

### **Agricultural Development:**

- The Working Lands Enterprise Board (WLEB) announced the opening of this year's grant cycle and the availability of approximately \$650,000 in grants funds for the 2017 program year. These grants and loan programs will fund projects across forestry and agriculture that enhance our communities, economy and culture. Links to the requests for proposals and applications can be found online. Applicant Information Sessions are scheduled for October 6<sup>th</sup> and 11<sup>th</sup>.
- Produce Program Coordinator Kristina Sweet and Communications Coordinator Hannah Reid are working with Vermont photographer Ben DeFlorio to build an archive of up to 300 photographs of Vermont specialty crops, including fruits and vegetables, honey, hops, maple syrup, and Christmas trees as well as specialty crop producers and consumers.
  - This collection of professional, print-quality photographs will be utilized in Agency of Agriculture digital and print marketing materials, including our website and social media accounts.
  - The funding for this project is drawn from a grant agreement with USDA's Specialty Crop Block Grant Program where a sub recipient was unable to utilize the funds allocated to their project.
- VAAFM Secretary, Food System Section Chief and Farm to School Staff Join Legislators and Stakeholders at Winooski School District to Kick-Off the 2017 Vermont Farm to School Grant Program Round, Which Now Includes a Universal Meals Program
  - The event also served to celebrate the impacts of Farm to School programming, the 10<sup>th</sup> year of the grant program, a new economic study on local procurement in Vermont schools, and Farm to School Awareness Month, which begins October 1
  - Comments were heard from: Secretary of Agriculture Chuck Ross, State Senators Sirotkin and Zuckerman, Winooski Schools Superintendent Sean McMannon, Anore Horton of Hunger Free Vermont, Abbie Nelson of NOFA Vermont, and Jane Kolodinsky of UVM Center for Rural Studies. Following the celebratory remarks, event attendees were treated to a "local food taste test" featuring Nepalese and Somali cuisine served by Winooski students
- VAAFM Food Systems Section Chief addresses attendees of Vermont Commodity Program Kick-Off in Winooski at Salvation Farms' New Gleaned Product Processing Facility
  - Other speakers included Director of Economic Services for DCF, Senator Zuckerman, Mayor Leonard of Winooski, and Salvation Farms leadership
  - Chief Willard's comments focused on new institutional market opportunity for gleaned products, food access, and the benefits of collaborative efforts
  - The facilities production will benefit the charitable sector, for now, and will move through Vermont Food Bank's distribution channels
- VAAFM Farm to School staff participate in Farm to School Network Gathering in Waitsfield to plan strategic work team projects
  - The network was tasked with proposing roughly \$200,000 of projects that will get the network closer to its goal of 50% local and regional purchasing and integrating farm to school programming in 75% of Vermont schools by 2025.
  - Abbey Willard, Ali Zipparo and Jennie Porter attended on behalf of VAAFM, serving on the Policy, Supply Chain Innovation and Economic Value work teams
  - Vermont Community Foundation is funding this work, and will make a decision about funding projects this fall. The work will be overseen by Vermont FEED

### **Animal Health & Welfare:**

#### **Meat Inspection:**

- Working with the VDH to finalize lab sample discard parameters for meat inspection samples.
- Working on annual self-assessment for USDA FSIS.
- Supervisory staff covering plant assignments to ensure necessary coverage is available for the plants to operate and produce meat products for sale
- 
- Continuing efforts from previous report –

- Working with several individuals for development of retail butcher shops in Milton and Montpelier
- Continuing to work with producers interested in working under State Inspection for; a Bacon operation in Barnet, a poultry slaughter and further processing operation in Isle la Motte, a further processing operation in Charlotte, a red meat slaughter operation in Pawlet, among others
- Continuing to work with individuals developing custom meat cutting operations in So. Royalton and Brookfield

### **Agricultural Resource Management:**

#### **North Lake Contractor Initiative:**

- Request for payment continue to roll in and are being processed
- Activation letters continue to come in and have been submitted for signature and several others are currently under review.
- Staff continue to coordinate with North Lake contractors as projects move forward.
- Onsite visits continue with North Lake Contractors, farmers and AAFM staff.
- Staff continue to meet every week for status updates

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

- Staff are continuing to develop and test the FoodSafety Water Quality database.
- Staff continue to review 4 applications for LFO permit amendments or applications to become permitted LFOs.
- Inspection report write-ups on Medium and Large Farms are numerous and ongoing.
- Staff continue to attend WQ Communications meetings.
- Staff continue discussions on topics in program development.
- Staff continue to develop RFP program deliverables and framework for Alternative Phosphorous management.
- Staff members continue to review inspection reports to be submitted to the enforcement team; these meeting will be ongoing throughout the field season.
- 2 MFO inspections were conducted by staff in Addison County.
- 3 LFO inspections were conducted in Franklin county, 1 of which was conducted with DEC inspection staff.
- 2 SFO technical assistance visits were conducted in Franklin and Caledonia Counties.
- 1 MFO technical assistance visit was conducted in Franklin County.
- Farm location data sets being compared and edited in preparation for uploading to database.
- Supervisors meet with staff bi-weekly to discuss progress reports.
- A supervisor continues the CAPS program.
- Staff have undertaken LFO Rule research for further program development.
- Staff attended the Lake Carmi TMDL meeting in Franklin County.
- Staff met to discuss the Envirothon
- Inspections reports are being processed for VHCB conservation program

### **Secretary's Report:**

Secretary Ross was interviewed on Vermont Public Radio along with Bob Parsons, UVM regarding milk pricing pressures on dairy farmers.

Secretary Ross spoke at Farm to School press event held at the Winooski Schools highlighting the continued importance of local food procurement on the economy, nutrition and agricultural literacy. Universal Meals are now a component available to certain school districts that meet the criterion.

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Secretary Ross participated in Vermont Council on Rural Development board meeting. He explained and discussed the working landscape enterprise fund and its effectiveness in supporting jobs and the economy of the working landscape with particular emphasis on advancing the forestry industry.

Confidential:

To: Governor Peter Shumlin

From: Annie Noonan, VDOL Commissioner

Date: 9/30/16

Weekly Report – week ending 9/30/16

Workforce Development and Regional Career Centers

VDOL won a \$1.1M grant yesterday for Reemployment and System Integration National Dislocated Worker Grant. This is essentially a grant to support IT needs in the Dislocated Worker program.

The State Workforce Development Board (SWDB) approved, after unanimous recommendation by the SWDB Youth Committee and the SWDB Operating Committee, to appoint VDOL as the provider for the WIOA Youth Services. This is part of the “competitive procurement” requirement under the WIOA law. The SWDB has now issued the RFP through the State’s bidding process, for the WIOA Adult and Dislocated Workers and One Stop Operator provisions (again, required by WIOA), and bids are due by October 24<sup>th</sup>. VDOL will be a bidder (for our own work...), and hopefully will win the bid. Maureen Tivnan and I will be writing VDOL’s bid document. I want to sincerely thank the Governor, James Pepper, Sue Allen, Justin Johnson and others for your support of VDOL in this matter.

Unemployment Insurance, Wage & Hour and Employment Practices

Paid Sick Time – I have provided Commissioner Palito with the budget for incurred expenses for PST to date (legal, rulemaking, small employer survey, employer outreach and education), and a proposed budget for FY18. I am concerned that VBSR has announced it intends to do an employer survey on PST, as I believe this will confuse the business community and potentially lessen the response to the VDOL survey (note: VDOL survey is statutorily required).

We hope to file our Employment Security Board Rule to ICAR next week. This will include changes for misclassification in UI and stronger language for Mass Separation Spreadsheets compliance. Vermont needs to revise its State WARN Act – the threshold of 50 employees is ridiculously high as only 3% of Vermont employers have 50+ employees – and we are missing critical information and time for layoffs under 50 workers, which are often very adverse in our small Vermont communities.

UI Modernization: I am awaiting signature from F&M and SoA on my request for sole source with the State of Idaho on our UI consortium/modernization work. VDOL’s UI project was put on the list of the 10 projects for legislative review – much to my consternation, as DII and I have been battling on this and our WC Computer project. I am trying to understand how, and by whom, projects make the list.

We need to continue the conversation as to which agency will host the Health Care Assessment work. VDOL’s 39 year old computer presents significant risks to the administration, and we cannot use any of the money we have from USDOL for UI modernization to fund this HC component programming / system build. If VDOL is to be stuck with this work, we will need to come up with a State GF budget plan (possibly BAA for FY17, and definitely FY18) to start the work. I do not believe that VDOL should keep this program or this work; however, the meeting last week with the Tax Department was seriously flawed and annoying.

UI Claims Center: For the week ending 09/24/16 we took 1,360 calls. This is a decrease of 20 calls from the prior week. Wait times are averaging 3-5 minutes. We paid 2,255 claimants during the week ending 09/24/16 compared to 2,261 for the prior week. We have a few STC plans with employers.

Workers Compensation

We have several rules before ICAR and LCAR:

Opioid Rule, Voc Rehab Rule and Attorney Fee Rule all at LCAR on October 6

Rule 45 (misclassification penalties and debarment) at ICAR on October 10