

WEEKLY REPORTS

Checklist
5/11/2012

Bill Lofy

- ☒ Agency of Commerce and Community Development – Lawrence Miller
- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Transportation – Brian Searles
- ☐ Department of Labor – Annie Noonan

Alex MacLean

- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Department of Public Safety – Keith Flynn
- ☒ Public Service Department – Liz Miller* (shared with Sarah)

Susan Bartlett

- ☒ Agency of Human Services – Doug Racine

Sarah London

- ☒ Department of Financial Regulation – Steve Kimbell

Jeb Spaulding

- ☒ Agency of Administration – Jeb Spaulding

Special Reports

- ☒ Additional Report: Education
- ☐ Additional Report: Lottery
- ☒ Additional Report: Irene Recovery Office
- ☐ Additional Report: Boards and Commissions

To: Governor Peter Shumlin
From: Lawrence Miller, Secretary - Agency of Commerce and Community Development
Date: May 11, 2012
Re: Weekly Report

Homeland Security Biz Lead: Leahy's DC staff is setting up a meeting with the principal – and presumably some of his colleagues – that will likely occur sometime within the next 2-3 days. A person of the same name has a sketchy past with mob ties alleged related to Worldwide Gaming and a deceptive commercial real estate scam in California. We don't know if it is the same person but at the same time we are pursuing the business and jobs we are trying to do some due diligence on the participants.

Economic Development: Pat attended the groundbreaking for Peerless Clothing, a Canadian company, next expansion in the St. Albans Industrial Park. They are adding approx. 250,000 s.f. to their existing 600,000 s.f. plant. They distribute brand name label men's suits and overcoats (Calvin Klein, Michael Kors, Ralph Lauren to name a few). They will be adding jobs, exact number escapes me. Franklin County Indus. Dev. Corp. is the landlord and builder of the building which is leased to Peerless. Total deal, approx. \$12 million between building and equipment. **Everyone better focused on press opportunities now.**

Flood recovery: We are working on two EDA applications. One potentially \$5million dollars to recapitalize the VEDA flood loan program coupled with technical assistance. The second to enhance resiliency by looking at watershed based flood hazards affecting downtowns and other areas for economic development. The goal is working with Vtrans and ANR, move beyond identifying the hazards and develop strategies to mitigate the flood risks and/or new locations for future development. Talking to Witt and SAIC about helping with those.

Under Phase 1, 105 condemnation letters have been sent to FEMA. Of those, 89 have been process for \$335,000 in additional benefits. Another 26 are pending for \$254,000. Phase 2 of condemnation outreach has begun. Arthur has sent 282 letters to FEMA registrants whose mobile homes were damaged and may require condemnation.

Jen attended a meeting to discuss affordable housing projects as potential community anchor sites for broadband expansion. Initiated by Cathedral Square Corporation who sees connectivity as essential to the success of its Service Assisted Support Housing model, the meeting included VHCB, the Vermont Housing Managers Association, and Champlain Housing Trust.

eCorp English submitted a VEGI annual report and claim. They didn't meet the performance thresholds so no benefit BUT it raises the question: in what ways should a company be in good standing with the state to receive special benefits? Tax is pretty much all there is now, but should we consider adding DOL, ANR, others?

Made in Vermont: The CMO is finalizing a white paper overviewing the proposed design of the new Made in Vermont program. Resource Systems Group, Inc. of White River Junction has submitted a research proposal that is designed to frame the strategy for the program, the features valued by producers and consumers and help frame communications on the 'value' of the program. Working with AAFM, the CMO is building a dbase of would be producer participants targeted for inclusion in the program and conducting interviews to learn from producers what attributes are desirable for the program's design.

And Brandon has really good water, and really spiffy new bathrooms. Go Brandon!

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Brian R. Searles
DATE: Friday, May 11, 2012
SUBJECT: VTrans - Confidential Report to the Governor

VTrans Scanning Tours

Extensive inspection of all Irene related damage on the state (Federal Aid) system is proceeding with cross-functional and cross-agency scanning tours. These inspections, which include staff from the FHWA will result in a final report at some future date. However, it is not surprising that they are finding some work that is not holding up that well and other work that is clearly not up to standards. In some places, fill was not the ideal mix of materials to work effectively, long-term, for road bed. In other cases, slopes are still vulnerable due to the wrong size rock being placed during emergency repairs or pavement is not holding together due to cold weather application.

I met with FHWA leadership this morning on this subject and generally these will be considered permanent repairs at 80%, although they were originally temporary emergency repairs at 100%. They will still be eligible for FHWA Emergency Relief Funds and that is what we had hoped for. It was understood by all at the beginning of the post-Irene work that the level of engineering and materials testing would not be at a par with a normal project.

2011 Fatal Crash Data

Of the 27 fatalities so far in 2012, about 70% (15 of 21) of those killed who were required to wear seatbelts were not doing so. Alcohol was a factor in nearly one-third of fatal crashes. The one motorcycle fatality was not wearing a helmet. Same old problems speaking to the preventability of deaths on our highways.

South Burlington Rail Crossing

About 12 homes have been built on Lake Champlain with access from Holmes Road off Shelburne Road in South Burlington (across from GE HealthCare). One of the homeowners, a recently widowed woman who could no longer afford her home was stopped from selling by the opinion of a title attorney that she (and probably her neighbors) didn't have deeded access to their homes because they had to cross the state-owned rail line. Thus, liability insurance came into play and that was unaffordable for

the homeowner. Rep. Michele Kupersmith introduced legislation that would require the state to accept responsibility for the crossing and that, of course, had statewide implications which have not been fully studied. We have these kinds of crossing issues not just on Lake Champlain but on other bodies of water around the state including the Connecticut River.

We suggested that the residents form an association and buy insurance (a fix that has been utilized elsewhere) or that the City of South Burlington simply take over the crossing as a continuation of a town highway that they are maintaining within 20 feet of the crossing anyway. Neighbors and the City balked and waited for legislation that didn't materialize.

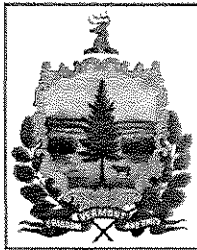
At its meeting on Monday, May 7, the South Burlington City Council gave conceptual approval to the laying out of a westward extension of Holmes Road across the state-owned railroad right of way. This will resolve the problem of legal access to properties located between the railroad and Lake Champlain. This will be accomplished through a three-way agreement between the state, the city and Vermont Railway which we are drafting for circulation. This is not, however, the end of this discussion as a matter of policy and we are preparing to talk to the VLCT and others about how to proceed.

Meeting with Senator Leahy and Special Emissary Raymond Chretien

We met yesterday in the Senator's office in DC to discuss the responsibilities of the Department of Homeland Security to build and staff the Customs and Border Protection facility at Central Station in Montreal. Senator Leahy has vowed to push hard for this facility and will communicate directly, in conjunction with Senator Schumer, with Secretary Napolitano to ensure there are no snags in developing this facility at the earliest possible date.

We anticipate that the architect being paid by the States of New York and Vermont along with the Province of Quebec with the full concurrence of the border security folks of both the U.S. and Canada, will issue a full report with recommendations around functional design and cost in September of this year.

To 116 STATE STREET
MONTPELIER, VERMONT 05620



OFFICE OF THE SECRETARY
TEL: (802) 828-1619
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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: May 11, 2012

Secretary's Top Issues:

State veterinarian followed up this week on three animals (1 heifer and 2 doe goats) that have Suspect results for Tuberculosis (TB) as determined by Caudal Fold Tests performed by accredited veterinarians. Both farms that house these animals sell raw milk directly to the public. Since TB represents a significant threat to human health, these farms have been quarantined until further CCT testing performed by the state vet can confirm their disease status. The farms are not allowed to sell raw milk directly to the public, nor are they allowed to move animals off of the premises until confirmatory testing is completed.

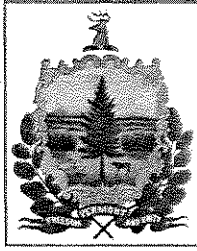
State veterinarian collaborated with the VT Department of Homeland Security to host a regional dairy tabletop emergency exercise focusing on the permitting of fluid milk movement during a Foot and Mouth Disease outbreak. This ongoing initiative has taken place under the guise of the New England States Animal Agriculture Security Alliance (NESAASA), the charter for which was signed by all 6 New England governors during the previous Administration. This regional collaboration focusing on continuity of business operations for New England dairy farmers is the first of its kind in the country, and these efforts will help to ensure that the dairy industry can survive a highly contagious disease outbreak. Individuals in attendance for this exercise included the Director and Deputy Director of Vermont Emergency Management, FDA representatives, regional state and federal animal health officials, and dairy industry representatives from seven states. VAAFM veterinarians and animal health staff will be working with all of Vermont's dairy farms this summer to obtain biosecurity related information from each of them in an ongoing effort to help our dairy farmers survive this type of event.

Long Wind Farm, Thetford, is building a large state-of-the-art glass greenhouse for the production of tomatoes. The Agency provide an opinion letter stating the greenhouse is a farm structure and exempt from local zoning under Title 24 §4413(d). Because the structure is to be built in the designated flood hazard area/floodplain of the CT River, the Agency also worked with VT DEC's Floodplain Management Section, under the authority of a Memorandum of Understanding (MOU), to ensure that the structure would be built according to National Flood Insurance Program (NFIP) standards.

On May 4th, the animal health staff provided technical assistance to the Vermont Beef Producers Association by inspecting and identifying feeder cattle consigned for the 21st Annual Graded Feeder Sale. VAAFM staff members play an important role inspecting and restraining animals prior to the sale. Any non-conforming or animals found to be ineligible for out of state export are separated. The Vermont Beef Producers have a reputation for providing some of the finest pre-conditioned graded animals in the area.

Secretary Ross and Deputy Secretary Bothfeld met with Senior Vice President Bob Wellington from Agri-Mark to discuss milk volume issues in VT and the region. Wellington discussed the relationship with Commonwealth and his concerns that current business practices by Commonwealth will jeopardize the relationship with Agri-Mark in the future.

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DATE: May 11, 2012

Legislative Issues

Ross spent Friday and Saturday in the Legislature working on a number of pieces of legislation which could affect agriculture. The most noteworthy bill to pass was Working Lands. Two bills of interest failed to pass, the Miscellaneous Dairy bill (H.774) and the Maple Bill (S.93). This could be problematic for formaldehyde if it is discovered that it needs to be regulated by the state, otherwise the Agency is affected in minor ways between now and the next legislative session.

Hemp - This legislation may prove a challenge to the Agency. The legislative intent suggests the Agency should develop a license for hemp production but NOT issue any licenses. Given the rule making requirements and the legal sensitivities including requirements for finger printing, it may be difficult to complete a license for hemp without an appropriation or fee authority to cover the costs of developing a license.

Status of Governor's Priorities:

Press

The Agency continues to collaborate with VDH to create a holding statement for Formaldehyde issues. We anticipate posting a joint statement on our respective websites early next week. There continues to be interest from the press about milk prices. Diane Bothfeld was interviewed by Lisa Rathke of the AP this week. WCAX is working on a series called "The New Face of Farming." We are setting up interviews with Agency staff to support this for next week.

Significant Events/Meetings:

The animal health office welcomes Dr. Shelley Mehlenbacher to the Agency as the new assistant state veterinarian. Dr Mehlenbacher has a strong background in animal health policy development, livestock health, industry and public health. All of these strengths will serve her well in this new position.

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Evolving Issues:

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outbreak. This ongoing initiative has taken place under the guise of the New England States Animal Agriculture Security Alliance (NESAASA), the charter for which was signed by all 6 New England governors during the previous Administration. This regional collaboration focusing on continuity of business operations for New England dairy farmers is the first of its kind in the country, and these efforts will help to ensure that the dairy industry can survive a highly contagious disease outbreak. Individuals in attendance for this exercise included the Director and Deputy Director of Vermont Emergency Management, FDA representatives, regional state and federal animal health officials, and dairy industry representatives from seven states. VAAFM veterinarians and animal health staff will be working with all of Vermont's dairy farms this summer to obtain biosecurity related information from each of them in an ongoing effort to help our dairy farmers survive this type of event.

Deputy Secretary Bothfeld attended Renewable Development Fund meeting – fund supports methane digester projects on farms in support of the Cow Power program at CVPS. Current concern that amount of power generated by dairy farms with digesters is greater than amount of power purchased through the Cow Power program – excess approximately 200,000 KW per month. Hope that the merger with Green Mountain Power will open new markets for Cow Power customers. Farmers in the Cow Power that are newest to the program are receiving \$0.03 out of \$0.04 premium usually paid by Consumers though the sale of REC by CVPS in the marketplace. Depending on demand 2 to 3 farmers are affected.

Summary of Key Agency Department Activity:

Administration

Agency's legal counsel participated in a NASDA sponsored conference call for the newly formed affiliate LCSDA (Legal Counsels of State Departments of Agriculture). Other NEASDA representation on the call included CT, MA, NY and PA. Topics discussed: Water Quality (10 state de-delegation petition recently filed for the Mississippi River), Animal Welfare (HSUS undercover video of swine abuse), Food Safety & Modernization Act (lack of rules yet).

In re: Burrington AAFM#2011-11-02 DY. Dairy enforcement case initiated for repeated PMO violations settled with an Assurance of Discontinuance. The farm also indicated it was selling its cows, primarily due to high fuel prices and lack of successor farmers. The farm intends to operate as a crop farm only.

In re: Chaput. PSB#7542. Agency signed a stipulation and approved a Proposal for Decision this week. So did the Public Service Department. The farm will submit documents to the PSB for consideration as soon as ANR signs on.

Internal Control Self Assessment completed and submitted. New Administrative Manager III – new set of eyes on the agency and its practices will improve our internal controls moving forward. Score on the report will be different this year but will accurately reflect areas for improvement.

Agricultural Development

In re: A. Johnson Co, LLC A250 9A0091-5. The District Commission issued its decision and granted the permit this week. The case was a hotly contested and litigated matter because the Agency and the developer did not agree on whether certain soils met the definition of primary agricultural soils. The Commission "split the baby" by finding that some, but not all, of the soils at issue qualified. Legal counsel is evaluating the opinion to determine if there is any legal error that may be cause for a discussion on whether an appeal to Environmental Court is advisable.

Deputy Secretary Bothfeld met with dairy farmer leaders to review 5 pre-proposal from UVM researchers on dairy related topics. Vermont Dairy Promotion and the New England Dairy Promotion Board each put \$50,000 forward each year for post harvest research on consumable dairy products. Two proposals were selected to prepare a full proposal. Both proposals were for multiple years and were for the maximum amount available. Meeting will be held in July to determine which project will be funded after review of the proposals.

Deputy Secretary Bothfeld attended the Hunger Conference this week. Agriculture plays an important role in solving the hunger issue in Vermont. Will be critical to find balance between affordability of locally grown food for all Vermont residences and livable wage for farmers in Vermont to allow the access to local food desired by conference attendees.

Promotion of Refrigerated Transportation of Local Food Delivered through Farm to Table Program

- VAAFM provided Local Food Market Development grant funds to the Mad River Food Hub to collaborate with the Farm to Table program at Two Rivers Center, Montpelier.
- Grant will assist with leasing a refrigerated truck to transport local product to Farm to Table customers.
- Refrigerated transportation will improve quality and food safety condition of delivered food products.
- Nice collaboration between Mad River Food Hub and Farm to Table Program at Two Rivers Center.
- Creating press release for local media outlets, including photo of partners standing in front of newly leased refrigerated truck.

Diversified Agricultural Operation Tour, Franklin Co.

- VAAFM joined Franklin Co. FSA, Independent Development Corporation, Regional Planning Commission, and ACCD staff on a tour of 3 diversified agricultural operations in Fairfield, Fletcher, and Fairfax on May 3.
 - VT Cranberry Company
 - Black Creek Preserves and Maple
 - River Berry Farm
- Discussions included ways diversified operations are contributing to the agricultural community of Franklin county which is heavily dominated by dairy.
- Shared challenges sustaining the online Fairfield Farmers Market organized through the yourfarmstand.com platform
- Described the Diversified Ag directory that FCIDC has developed as a way to inform the community of variety of farmers and producers in the County offering local food products.
- Hosting the Working Lands bill signing in Franklin County is a perfect opportunity to bring attention to the regions working landscape with a specific focus on value-added agricultural and forestry products.

EBT at Farmers Markets training days

- Two EBT at farmers' market trainings held at Johnson State College and at Rutland Regional Planning Commission offices were hosted by NOFA-VT, Department of Children and Families and VAAFM for two farmers' market audiences.
- At the Rutland training, new markets receiving EBT grant funding in 2012 were provided the overview of the VT EBT at Farmers Market program and received general information about reaching the EBT customers.
- At both trainings, existing EBT markets were invited to learn about changes to the program for this year, priority focus on a promotion campaign from the EBT Team, more about the double-value coupon program called Harvest Health, and to ask questions.
- 11 farmers markets were represented at the Johnson training and 15 markets attended the training in Rutland

Food Safety and Animal Health and Consumer Protection

On May 4th, the animal health staff provided technical assistance to the Vermont Beef Producers Association by inspecting and identifying feeder cattle consigned for the 21st Annual Graded Feeder Sale. VAAFM staff members play an important role inspecting and restraining animals prior to the sale. Any non-conforming or animals found to be ineligible for out of state export are separated. The Vermont Beef Producers have a reputation for providing some of the finest pre-conditioned graded animals in the area.

Animal Health Program Coordinator Jim Cameron attended the May meeting of the Agricultural Fairs Association on Tuesday, May 8th. The Fairs are pleased with the outcome of the legislative actions which restored the Stipend Fund back to \$175,000 and the Capitol Grant Program to \$225,000.

The animal health staff attended the Vermont Bird Fanciers swap and sale on Sunday May 6. A sunny day brought many poultry producers out for the sale. The staff tested a great deal of poultry and was able to Avian Influenza test a number of flocks attending the sale. Additional testing at a producer residence in Northfield was also performed.

Jim Cameron worked with a humane agent from Orleans Co. in reference to 2 livestock animal welfare concerns in Orleans Co. and 2 concerns from the Franklin Co. Humane Society.

Animal Disease Traceability program outreach efforts continue with all pertinent stakeholders. The agency has received confirmation from USDA that alpha numeric-specific ear tags that can be dispensed directly to producers will be arriving in early June. The ability to dispense tags directly to producers will increase the total number of animals officially identified and will increase the animal health's office ability to perform effective tracebacks in the event of an animal disease outbreak.

Agricultural Resource Management

Land Use / Zoning

Long Wind Farm, Thetford, is building a large state-of-the-art glass greenhouse for the production of tomatoes. The Agency provide an opinion letter stating the greenhouse is a farm structure and exempt from local zoning under Title 24 §4413(d). Because the structure is to be built in the designated flood hazard area/floodplain of the CT River, the Agency also worked with VT DEC's Floodplain Management Section, under the authority of a Memorandum of Understanding (MOU), to ensure that the structure would be built according to National Flood Insurance Program (NFIP) standards.

Secretary's Comments

Secretary Ross and Deputy Secretary Bothfeld met with Senior Vice President Bob Wellington from Agri-Mark to discuss milk volume issues in VT and the region. Wellington discussed the relationship with Commonwealth and his concerns that current business practices by Commonwealth will jeopardize the relationship with Agri-Mark in the future.

MEETINGS

Tom Vogelmann - met with UVM Dean of CALS to discuss future collaborations between CALS and Agency and future directions of agriculture in Vermont.

Phil Conroy - met with VTC President to discuss two VTC biodigesters being constructed on their campus. Focus was on permitting with state and possible collaboration with Agency.

Travis Marcotte - Executive Director of Intervale reviewed current issues relating to flooding and interest in beginning a second Intervale with a difference focus than the CSA model. Travis asked Ross to speak at their monthly evening get together at the Intervale. Good option for the Governor as well.

Scott Kline, David Mears, Mike Duane and Diane Zamos - discussion with Attorney General's Office about water quality enforcement update and strategy going forward. EPA inspection of VT farm with a discharge and EPA's possible regulatory response was of particular concern as the EPA could require farmer to pursue a CAFO permit with a significant penalty for violation. This may take months to payout.

VHCB - Spring meeting to allocate farm and conservation monies to conserve farms and protect important natural areas. 14 farms, 2 conservation and a few housing projects were approved. The most noteworthy project

was the conservation of the Bolton Ski Touring area which is the highest elevation cross country skiing area in the area and training center for many teams including UVM's national champions.

CONFERENCES

Vermont's Digital Future Conference - attended to hear the lead speakers and to show the support and relevance of digital technology.

Vermont Farm Resilience in Face of Climate Change Conference - attended at UVM to discuss with Vermont experts the challenges and opportunities.

PRESS

Vermont Life - photographer met Sec Ross on his farm to take photos for a Vermont Life article being done after Melissa Pasenen (sp) interview with Sec Ross over a month ago. Likely to be in fall or winter issue.

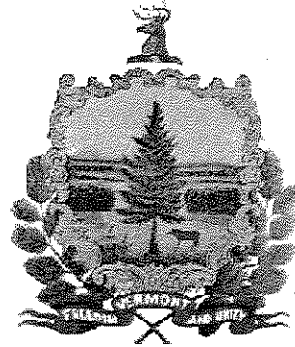
BUILDING AND CHALLENGES

BGS continues to make real progress repairing the interior of the Agency building and finding the sources of our issues which include but are not limited to a leak in the roof, a leaking water fountain line, a crack sewer line and a cracked steam heating line. All these issues were found in the walls where they could not be seen but have likely been going on for years.

Our move back in date was pushed from May 4th to the beginning of June. It is still not clear whether the building will be suitable for all of the Agency's employees. Further testing inside the building over the next two weeks may provide some advanced notice on this issue.

Finally the ongoing monitoring of building rehab, the associated personnel issues associated with the building and other personnel issues continue to require significant time commitments on the part of senior management within the Agency.

Memo



TO: Governor Peter Shumlin
FROM: Keith W. Flynn, Commissioner
DATE: May 12, 2012
SUBJECT: Governor's Report

STATE POLICE

Weekly report for April 30 – May 6

A Troop

Field Force

- Two sets of missing hikers in Bolton/Underhill area. One set found the other came out the next day.
- Officer Involved Shooting in Cambridge as a result of a home invasion/pursuit.
- Troopers discovered 100+ marijuana plants growing in the basement of a residence.
- Aggravated Assault in Cambridge. Subject pointed a weapon at another person in a road rage incident.

BCI

- Assigned to CSST to process shooting scene in Cambridge – Both days
- Assisted with Trooper involved shooting / family notification
- Assisted Trooper Hurwitch with a search warrant in Highgate. A felony marijuana grow was found in the basement of the family's home.
- Provided St. Albans Police Detective SGT Couture information and photos related to a cow killing case, as he planned to perform an interview.
- Multiple death investigations during the week.

B Troop

Field Force

- Investigating a hit and run arrested Jacob Morrison on a charge of LSA
- Arrest on a fugitive warrant.

BCI

- Officer involved shooting. Case officer
- Search and rescue call Bristol
- Embezzlement case Westfield follow up

C Troop

Field Force

- SAR mission in Monkton for missing 65 year old hiker-found deceased
- Sex Offender Registry Checks
- Investigated a single car fatal accident
- The second annual Bennington Bike Race took place on Sunday. Two flights with 450+ riders rode a 60 mile loop and the Pro's continued for a 100 mile loop throughout Bennington County. There were no main issues assoc. with this event.

BCI

- Assault correctional facility.
- Drug case correctional facility
- CSST activation for 12A101526; Cambridge incident
- Untimely Death/Monkton: Search for a missing sixty-five year old male resulted in his discovery of being deceased in a swamp. Investigation thus far has indicated that the death was natural and likely the result of a cardiac event.
- New Case – 16 year old female reports being forced to have sex by 20 year old boyfriend. Arrests made for Sexual Assault and 2nd Degree Agg Domestic Assault. Male lodged.

D Troop

Field Force

- Arrested subject for Burglary, OOC, Unlawful Mischief, and Petit Larceny as a result of investigation into series of crimes in Saxtons River.
- DUI and C+N arrest; vehicle was going south in the northbound lane of I91 in Hartland. Vehicle travelling south hit a tractor trailer truck travelling north. The

vehicle then continued across the median and southbound lane before coming to rest off the west side of the southbound lane.

BCI

- Follow up on attempted homicide at prison
- Assist with officer involved shooting
- Citations served on 2 inmates at SSCF for assault of CO
- Barratt Homicide- supplemental reports for proffer interview, drug evidence collected from vehicle and cell phone submission to ICAC.
- Completed case- 12D200372- Arrested accused for Sexual Abuse on a vulnerable adult. Accused was held without bail at arraignment.

Arson

- Attended IAAI conference/Seminar in NYC
- Fire/suicide investigation in Cabot – subject set multiple fires then committed suicide
- Assist with Middlesex Troops on Cabot burglaries
- Fire investigation in Jay – residential fire ruled an arson
- CSST activation for Trooper involved shooting in Cambridge
- Attended autopsy for above case
- Assigned a fire investigation in Proctor at the home of RJ Elrick – suspected arson fire

ICAC

- 2 days activation – Officer involved shooting in Cambridge
- Final plans solidified on the Currier dig in Casella land fill
- Worked on 2 Green Wave CP cases - Thomas and Marcy
- Deposition for Tucker CP possession case (Swanton)
- Dumped cell phone for Rutland PD assault case –
- Dumped cell phone for Burlington PD assault case

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EMERGENCY MANAGEMENT

Issues/Updates:

- a. Participated in National Level Exercise (NLE) 2012 (Cyber-security) in Boston.

- b. DLAN training conducted at 5 locations this week and the upgrade to version 8 was successful.
- c. Call-Out Notification System troubleshooting occurred and continues.
- d. Hazard Mitigation Grant Program (HMGP) site visits with FEMA will occur next week.
- e. Attended Long Term Recovery Partner meetings with Wilmington and Waterbury.
- f. Objectives and scope decided as planning continues for the May 16 VY exercise.
- g. Attended (with FEMA and HSU) the New England Dairy Industry Exercise on containment of Foot-and-Mouth Disease between the New England States.
- h. VEM has fielded inquiries from WCAX, VPR, and the Wall Street Journal this week regarding the Hazard Mitigation Grant Program.
- i. The Associated Press inquired about local "sports fields" in the aftermath of TS Irene. They were directed toward towns that had known problems and given a contact at FEMA.
- j. Participated in the Energy Assurance Table-Top Exercise (TTX) at the Vermont State House.
- k. A survey has been sent out to all fire and EMS agencies to identify swift water capabilities. Post Irene, we became aware of many departments that had some prior level of training not previously known.

Ideas:

- a. AOT has asked to send a Liaison to VEM staff meetings to retain momentum on joint initiatives. VEM welcomes the ongoing cooperation between AOT and VEM/DPS.
- b. VEM has interest in discussing a joint project to construct a Roadside Weather Information Station (RWIS) with VTrans. The location would be such to allow the main gate area of Vermont Yankee (Vernon) to be in camera view.

General Information/Other:

- a. All staff continued to participate in the flood recovery efforts (coordination with recovery task forces and publication of the state situation report – every two weeks).
- b. Continue to participate in multiple JFO and Recovery Office coordination meetings and calls.
- c. Final AAR/IP revisions continue.
- d. Ongoing support for applicant questions and needs for HMGP.
- e. Coordination with ACCD for HMGP historic preservation review occurred.
- f. Preparations continue for Senior Leader Orientation scheduled for May 22 and 25, 2012.
- g. Attended a FEMA sponsored communication unit leader training at the VT fire Academy.

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CRIMINAL JUSTICE SERVICES

Marijuana Dispensaries

The final rule hearing with LCAR is to be held on May 17, 2012. If the rules are approved by LCAR on the 17th they may be filed with the Secretary of State's office as the adopted rules. The adopted rule filing may occur as early as May 18th assuming that no further changes must be made. The adopted rule filing begins a 15 day period required by statute for the effective date of the rule. Within 30 days of the rules becoming final the Department of Public Safety must issue certificates to operate 4 dispensaries. The timeline is summarized below.

May 17, 2012 – hearing before LCAR and hopefully approval of the rules.

May 18, 2012 – Filing of the adopted rules.

June 2, 2012 – rules become effective. Also the 1 year anniversary of the signing of the law.

July 2, 2012 - Certificates to operate 4 dispensary's will be awarded.

This is an aggressive timeline and is contingent on approvals being given by LCAR at the hearing on the 17th.

Spent a considerable amount of time this week working on responding to Representative Krebs questions and comments on the proposed rules.

Also received an email from one group, Green Mountain Patient Advocates and Vermont Advocate Group, asking that I look at their application from a format perspective. We are planning on managing the application process asking for potential applicants to respond to a request for proposal. The applicants will have to respond to a variety of criteria that have been outlined in the RFP. We looked at the response from Green Mountain Advocates and Vermont Advocate Group and find the format to be acceptable but the document lacks some information that we would need to make a decision on their candidacy.

Blood/Breath Alcohol Program

Interviews were held this week for the new chemist position. The administrative assistant position was filled with a RIF. The lead chemist (Amanda) in the program will be going out on maternity leave sometime in July. We are currently exploring options for coverage while she is out. We feel that the chemist in charge of the program will be sufficiently up to speed with the scientific processes that she will be able to cover in Amanda's absence. However, we are also exploring the option of hiring back on a temporary basis one of the retired chemists that worked in the program at the Department of Health. We are also beginning the process of updating and amending the administrative rules for the program.

Information Technology

Work with DII regarding the ITOP project and email conversion is going along well. I met with the Deputy Commissioner of DII and their Chief Technology Officer this week to talk about a memorandum of understanding and a management control agreement. We have been working on these documents for some time providing each other with edits. The management control agreement, which is needed to bring us into compliance with the FBI CJIS security policy, has been agreed upon. However, the MOU is a problem. Apparently

the Commissioner of DII feels that this is not needed because it is redundant. Current law and policy mandated by the Secretary of Administration provides the direction for agencies and departments to work within the information technology enterprise. He is fundamentally correct but I feel that it necessary that this basic document agreeing to work within these directives should be signed between the departments Commissioner's. This would provide me and the DPS IT staff with knowledge that the leadership within DPS understands the direction the DPS technology is moving. It also outlines the need for the management control agreement and service level agreements. The Deputy Commissioner of DII is taking back my concerns to the Commissioner. Bottom line is this MOU may not be needed.

FIRE SAFETY

Issues / Updates:

- Remaining Engineer 2 candidate was not qualified for position. Geologist not Structural.
- Jacob Humbert, Assistant Attorney General forwarded documents received from Mr. Heyer's code expert for the Ski Inn complaint.
- Attention will be focusing on performance evaluations over the next few weeks. This will also include fire academy employees.
- 9/17 live burns completed – so far so good ...
- Swift water contract finally approved, working on delivery dates, site visits hampered by rain in Brattleboro, Hartland and Rutland
- Crown Pointe contract – moving forward, the A-14 form was signed and on to AG's office – 5/1
- New Instructor interviews completed.
- 2nd week of Fire Officer in So. Burlington under way.
- Review of end of session legislation to determine impact on Division.
- Monthly deposits to DFS are \$753,636.47. New high.
- Attended quarterly meeting of the Sprinkler Association
- Reviewing new issue at VTC – possible location of a digester in vicinity of Burn Building.
- Certifying copy of 2005 State Fire Code.
- 2012 Fire Code update progressing
- NFPA will be here next week to address code updates in NFPA 1 and 101.

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Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: May 11, 2012

Vermont Department of Health (VDH)

Farm to School Collaboration via Community Transformation Grant. Using the Community Transformation Grant funding, the Vermont Department of Health is partnering with the Agency of Agriculture to fund a second round of Farm to School Planning and Implementation Grants for 2012. This funding will support programs in 8 additional schools in rural areas of the state that have a high percent of youth eligible for free and reduced meals. It will also fund the development of regional networks to support sustainable Farm to School programs reaching 90 schools across larger geographic areas.

In addition, Vermont will host this year's national Farm-to-School conference in Burlington on August 2-5, 2012.

The Radiological and Toxicological Sciences Program. The Radiological and Toxicological Sciences Program is working with the Agency of Natural Resources to release a Healthy Recreational Waters program to coincide with EPA's week-long outreach on Healthy Recreational Waters starting May 22. The Vermont effort focuses on increasing public knowledge on how everyone can help to prevent adverse effects at beaches and on rivers and lakes, as well as how to identify and respond to adverse effects caused by people or by the weather.

The Radiological and Toxicological Sciences Program has also requested that overdue samples from VY be sent to the VDH lab for analysis. Our annual report on environmental conditions near VY cannot be published until all 2011 samples are analyzed. VDH also requested that new plume modeling software for nuclear plant releases be provided to replace the current version that is decades old and not workable on new computer operating systems, and for new emergency response instruments and dosimetry. These promised improvements have gone long unmet by Entergy.

HMC2 of Richmond to Help Educate Vermonters about Childhood Vaccines. Through a competitive bidding process, HMC2 of Richmond, Vermont has been selected as the contractor to work with the Health Department to create educational materials and online resources about vaccination for parents and health care providers. The ultimate goal is to transform parents' hesitancy about vaccines into confidence in the decision to vaccinate their children by helping them to understand the facts about vaccines and vaccine safety, ultimately raising the rates of vaccination for children in Vermont.

Formaldehyde Farm Study Underway. During the month of May, the Health Department, Agency of Agriculture and the federal Agency of Toxic Substances and Disease Registry (ATSDR) are conducting a study to determine if waste formaldehyde from used foot baths emptied into manure pits increases public exposure when the manure is spread on farm fields. Foot baths are used to treat hairy heel wart, a contagious disease that causes lameness in cows. The study is being conducted in response to concerns raised by several Franklin County residents about potential health effects from the manure spreading.

Board of Medical Practice (BMP) Receives Another Questionable Public Records Request. The Board received yet another request for the file pertaining to a licensee who has worked with Planned Parenthood. As previously reported on April 18, there had been six similar requests, each submitted only by email, each requesting the records be provided electronically, and each showing signs of having been submitted by one person using different identities. As with the others, the licensee will be notified about the request and this new request will be forwarded to law enforcement authorities.

Department of Mental Health (DMH)

The New Hospital. Planning is underway for the program and building design for the new hospital. DMH is anticipating about 3 months worth of meetings and discussions before the architect finishes a new design.

Secure Residential Facility – It appears at this time that the best option for a 7 bed secure residential facility is in Waterbury, on an open piece of land just outside the village. It is available for sale. Conversations with town officials and local legislators have been encouraging. Commissioner Flood and representatives from BGS plan on attending a Waterbury Planning Commission meeting Monday, May 14 at 7 p.m. to begin the discussion on permitting and zoning challenges.

Hospital Bed Supply – The bed supply continues to be very tight. In April 10 persons got stuck in an ER, down from 14 in March, but still too many.

Work with Police - each designated agency is following up on the recent conference with police to develop local plans for better coordination. DMH is hearing a lot of positive feedback on this effort. There is still a lot of work to be done, but this is a huge step forward.

Transportation. DMH continues to develop alternatives to transportation in shackles. The most promising development is an imminent pilot project using Lamoille County sheriffs who are interested in providing non-secure transports, with un-marked cars and officers who are not in uniform. This pilot would cover the northern part of the state. Discussions on a similar pilot for the southern part of the state are underway. There are still problems with some patients at the Brattleboro Retreat being transported in a timely fashion to medical appointments using non-secure transport, but DMH is working hard on alternatives, including using some ad hoc transportation teams from the designated agencies.

An RFP has been issued to implement the peer services provided for in Act 79.

DMH is finishing the process for approval of the next Intensive Recovery Residence (step down), an 8 bed facility in Westminster. This facility, similar to Second Spring, will provide much needed additional step down, and diversion, capacity. There have been some objections from neighbors, but the facility is permitted under the town zoning.

Morrisville. Plans are moving ahead for the Morrisville facility. An RFP for the renovations should be issued within days, and DMH is pursuing a fire/safety variance from Public Safety not to be required to bring the entire building up to hospital code.

Consultants Review of Mental Health Plan. The consultants' review of the mental health plan under Act 79 will commence on Monday May 21 with a team coming to Vermont for 3 days to review data and speak with many stakeholders including legislators, peers, providers, hospitals and advocates. The consultants will produce recommendations by early July.

Department of Disabilities, Aging and Independent Living (DAIL)

Health Care. The Department of Health has joined with DAIL in pursuit of a \$10M CDC grant to improve health access to persons with intellectual disabilities.

Ongoing Issues.

Adult Protective Service. APS remains on a steady course. A permanent program chief has been hired and will start work on June 18th. The Adult Protective Services Financial Exploitation Unit joined state and federal enforcement agencies for a summit on how best to coordinate efforts in preventing fraud against Vermont elder and disabled community members. Presenters included the FBI, the Vermont Medicaid Fraud Unit, the Office of Professional Regulation, DVHA Program Integrity Unit, and the Office of Inspector General. No press interest this week.

Adult Protective Services Litigation. Our willingness to engage in a settlement as offered last week by the plaintiffs received no response. Instead, as anticipated, the plaintiffs amended their complaint. The AG's Office will respond to the amended complaint within 20 days.

Legislature. Senator Ayer and Representative Pugh expressed their concern about the closure of McGirr's nursing home. Commissioner Wehry has already launched a review of the circumstances that led to the closure. She is including the provider community and will keep all interested parties informed.

Employees. DAIL held its annual employee recognition event this week at Lake Morey. Public Service pins were awarded to 86 individuals who jointly have contributed 1,125 years of state service. Years of service from 5 years to 40 (Diane Dalmasse).

Department of Corrections (DOC)

Press Issues/Releases/Contacts.

Probationer Jason Potvin and work crew client April Otis. Jason Potvin, April Otis and their eight month old child were killed in a car accident on interstate 89 on May 7th. Mr. Potvin had been under supervision since January of this year for misdemeanor drug charges including attempting to introduce drugs to a correctional facility. Mr. Potvin had recently been cited to appear in court for violating his probation by not attending treatment and use of drugs ("white rhino synthetic marijuana"). Ms. Otis was sentenced to 10-15 days on a community restitution work crew for a misdemeanor drug conviction. Neither of these individuals had a valid license.

Significant Events/Meetings.

Governor's Commission on Women. Commissioner Pallito met with the Commission on Women to provide an update on the Chittenden Facility. Feedback about the recent progress at Chittenden was very positive.

White Paper Group. The White Paper Group met on Tuesday to discuss updates on the Chittenden Facility. This was their regular monthly meeting. The White Paper Group will be afforded the opportunity to meet with the National Institute of Corrections (NIC) next week.

Other.

National Institute of Corrections (NIC) Visit. The NIC will be in town next week for their review of the Chittenden Facility. Their work will conclude within the week with a report to follow in early June. The DOC is also applying to the NIC for two other items; the establishment of diversion/reentry centers, and the implementation of the Ohio Risk Assessment System.

Population.

DOC's current incarcerated population has remained around the 2050 mark, and the out of state population has been reduced to 480. The female population remains in the 130's and the overall detention population is in the middle to high 300's. The department is currently supervising four individuals on home detention, 49 on home confinement.

Department for Children and Families (DCF)

Evolving Issues.

United States Department of Agriculture (USDA).

USDA staff will be visiting DCF next week to discuss a grant opportunity they are making available to us so we can develop a web based ordering system for schools to acquire federal commodities.

Hunger Free Vermont wants to be involved in the hiring panel for the project manager of the web based system. USDA staff has made it clear they do not want advocates involved in the development of the commodities program. They have indicated that no other state in their region has the level of advocate involvement that we do and that the Vermont advocates have been overly aggressive.

Additionally, DCF is in the middle of selecting a vendor through a competitive bid process to operate the commodities warehouse. USDA has advised us they do not believe school nutrition staff should be part of the vendor selection. The school nutrition partners have asked for representation on the selection panel.

We believe there is more to be gained from involving our stakeholders in these decisions than by excluding them. USDA believes the advocates have been trying to run our programs for years and want some separation. Dave Yacovone will let USDA know that we believe a participatory approach in these instances is appropriate but we will do our best to carefully communicate to our advocates that an overly aggressive approach with our federal partners can be counter productive.

Office of Child Support. The Office of Child Support recently discovered a case where child support checks continued to be mailed out for one year after the custodial parent (CP) had passed away. These checks appear to have been fraudulently cashed by multiple people. OCS was aware that the CP was deceased. This occurred because of a data entry error and the fact that the appropriate automated system edits are not in place to prevent this from happening. We have a contract to upgrade our IT to address this so it will not happen in the future. OCS is currently following up with the Treasury's Office, Bank North and the local law enforcement agency in an effort to recoup the funds so that they can be redistributed to the appropriate guardian for which the support was paid. The total amount of the checks is \$2,915.96.

Department of Vermont Health Access (DVHA)

Status of Governor's Priorities.

Gartner contract. In January, a decision was made that contracted assistance was needed to support planning and implementation of health care IT projects. Gartner was identified as the best resource for this service. DVHA has finally come to an agreement with Garner and the contract is final.

Significant Events/Meetings.

DUAL's. The DUAL demonstration project proposal was submitted to CMS on May 10th.

Health Benefit Exchange. CMS Center for Consumer Information & Insurance Oversight (CCIIO). Lindsey Tucker and Robin Lunge led a team of State staff and contractors at the CCIIO Planning Review this week. These "gate" reviews are the federal process for checking on states' progress for meeting the ACA timelines for implementation of the Health Benefit Exchange.

Memorandum

Vermont Department of Public Service

Privileged and Confidential

To: Hon. Peter Shumlin, Governor & Sarah London, Governor's Counsel
From: Sarah Hofmann, Deputy Commissioner
Subject: Weekly Report – Priorities Version
Date: May 11, 2012

Status of Priorities:

- Vermont Yankee relicensing appeal at federal level – Liz argued our case re the 401 water quality certificate to the DC Circuit Court of Appeals. The Court requested additional briefing as to the status of Entergy's application for a NPDES Permit under Section 402 of the Clean Water Act. Briefs are due on May 21.
- Vermont Yankee CPG at PSB – The Board issued a scheduling order with two rounds of technical hearings (Feb 2013 and June 2013) and will result in a decision from the PSB in the fall of 2012. We also have completed our contract for private counsel to assist us on this case.
- Vermont Yankee operations - Vermont Yankee was at reduced power (82%) this week to repair a feedwater oil pump. There are three feedwater pumps and one has been placed out-of-service for repair. The feedwater pumps are not safety related.
- Charlotte Solar Farm – although not a big project, it seems to have a lot of controversy around it so you may hear about it. DPS filed its testimony on Thursday concluding that the proposal did not incorporate all generally available mitigation to address the aesthetic impacts of the project and therefore did not satisfy the *Quechee* standard. Our testimony suggested a variety of mitigation strategies that would address the impacts.
- Derby Line Wind – Another small but relatively controversial renewable project. The Board granted intervenor status to three additional parties this week – Mary Jenne, HDCRE (a group of Holland and Derby residents opposed to the project), and the Town of Stanstead, Quebec. Two intervention motions are still pending before the Board. The Hearing officer also suspended the Docket schedule calling for non-petitioner testimony to be filed on May 11, pending the release of an amended schedule requested by Encore.

Legislative Issues/Contacts:

- The LEGISLATURE WENT HOME!!!!
- Rep Peter Peltz scheduled time to come talk with us about the merger. Rep Peltz had gotten a letter with concerns in it from Morrisville Water and Light. Most of the concerns were about governance around VELCO and had been resolved since the letter had been written. He genuinely seemed to want to understand the transaction and was not focused on the \$21 M.

Press Issues/Releases/Contacts

- Numerous press contacts on the oral argument Liz did. For the most part the stories were pretty factual and reflect that this is a narrow issue that tends to put people to sleep.
- We had a few press calls on the scheduling order issued by the PSB re the VY CPG case.
- Liz had one call with David Gram about smart meters.

Significant Meetings/Events:

- Liz spoke at the Bennington Regional Planning Commission's Annual Meeting on the Comprehensive Energy Plan, Vermont Yankee, and the CV/GMP merger with many questions about everyone's favorite \$21 M.
- Liz and Porter attended the Digital Futures Conference.
- Porter attended and spoke at a forum in Woodstock, Vermont on smart meters.
- Liz met with VGS on a general briefing including discussion of CNG pilot project VGS is interested in doing and a possible new opportunity within the expansion project. VGS would like to discuss the latter with the Governor's office.

Evolving Issues: Not necessarily new but some of the issues around compressed natural gas are becoming more urgent. Evslin's group is becoming impatient with VGS around tariff issues. At the same time, there are still some issues the DPS has to make a decision on based on the way the statutes are written today. There probably will be a Board workshop on CNG and LNG generally so there can be a discussion of the legal and technical issues. VGS indicated that it may ask for a generic docket as well to investigate issues around CNG. Additionally, Tom and Neale are coming in next week to update Liz and Sarah on where they are in their process and business plan.

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Deborah L. Markowitz
Agency Secretary

Christopher Recchia
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: May 11, 2012
Subject: ANR Weekly Report

Governor Level Issues:

Brandon Water event: Thanks for coming to Brandon to celebrate the new water system designation. Not a sexy topic – but because you were there it got some great press!

Arbor Day: Thanks also for participating in our Arbor Day celebration. Your message about the importance of forests and urban trees and their relationship to flood resilience was right on and well received.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Bill Reviews: We are busy doing bill reviews. We haven't found any surprises yet.

Press Issues/Releases:

Cabot Creamery Indirect Discharge: A reporter from VT Digger contact John Akielaszek for information regarding the State's unannounced sampling of Agrimark (aka Cabot Creamery) wastewater.

Vermont's Free Fishing Day is Sat., June 9th: the one day in the year when residents and nonresidents may go fishing without a fishing license. It's a great opportunity to take the family fishing and create memories to last a lifetime.

VPTV Outdoor Journal: Patrick did great on VPT's Outdoor Journal call-in show and panel discussion of the impacts of tropical storm Irene and subsequent in-stream work to wild trout populations and their habitat in Vermont.

Mike Snyder on You Can Quote Me: Mike did a great job on You Can Quote Me talking about our environmental report and on a variety of issues related to Vermont's forests.

Significant Events/Meetings:

Ozone Designation: Governor Shumlin received a letter from USEPA on the ozone designation for the state of Vermont. The designation was attainment/unclassifiable that indicates that the state is meeting all ozone national ambient air standards. With this designation, we will not have to promulgate additional regulations for emission sources in our state.

Arbor Day: May 4 was Arbor Day in Vermont! About 50 communities (and the VT Statehouse) participated, with events that ranged from "story walks" to riparian plantings. The post-Irene plantings and attention to floodplains were popular this year. Over 150 people gathered to celebrate trees with Governor Shumlin. Students enjoyed a full day of activities in Montpelier including the Lorax StoryWalk, tours of the State House and museum exploration. Winners of the Growing Works of Art contest were honored, and the event was attended by their classmates.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation

Putney Paper: has inquired about the use of alternative fuels to their current No.6 fuel oil. Putney is considering Renewable Diesel Oil (RDO) as well as compressed natural gas and possibly liquefied natural gas. The Division is working with them to determine any potential impacts on air emissions as well as any permitting requirements. FiberMark in Brattleboro has also inquired about RDO and we would expect that they would also have an interest in natural gas.

OMYA: The Division has had a meeting with OMYA on April 24th to discuss their proposal to use liquefied natural gas at the Verpol plant in Florence. We are working with them to determine any permitting implications. The current permit for OMYA actually anticipated natural gas many years ago (when a pipeline was being discussed) and some equipment has already been approved for natural gas.

FFY 2011 Drinking Water State Revolving Fund Intended Use Plan: This plan was submitted to EPA completing the federal grant application submittal. This latest plan describes how we intend to spend ~ \$14.4 million for construction projects, \$2.5 million in new and \$6.2 million in prior years' set-aside-funded activities. The federal FFY2011 grant is \$9,418,000, which is matched with \$1,883,600 in state

capital funds. The fundable portion of the priority list consists of 25 projects, leaving 25 projects outside the fundable range, with an aggregate need of ~ \$15 million. Additionally, we have 26 pending projects for which \$14.6 million is reserved from prior years' funds and 14 loans approved by the Division awaiting loan signing, which total \$7.8 million.

Landslide Hazard: For the development of a landslide mapping protocol that will go into the State Hazard Mitigation Plan (through a FEMA Pre-Disaster Mitigation grant to Geology), we are working with the Chittenden County Regional Planning Commission (CCRPC) to gain advice on planning issues. We met on April 18 with CCRPC to show progress and get advice on an upcoming meeting with the Vermont Association of Planning and Development Agencies (VAPDA). We will present the project concept to VAPDA on May 3.

JARD, Bennington: The program has setup a meeting with EPA to discuss the potential to list this site as a Superfund site. The Town Manager, Stuart Hurd, supports the listing of this site. We are also coordinating with the Health Dept to meet with the public and discuss the latest rounds of sampling and analysis that shows that the residents on Park St are affected by the PCBs and we are continuing to work with EPA Removals to further define the extent of contamination in the area, including other environmental receptors.

Green Mountain Compost: Staff visited the Green Mountain Compost facility in Williston. The operation is already outgrowing the new facility and they would like to expand their operations to include use of a 2 acre lot behind the facility to store and compost an abundance of leaves that accumulated last year. Currently, the facility is lacking a nitrogen source for composting because they cannot acquire any chicken manure. Most compost facilities in the state are low on carbon (leaves and woodchips, sawdust) and have excess nitrogen (manure) to manage while Chittenden County has excess carbon and not enough nitrogen. These, and lots of other issues, will need to be evaluated when the organics ban in H.485 is implemented. Demand continues to be strong for locally produced compost, Green Mountain Compost reports increased sales last fall and they sold -out of compost over the weekend.

Levesque property, Sheldon: Last week we gave a summary of the vandalism that contaminated the shallow drinking water well at the Levesque residence in Sheldon. This week, a new well was drilled, and the cleanup contractor is making preparations to pump the remaining contaminated water from the old well. Once laboratory results have been received, we will determine whether any additional investigation or cleanup measures are needed.

Lakes: The Shoreland Encroachment program has been questioned by CVPS and VELCO regarding jurisdiction under 29 V.S.A. Chapter 11 over cables that cross lakes and ponds. The program has discussed the issue and decided to remain with existing policy that DEC does indeed have jurisdiction over power or other cables strung over lakes and ponds. The installation of new lines or complete replacement of existing lines requires a permit; repair or maintenance is exempt, as with other types of encroachments.

Fish and Wildlife

Turkey Hunting: Turkey hunting season began on May 1, 2012. Wardens are reporting good hunting success and numerous large turkeys being harvested (Both Patrick and Michael came home with big birds on opening day – I will try my hand next week.)

Search and Rescue: Wardens were called to assist with three search and rescue incidents this week:

Waterbury Center- Two wardens assisted searchers in locating a lost elderly male with Alzheimer's disease. The lost individual was actually caught in a barbed wire fence and was unable to free himself.

Monkton- Two wardens and a warden K-9 assisted in attempting to locate a lost hiker. After a nearly all night search, the hiker was eventually located dead floating in a small pond. The cause of death is unknown at this time.

Bolton- Wardens responded to West Bolton to aid two lost hikers in exiting the woods. They had become lost and were unprepared to navigate in the woods after dark.

White-nose Syndrome Grants: Staff prepared and submitted USFWS White-nose Syndrome Grants to states proposal for a new annual set of federal funds for WNS research and surveillance.

Tagging Rattlesnakes: Despite challenging weather, staff managed to catch and PIT tag a few rattlers, and performed two implant surgeries last week. Staff also reviewed report for other rare SGCN snakes.

Jesup's Milk, Endangered Species: Staff, along with New England Wildflower Society transplanted 53 individual plants of federally endangered, Jesup's milk vetch at VT's only population. This is an attempt to augment it as it has declined precipitously over the past 10 years and we were uncertain of the effects of Irene. The good news is that staff found 7 plants at the site although it was not a complete inventory. The transplants are from seed taken from this site and grown by NEWFS.

Kingdom Communities Wind: Staff provided testimony at the PSB hearing on the conservation easements in Eden for Kingdom Community Wind. The issue was the effectiveness of these two easements (1,700 acres) in maintaining landscape connectivity between the Lowell Mountain and Green River Reservoir habitat blocks.

Zip-line Proposal: Staff reviewed a proposal to construct a zip-line through an A-250 permit conditioned protective buffer along Coleman Brook at Jackson Gore Resort in Ludlow. A site visit was attended with a resort representative. F&W recommended realigning the zip-line pathway to intersect the buffer at a 90° approach angler rather than impacting 330 ft of streamside wooded vegetation and in a manner that disturbs the fewest trees. The applicant will prepare a redesign for F&W review. A Lake Shoreland Encroachment application submitted by FPR proposes dredging sediment and silt accumulated on the Camp Plymouth SP swimming area as a result of TS Irene. Comments were submitted to DEC identifying no critical aquatic habitats at risk from this project.

Vermont Yankee Data: The Connecticut River Watershed Commission via Vermont Law School has submitted to ANR another FOIA request for all data, documents, etc. pertaining to Vermont Yankee generated since its last FOIA ending March 11, 2012.

Remediation on Leicester River: Staff conducted a site visit with Tim Upton from CVPS on the Leicester River. During an Act 248-approved power line relocation leading in to their Salisbury sub-station, CVPS's forestry contractors removed a large area of mature trees and other riparian vegetation along several hundred feet of the Leicester River, even though CVPS specifically indicated to them that they were not to do so, as per their Act-248 permit conditions. Tim called to ask F&W to visit the site with him to discuss remediation. We provided Tim written feedback on suggested remediation, such as riparian plantings of native trees and site monitoring.

Working with Trout Unlimited: Staff visited streams flowing through large tracts of privately owned land in the upper Connecticut River drainage to discuss trout habitat improvement options with Trout Unlimited staff. Trout Unlimited is working with the landowners to provide funds, expertise, and labor to improve trout habitat in the upper Connecticut River watershed.

Forest, Parks and Recreation

State Lands: Work is ongoing for several FPR land transactions including proposed sale of the Lafreniere homestead, additions to Green River Reservoir State Park, and conveyance of Woodchuck Mountain property to the Town of Newbury.

Parks: With Park Ranger training completed, key staff have arrived at their parks and are busy readying them for the operating season. Volunteer groups are assisting in a number of locations.

Residents of the Northwest Vermont Correctional Facility in St. Albans have been growing annual and perennial flowers for planting in state parks throughout that region of Vermont. The Division of State Parks provides the seed and soil and the inmates do all the work involved in starting and growing the seedlings. Flowers are being picked up by park staff this week and brought to the parks for planting. WCAX is expected to cover the story. This is a valuable, high profile project that results in a very useful contribution to the state park system.

Discussions are still underway for promotional opportunities with Eastern Mountain Sports this season. Materials have been contributed to Ski Magazine for a summer article on camping. Vermont Public Radio will be giving free park passes to their sustaining members in exchange for program underwriting acknowledgement. Once again, the Vermont Visiting Nurses Association will be offering discounted park passes to their members in exchange for park promotion in their regular newsletters.

Over the course of the summer, staff from twenty-five State Parks will be helping to administer a survey of Vermont tourists being developed in cooperation between the Department of Tourism and Marketing and UVM. Other surveys will be administered by staff of highway rest areas and some members of the Vermont Attractions Association.

A Request for Proposals for services to help establish a new private non-profit Vermont State Parks Foundation is expected to be released this week. The Foundation will exist to augment state support for the State Park system through volunteerism and fundraising. A successful contractor will be responsible for coordinating the formation of the organization, establishing a board of directors, preparing necessary formation documents and making arrangements for financial management and sustainability.

Tree Planting by Vermont Telephone Company, Inc.: VTel recently sponsored planting of more than 250 trees in the Otter Creek Wildlife Management Area in Mount Tabor, Vermont. The planting was conducted by the Vermont Departments of Forests, Parks & Recreation and Fish & Wildlife District 2 Staff. The cost of all materials, including shipping of the trees, was underwritten by VTel while 5 members of the forestry and wildlife staff planted the more than 250 silver maple, burr oak, and red maple trees on a 100-foot corridor along the Otter Creek in Mount Tabor. VTel has an ongoing policy to plant the

equivalent number of trees that it calculates it uses in paper-based mailings and other materials each year to help reduce its carbon footprint.

Conservation Education: Another successful Project Learning Tree workshop was hosted in Middlebury on Monday, May 7, split into an afternoon and evening session. This workshop was for school age childcare providers, and fifteen people attended from all over Addison County. The focus of the workshop was demonstrating how childcare providers can easily teach children about forests with the resources they already have in their homes, centers and schools.



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Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: May 11, 2012
SUBJECT: Confidential Report to the Governor

CONNECT VT

Nothing to report.

BUILDINGS AND GENERAL RESOURCES

Press/Media Notes:

- Did very short interview with VPR's Susan Keese on Bennington State Office Building.

Significant Events/Meetings:

- Met with representatives of VT Vietnam Veterans who are planning for the celebration of the 30th anniversary of the opening of the I-89 Vietnam veterans' memorial rest area (8/4/2012).

Evolving Issues:

- DMH says will take 90 days to finalize program requirements for A+.
- BGS's Mike Kuhn is doing everything he can do to expedite the construction services RFP documents on the urging of Patrick Food.

FINANCE AND MANAGEMENT

Issues Update:

Judiciary Juror Payments: Testing has begun on the Judiciary paying juror payments through VISION instead of paying them out of petty cash. A few technical issues are being worked out on Judiciary's end and the business process is being developed collaboratively.

HEALTH CARE REFORM

Nothing to report.

HUMAN RESOURCES

Status of Governor's Priorities:

Strategic Planning: DHR is working with Secretary Spaulding to plan the state's second strategic planning meeting for the extended cabinet, which is scheduled for June. The Governor is scheduled to attend the first half of this meeting.

Legislative Issues/Contacts:

The Pay Act: Commissioner Duffy is preparing a bill review on the Pay Act, to be forwarded to the Governor's counsel by the end of this week.

Evolving Issues:

ERP Expansion Project: DHR has engaged in discussions internally and with the state's consultants regarding the staffing necessary to support the new system and business processes post go-live. Commissioner Duffy will schedule a meeting to discuss these issues with Secretary Spaulding and necessary stakeholders and the strategy to obtain the necessary positions and funding.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Healthcare: The contract with Gartner Consulting is in final review. DII expects the sole source request and the contract to arrive at the Administration for review/approval early next week. This \$2.5 million contract is necessary because of the federally imposed time constraints for the Health Insurance Exchange and other health reform projects (October 1, 2013 and January 1, 2014), the need to get additional expertise on the ground to support the State of Vermont (SOV) as quickly as possible, and the unique alignment between Gartner and the SOV direction

Market Factor: IT Compensation and Classification Study – Gallagher Flynn and Company (GFC) has requested more comprehensive information on IT turnover, the number of open positions, and time to fill positions. DII has forwarded the request to DHR. This project will be complete by June 31st, and DHR will use the findings and recommendations as input to their process to determine, among other actions, where a market factor should be applied.

Governor's Dashboard: Contract has been signed with Doug Hoffer. First deliverables will be available by 11 May. The first deliverable will not include final documentation, but will include a list of measures with the analysis Doug expects to perform. This will allow us to decide which measures are the most appropriate to publish on the dashboard. Meeting will be scheduled next week to review Doug's work and select first round of content for the dashboard.

Significant Events/Meetings:

A Web Portal Board meeting has been scheduled for 5/30/12 to consider a few small fee based services and to go over the RFPs being prepared.

Evolving Issues:

New Budget System Implementation: Contractor development work as well as minimal State development work is underway. User Acceptance testing is slated to start in later May. With some slight variances, overall project timeframe remains in line with the plan. Target implementation remains – July 1 2012, with budget use start up in September.

ERP Expansion Project: Development phase is underway. Though development remains *slightly* behind schedule, additional resource and task shifting is being addressed to keep timeframes within reach. Target implementation remains – end of year 2012.

LIBRARIES

Nothing to report.

TAXES

Legislation:

Miscellaneous Tax Bill: Department is quickly moving to implementing this year's bill – and starting to build next year's bill. Highlights on implementation:

Annual Homestead Declarations, Property Tax Adjustments, Renter Rebates: Tax will be working particularly with tax preparers to help get out the word that homestead declarations are again due annually with tax returns, that the rules for household income have been tweaked again including the elimination of double counting of interest and dividends for taxpayers over 65, and that renter rebates are limited to \$3000.

Forms: The bulk of implementation work will fall on our processing division to devise new forms for everything from collection of the new minimum corporate tax to the electric generating tax. Tax compliance division is working to dismiss assessments involving cloud issues, and to establish procedures for desk audit on refund requests.

Tax Reform/Health Care Financing: The Department is looking at strategies for possible tax reform proposals, particularly given the Speaker's post-legislature remarks, as well as the required health care financing plan in light of the need to reissue the RFP.

Policy, Outreach and Legislative Affairs: Michael Costa is setting up the processes for the new POLA division, and hopes to start interviewing next week for the new hires.

Vermont Tax Advisory Board/ Tax Technical Working Group: Tax announced the Tax Advisory Board on Thursday, and will convene the first meeting in June. They invited the numerous tax practitioners who applied to the TAB to join a reconfigured tax preparer's working group that will be announced next week.

AARP: The Commissioner will be speaking to the district officers for the AARP's tax assistance project next week.

Operations:

RFI Prior to Technical Upgrade for ETM: Tax continues to negotiate with Oracle on the details for a technical upgrade of ETM, which still appears to be a fairly costly undertaking. In the meantime, working with DII, they plan to hire a consultant to conduct an RFI aimed at the other tax processing vendors to have a better understanding of our long term options.

Richards, Alyson

From: Mannis, David
Sent: Friday, May 11, 2012 3:49 PM
To: Richards, Alyson
Cc: Kimbell, Steve
Subject: Weekly Report

Here is the weekly report of the Department of Financial Regulation:

For the week ending May 11, 2012

Governor's Priorities

Health Care Reform

Commissioner spoke about health care reform in Vermont at the annual meeting of the National Association of Insurance and Financial Advisors in Burlington.

Commissioner spoke and took questions about health care reform from an audience of about seventy-five human resources professionals at BRS, Mitch Fleischer's organization.

Commissioner spent Thursday at the Orange County Superior Court in Chelsea on jury duty.

**CONFIDENTIAL AND PRIVILEGED: NO SHARING
MEMORANDUM**

TO: Governor Shumlin
FROM: Armando Vilaseca, Commissioner
DATE: May 11, 2012

Student Education Course Transcript (SECT) Collection:

We have started to receive some opposition from supervisory unions in response to our request for information on the Student Education Course Transcript (SECT) collection. Three SUs (Rutland Northeast, Addison Northeast, and Chittenden Central) have either refused to comply, or have indicated that they are seriously considering not complying. Since this data collection is fulfilling requirements of the SFSF assurances, for which the districts have already received money, this is not an optional data collection. We have sent several letters to the superintendents informing them that this collection is required and have suggested that they prepare accordingly. Additionally, we have dedicated a web page to this collection and have technical assistance available to them. I will continue to hold firm with them that this is not an option; districts are putting their future federal funds at risk should they not comply with this section of the law.

ESEA Flexibility Request:

I am still finalizing my recommendation to the SBE regarding the ESEA waiver. Our options are to continue with the application, to decline to apply, or to delay the decision until September to see if US ED will be more flexible in the next round.

School Choice:

H.771, the education technical corrections/miscellaneous bill, has language that relates to school choice, particularly the "10% or 40 cap." It is my opinion that this limits school choice by raising the issue of capacity, and determining such capacity could be arbitrary and capricious. I will be deciding on criteria for identifying capacity shortly, criteria such as square footage or teacher-student ratios, and plan to send guidelines out to all supervisory unions.

Outright Vermont:

As agreed, I will be sending Outright Vermont \$2,000 this fiscal year and again next year. Today I received the scope of services for the contract. In addition to anti-harassment and anti-bullying workshops for students, prevention trainings for school educators and administrative staff, it includes activities such as establishing and supporting Queer/Straight Alliances, personalized training and advocacy support, and participating in national action days such as "Day of Silence" and/or "National Coming Out Day." I will revise the scope of services to include only the anti-harassment and anti-bullying work in the schools, as this is where I believe our funding will be most effective.

Burlington School District:

Earlier this week I met with Superintendent Jeanne Collins of Burlington to review the current racial/ethnic issues occurring in the community and school. From what Jeanne described, they have many good programs and efforts to engage the Somali community. BSD has made mistakes and has subsequently lost the "message"; they recognize the need to get it back. I have offered our department's support to help them get an outsider's perspective that could be helpful.

State Board of Education (SBE):

The May SBE meeting will be held on Tuesday, May 15th, at the Mount Anthony Union High School in Bennington. Voting student board member, Elizabeth Strano, is a senior at Mt. Anthony. The Board will continue its discussion on changes to graduation requirements as well as development of its priorities for the coming year. Other agenda items include a vote on the regrouping of the Rutland-Windsor and Windsor Southwest Supervisory Unions following the formation of the Mountain Towns RED IR 01, a request from the Winhall Town School District to move from the Windham Central SU to the Bennington-Rutland SU, and an update from the Battenkill Valley SU on its regrouping study. A complete agenda can be found here: <http://goo.gl/OA9Si>.

IRENE RECOVERY SITUATION REPORT

May 9, 2012

Highlights below. Situation Reports attached.

- Mobile Home Condemnations – continuation, but slow-down of potential cases

Under Phase 1 (mobile homes that were already removed), 105 condemnation letters have been sent to FEMA. Of those, 89 have been process for \$335,000 in additional benefits. Another 26 are pending for \$254,000. Great news for Irene survivors still in need!

Phase 2 of condemnation outreach has begun. ACCD sent 282 letters over my (IRO) signature to registrants whose mobile homes were damaged and may be appropriate for condemnation. Through 5/9, we have received ten responses. Only one seems appropriate for possible inspection. Sadly, the responses are from people who feel their mobile home is “uninhabitable”, but that they remain there without options. (Several were described as mold infested, leaking roof, children with respiratory illness...) We are working with the Case managers and LTRCs to prioritize these cases. If we can develop a recovery plan for these individuals, we may be able to avail them of additional FEMA assistance and the newly created Mobile Home Credits, and get them into safer homes. That is the goal, but it is a tall order for the short time FEMA will continue to assist.

- FEMA- Change in Tone & May Departure

We are noting a significant change in tone & focus from the team in Vermont JFO. They are focused on demobilizing by the end of May. This will likely mean leaving Vermont with a skeleton crew behind, relocating to Montpelier and primarily focused on Waterbury Complex. We are submitting requests for additional resources to assist us with ongoing needs, including: workshops and capacity building for RPCs & Towns; trainings; continued support for the Brattleboro Housing Authority; continued support for review of condemnation cases; support for Long Term Recovery Committees.

90/10: We were told the Presidential request letter went from FEMA Region 1 to FEMA HQ (in DC) this week. They are not willing to share whether their request is a positive one (although we think it probably is), nor when this request will get to the President. This is a very high priority for our Congressional team and they are working jointly to advocate on our behalf.

We were advised that that there will soon be forthcoming a legal memorandum from FEMA, responding to many of our goals for reimbursements, including elements of Waterbury Complex and VSH. Quite concerned this memo may include negative responses to our objectives for maximizing federal participation in our recovery.

- FEMA -State Challenge on Bridges & Culverts, Debris Management

We submitted this week a legal brief regarding Bridge and Culverts. On behalf of many towns we are hearing from, we are pushing back on their decisions in the field to NOT award eligibility/funding for larger structures. We have submitted the brief, and are developing lists of projects we want them to review again – in advance of our likely eventual appeal of their decisions.

We continue to be frustrated in our goal of having FEMA reimburse towns for emergency river work and are developing a test case to submit with full documentation. Our consultants are assisting on this. If test case is unsuccessful, we will again appeal.

- Media:

Nice interview with Nancy Remsen. I think she will do a positive story about Irene & the legislature – positive outcomes, partnerships, exec. & leg. Branch working together, short term and long term solutions...Lots of local Irene-related media (and interest) state wide.

1) ACCD

Housing

- Mobile Home Condemnations

Under Phase 1, 105 condemnation letters have been sent to FEMA. Of those, 89 have been processed for \$335,000 in additional benefits. Another 26 are pending for \$254,000. Phase 2 of condemnation outreach has begun. ACCD sent 282 letters over Sue Minter's signature to registrants whose mobile homes were damaged and may be appropriate for condemnation. Through 5/9, we have received ten responses. Only one is appropriate for possible inspection. Several are still living in their homes but need assistance. Made referrals to LTRCs and VDRF. Coordinating with FEMA, IRO, AHS and Governor's General Counsel.

- Met with Homeownership Centers to discuss remaining housing needs and the development of a housing program funded by CDBG-DR to address them.
- Working with Governor's office on signing event for S.99 Mobile Home and Fair Housing Bill at Richard's Mobile Home Park in Bethel on May 14.

Community Development

- Presented at a disaster recovery forum sponsored by the Federal Home Loan Bank of Boston. FHLBB is looking for ways to modify its community lending program to help Vermont recover. Suggested mobile home financing program and will follow up on community projects as they evolve.
- Continued work on CDBG-DR action plan and administration with ACCD staff. Goal is to have draft action plan outlining proposed use of funds by May 29.

Economic Development

- Conference calls with SAIC and Witt regarding support of EDA grant applications. Productive conversations. Witt has provided a proposal and we are waiting on SAIC.
- Working with VEDA to continue to review EDA's FFO and flesh out a proposal for the EDA grant funds.

2) TRANSPORTATION

Program Development Division

- VTrans HP and Arch Officers are conducting Section 106 reviews for all FEMA projects affecting historic transportation resources
- Monitoring construction of covered, stone arch, truss, and masonry arch bridge repair projects w/ FEMA

Operations Division

- Districts 1 through 9: No change
- Scan tours began this week

- Published “Vermont Agency of Transportation Irene Innovation Task Force Final Report”. The report outlines what was learned by the Task Team in a number of different areas, and also recommends which innovative practices should be implemented – or further explored – in the short, intermediate, and long term. The report contains an enormous number of recommendations. Some of these are already being acted on, some will be acted on in the near future, and some of them need further evaluation.

Policy, Planning and Intermodal Development

- The aerial photography and LiDAR has been collected for the 7 corridors that are being mapped. Currently imagery has been acquired by the contractor and is being processed for the VT-9 pilot area. All ground control data has been provided by the VTrans Geodetic Survey Unit. A QA/QC RFP has been posted by BGS and vendor questions are currently being answered by VTrans.
- Greg Riley attended the Long Term Community Development Meeting in Waterbury, very well attended, sometimes moving discussion of the effects of Irene on the Waterbury community, and the tremendous initial and long term response from the community and the state.
- Sue Clark participated in the Wilmington FEMA Long Term Recovery meeting which was well attended by State and Federal stakeholders. Local “Project Champions” presented their projects. There was opportunity to discuss projects with them on individual level. The transportation projects included the Deerfield Moover Transit’s effort to build a facility; connectivity plans involving a Riverwalk; and a project to improve sidewalks and street lighting.

Finance and Administration Division

Transportation System Recovery Expenditures through April 30, 2012: **\$146,832,387.**

	Totals	Federal	State	Local
FHWA-ER	86,975,455.43	74,217,612.83	8,932,481.82	3,825,360.78
FEMA – 4022	50,580,184.56	49,802,498.31	777,686.25	0.00
FEMA- RREW	9,276,746.99	0.00	9,276,746.99	0.00
	146,832,386.98	124,020,111.14	18,986,915.06	3,825,360.78

Number of Irene DDIRs: 845

Memorandum

Vermont Department of Public Service

Privileged and Confidential

To: Hon. Peter Shumlin, Governor & Sarah London, Governor's Counsel
From: Sarah Hofmann, Deputy Commissioner
Subject: Weekly Report – Priorities Version
Date: May 11, 2012

Status of Priorities:

- Vermont Yankee relicensing appeal at federal level – Liz argued our case re the 401 water quality certificate to the DC Circuit Court of Appeals. The Court requested additional briefing as to the status of Entergy's application for a NPDES Permit under Section 402 of the Clean Water Act. Briefs are due on May 21.
- Vermont Yankee CPG at PSB – The Board issued a scheduling order with two rounds of technical hearings (Feb 2013 and June 2013) and will result in a decision from the PSB in the fall of 2012. We also have completed our contract for private counsel to assist us on this case.
- Vermont Yankee operations - Vermont Yankee was at reduced power (82%) this week to repair a feedwater oil pump. There are three feedwater pumps and one has been placed out-of-service for repair. The feedwater pumps are not safety related.
- Charlotte Solar Farm – although not a big project, it seems to have a lot of controversy around it so you may hear about it. DPS filed its testimony on Thursday concluding that the proposal did not incorporate all generally available mitigation to address the aesthetic impacts of the project and therefore did not satisfy the *Quechee* standard. Our testimony suggested a variety of mitigation strategies that would address the impacts.
- Derby Line Wind – Another small but relatively controversial renewable project. The Board granted intervenor status to three additional parties this week – Mary Jenne, HDCRE (a group of Holland and Derby residents opposed to the project), and the Town of Stanstead, Quebec. Two intervention motions are still pending before the Board. The Hearing officer also suspended the Docket schedule calling for non-petitioner testimony to be filed on May 11, pending the release of an amended schedule requested by Encore.

Legislative Issues/Contacts:

- The LEGISLATURE WENT HOME!!!!
- Rep Peter Peltz scheduled time to come talk with us about the merger. Rep Peltz had gotten a letter with concerns in it from Morrisville Water and Light. Most of the concerns were about governance around VELCO and had been resolved since the letter had been written. He genuinely seemed to want to understand the transaction and was not focused on the \$21 M.

Press Issues/Releases/Contacts

- Numerous press contacts on the oral argument Liz did. For the most part the stories were pretty factual and reflect that this is a narrow issue that tends to put people to sleep.
- We had a few press calls on the scheduling order issued by the PSB re the VY CPG case.
- Liz had one call with David Gram about smart meters.

Significant Meetings/Events:

- Liz spoke at the Bennington Regional Planning Commission's Annual Meeting on the Comprehensive Energy Plan, Vermont Yankee, and the CV/GMP merger with many questions about everyone's favorite \$21 M.
- Liz and Porter attended the Digital Futures Conference.
- Porter attended and spoke at a forum in Woodstock, Vermont on smart meters.
- Liz met with VGS on a general briefing including discussion of CNG pilot project VGS is interested in doing and a possible new opportunity within the expansion project. VGS would like to discuss the latter with the Governor's office.

Evolving Issues: Not necessarily new but some of the issues around compressed natural gas are becoming more urgent. Evslin's group is becoming impatient with VGS around tariff issues. At the same time, there are still some issues the DPS has to make a decision on based on the way the statutes are written today. There probably will be a Board workshop on CNG and LNG generally so there can be a discussion of the legal and technical issues. VGS indicated that it may ask for a generic docket as well to investigate issues around CNG. Additionally, Tom and Neale are coming in next week to update Liz and Sarah on where they are in their process and business plan.
