

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

Sent: Saturday, June 18, 2016 11:00 AM

To: GPS

CC: Johnson, Justin; Miller, Lawrence; Allen, Susan; London, Sarah; Coriell, Scott; Gray, Laura; Pepper, James

Subject: Weekly Reports - Executive Privilege 06 17 16.pdf

Attachments: Weekly Reports - Executive Privilege 06 17 16.pdf; ATT00001.txt

Highlighted Weekly Attached

Gov - Updates on EB5, Windham grants/loans, and PayPal in ACCD.

GMP filed for rate increase of 3.53%. That isn't final, just starting point. Significantly higher growth of solar net metering due to tax credits expiring (before they were renewed).

TMDL and PFOA updates in ANR.

Gov - Justin and I spoke with Mary Peterson about Intuit tax errors. We have a possible \$3 million issue in lost revenue that their mistakes have caused and taxpayers have not for most part been updating. Justin and Mary meeting with them on Monday and will push for options to resolve including direct payment by Intuit.

Justin, Sue and Sarah - notes in here for you.

Thanks

Darren

WEEKLY REPORTS

Checklist
6/17/16

Darren Springer

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Public Service Department – Chris Recchia
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

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

Sarah London

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

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: June 17, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **CDBG awards:** This is a very competitive round for CDBG. We had almost \$6 million in requests with just under \$3 million to give out. Mercifully, some projects removed themselves because they weren't ready, but still some very difficult decisions to make. We will not be funding the grant for Vermont Law School to continue their veterans assistance program. The board did not see it as competitive, it's interim funding to help the program last another year and a half and then no plans for sustainability. It would have meant the first time we funded a program with no tangible, sustainable outcome. So we will not be funding it. A list to follow.
- **EB-5:** Working with VEDA, we are standing up a "emergency" loan program for the subcontractors at Jay and Burke. VEDA will provide up to half \$500,000 for working capital, at 4% interest but with interest only payments the first year. We investigated lending to the Receiver who could then pay off the subs and the amount and risk was not something VEDA was comfortable with. We will get facts out to subs next week. There is a lot of angst over this from subcontractors who have become de facto investors in these projects when that was not their intent. Their frustration is understandable.
 - **USCIS:** We have not heard back from USCIS on our letter recommending a number of strategies to enable all the Jay Peak project investors to receive green cards. Senator Leahy's office is frustrated as USCIS will not speak with them or provide them a contact to speak with us. USCIS is hypersensitive about "political influence" Michael Goldberg is working through SEC to find a contact and hopefully an appointment.
- **Citizen Cider:** Joan attended a meeting Thursday afternoon regarding a potential expansion of Citizen cider in South Burlington. Details to follow.
- **Windham County economic development program:** We are waiting on a Governor decision about a grant/loan to Chroma Technologies. Also, the loan application list is growing. We are making final decisions on a loan to a new software firm which is developing a platform for personal learning plans. We lost one project to Keene New Hampshire allegedly because the zoning process in Brattleboro was too cumbersome. The building they had an option on is in the flood plain. It is grandfathered as long as improvements do not exceed 25% of the FMV of the property. Their anticipated improvements would have exceeded that number triggering mandatory improvements the company was not ready to make as a startup. It's possible this Company will come back to Vermont, but this is a shame. This was a new food company to be started by Lisa Lorimer, former owner of Vermont bread company, and Carol Barry, former owner of Putney pasta.
- **Vermont Life magazine:** Thursday we denied an ad from Compassion and Choices, Vermont as it is deemed an advocacy type ad. Our ad policy leaves the discretion to the publisher, but is clear we will deny political or advocacy ads. We to stick with products and services with advertising, and try not to include ads that would change the nature of the magazine. Linda Waite-Simpson is with the organization and not very happy. Given Vermont life's financials this situation these are very difficult decisions, but consistent decisions throughout the history of the magazine. We are reconstituting the Advisory Board and will revisit the policy with them.
- **SBA Awards:** I attended the annual SBA awards. Great batch of small entrepreneurs, a large percentage from Lamoille County. High Mowing Seeds is the Small Business of the Year.

LUCY LERICHE, DEPUTY SECRETARY

- **Historic Preservation and Downtown Conference:** Both Laura and Noelle did a great job with their remarks for this conference. Great job Historic Preservation Team! The Governor was on fire and spoke with passion and humor about the importance of our downtowns, combating climate change, and much more. His remarks were very well received.

Lucy sat beside, and became friendly with a young woman who had just relocated to Vermont from Arizona with her boyfriend. She had been doing historic preservation, community development and economic development work in a medium-sized Arizona town. When Lucy asked what brought them here, she said it has been her dream to live in Vermont, as it had been her mother's dream ever since mom went on a hiking trip to Vermont as a teenager. Daughter grew up in the Chicago area with mom, but in recent years, the mother decided she was going to fulfill her dream, and move to Vermont. The daughter and boyfriend were happy to follow suit! They now all live in Northfield and are delighted with their decision. She turned to Lucy after the Governor's inspiring remarks and said: "Wow! I can't believe we have a Governor like that in Vermont! I'm so happy to live in a state like this—where you elect a Governor like *him!!!*" She was glowing and clearly moved. How wonderful to see the scene through her eyes. It's too easy to take things for granted!

- **Northern Border Regional Commission:** Lucy and Jared met with Megan Sullivan from Congressman Welch's office and Haley Pero from Senator Sanders' office. Unfortunately, Chris Saunders from Leahy's office was unable to attend. In addition to an overview of the status of the program, we spent some time debriefing about the retreat and the controversial request from federal Co-Chair Mark Scarano to require financial contributions from the states. For background, please see Lucy's weekly from last week. Megan and Haley listened intently and were sympathetic to our perspective. Lucy will reach out to Chris separately to fill him in.
- **Transition:** Pat and Lucy are meeting with Noelle and key members of her team to get fully briefed on outstanding issues in need of attention, and to nail down a plan to cover. Additionally, ACCD leadership is beginning to coordinate the outline for a transition memo for the next administration.

KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

Vermont Quebec Enterprise Initiative

- **Follow Up from ICT Reciprocal Event:** Have been working on a couple of specific follow-up activities directly related to the event that was held last week in Montreal. Specifically, have connected Logic Supply (one of our attendees) with the Director of Sales for Six Flags for Canada. Logic already works with various theme parks and was seeking an introduction. Hopefully, this alliance will prove to be fruitful. Also working on general ideas for the proposed VT/QC IT reception concept that was proposed. Again, this would be held in October during Innovation Week.
- **Pioneer Cold:** For the past several months, I have been working with the President of this company to find suitable space in a very specific region of Vermont. This is a well-established company from MA that offers cold/refrig/freezer warehousing, transportation and logistics services. That all changed last week and the company is now focusing on an area in northern Vermont. Now that a decision is closer to being made, I have been working with the company on how best to connect with potential Quebec companies (and relevant associations) that may want to ship product here for distribution in the US. I provided him with several contacts that we have made through VQEI work and we are also having VERY early discussions about FTZs and the feasibility of constructing a bonded warehouse.
- **Haut Richelieu:** Still working to reschedule this meeting with the Haut Richelieu folks (located in and around the St. Jean region) before summer holidays.

Brownfields

- **247 Pearl Street:** The Redstone team hosted a grand opening event on the roof of the newly constructed housing project in Burlington. This new housing is located across the street from Pearl Street Beverage at the site of the former dentists' offices that burned several years ago. The Redstone team incorporated a CarShare space in their parking area, used BCA for outdoor sculpture and has created a very nice infill project for the City. Mayor Weinberger praised the project and also highlighted the fact that it MUST get easier for private sector developers to construct housing in the City.
- **Robertson Paper Mill:** Will be educating some new folks involved in this redevelopment project, including the new President of BFADC. Additionally, we have received the final TBA and CAP documents that we will review shortly after that meeting.
- **Richmond Creamery:** Following the Senior moment that the project experienced, all seems to be back on track. I will organize and lead an all players meeting in the coming weeks and include VCDP staff as well.
- **Gevry Project:** Received a call from them recently letting me know that they are \$50k short in remediation funding. I am cutting deals with other RLFs (WRC and SWCRPC) to make sure that we can fill that gap.

Other

- **Commonwealth:** We are very close to an agreement with VTrans and BGS on upgrading the pump station for the proposed expansion. BGS has been working closely with the Town of Brattleboro and both feel that the pump

station can be upgraded and the pipes will handle the increased volume. The cost of this will likely be covered by FHWA, but we are talking with the Town, et. al. to ensure that there is \$ available for any additional costs. As background for those interested: the State constructed the pump station back in the 1990s to support the Welcome Center, but also help the Town of Algiers - who had a number of residents with failing septic. The pump station was also able to serve the Delta Park and each tenant received a very small allocation. Of course, the presence of a yogurt company increased usage significantly and since Commonwealth's arrival, that asset has been incredibly important to ensure Commonwealth's success and growth in VT. The pump station was constructed using FHWA funds and from the state perspective has been managed/maintained by BGS. The Town of Brattleboro has been a great partner as well - they own the pipes that carry the waste back to their facility. Once these upgrades are made, the expectation is that the state will turn the pump station over to the municipality. If anyone wants more detail, I am happy to provide it.

- **Pioneer Cold:** This is the company referenced above that has been seeking space in VT to support one of their largest clients, Cabot. Earlier this week, the Pres of the company called to tell me that they are now really focusing in on building adjacent to Ben & Jerry's in St. Albans. This COULD potentially impact their proposed expansion - probably allowing them to increase production as planned but NOT build new warehouse space. Not sure at this point whether they will build on the B&J lot or on an adjacent one.
- **PayPal:** With the recent announcement by VSAC, that office building in Winooski is looking like a better option for PayPal. I realize that it ISN'T in Windham County, but the location would allow them to be closer to the booming tech sector of Chittenden County. :)

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT, Commissioner MacKay

- **Parcel Mapping:** Met with Rich Tetreault in AOT to review progress to date. The MOU requires one more signature (PSD); VCGI and AOT staff are working on a project charter that outlines roles/responsibilities/timeline; budgeting next step options outlined and there is a technical advisory meeting which will update other partners. Noelle let him know that Lucy had been briefed and would be his point with staff support from David, Leslie, Chris and John.

Deputy Commissioner Hanford

- **VCDP Board Recommendations:** Reviewed the grant funding recommendations from the June 9th Board meeting with Pat, Lucy & Noelle. 10 of the 15 projects were recommended for funding but all received less than requested. Applicants are being informed of the funding decisions and a possible award ceremony event is being discussed with the Governor's Office.
- **New Projects:** Met with VCDP staff (Claire & Nate) to discuss two new project inquiries from the governor's office. Jared Duval has offered to help coordinate a multi-agency technical assistance visit to the Vermont Farmers Food Center in Rutland as they are seeking funding for \$2M build-out of their food processing, distribution and education center. Also responded to Representative Kiah Morris regarding her proposal to create a Bennington County Community Center that would co-locate several non-profit and social service agencies in downtown Bennington.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **South Champlain Historical Archaeology Project:** Rep. Masland was contacted by a constituent, John Moody, regarding the South Champlain Historical Archaeology Project. Mr. Moody's concern was based on his unsupported belief that this West Haven site was a burial ground or village site. Rep. Masland then contacted Dr. Matthew Moriarty, admonishing him for the project's scope. VDHP was notified by Dr. Moriarty about the inquiries, and Laura immediately contacted Rep. Masland to clarify the facts. This was followed up by an email that included much of the following: The outreach to those of Native American ancestry in Vermont has been extensive and is a collaborative effort among Castleton University, the Nature Conservancy, the Community College of Vermont, and the Vermont Archaeological Society. All Vermont Recognized Native American tribes have been informed of this excavation through their designated representatives on the Vermont Commission on Native American Affairs (VCNAA). The El Nu tribal leader, who represents the state recognized tribe located nearest to West Haven, has been in direct consultation with Dr. Moriarty. Additionally, the Tribal Historic Preservation Officer (THPO) of the Stockbridge-Munsee Mohican was informed of the project personally by Dr. Moriarty. All comments and interaction related to this project have been favorable, with several of the informed individuals and groups visiting the site. This site has never been reported to be a burial ground or a village site and is currently cultivated as a farm field. In fact, our lack of knowledge about this site is one of the reasons this archaeological survey is moving forward and is following our Guidelines for Conducting Archaeology in Vermont. VDHP has been working with Dr. Moriarty, reminding him that he should avoid any reported or known

burial sites. We further reminded him of his obligations under Vermont Statutes, [18 VSA §5212b](#). If an unmarked burial site is discovered, all work must stop immediately. The discovery must immediately be reported to a law enforcement agency, and then, if there's no evidence of crime, it is reported to the state archaeologist. The state archaeologist, under the supervision of the State Historic Preservation Officer, would then consult with the relevant tribe(s) to determine the best next steps. Our communication with Dr. Moriarty noted that there are no known burials in the site area or within approximately a quarter mile of the excavation area. However, as he knows, this in no way affects his responsibility to be vigilant for any findings. Based on the information that we have of this project area, as well as our limited knowledge of the surrounding area, it is not clear why the claim was made that this is a burial ground or village site. That determination at present seems unfounded and woefully premature. We will continue to work with the tribes, Rep. Masland, and Dr. Moriarty.

State Architectural Historian

- **Greenmount Cemetery, Burlington:** On Saturday, June 13, the Burlington Cemetery Commission and Branch Out Burlington hosted a public "Tree and Monument Walk" in the cemetery. Approximately 50 people attended and Devin gave a brief talk about the Ethan Allen Monument, which is the focal point of the cemetery and is one of our State-Owned Historic Sites. Fun fact: constructed in 1858, the granite used to build the monument was salvaged from the ruins of the Vermont State House after it burned in 1857 (an example of 19th century recycling).
- **Redstone Cottage, Burlington:** Devin met onsite with representatives from the City of Burlington, Vermont Housing and Conservation Board and the Vermont Land Trust to discuss the future of the 1906 Redstone Cottage. Located on the former Burlington College campus, the city acquired the building along with 12 acres of land for conservation purposes. There are a number of community uses that could go into the building with minimal impact on its historic integrity. The city is making an effort to secure the building from unlawful entry and damage, after several people broke in recently and were sleeping there. The city wants to apply for a Historic Preservation Grant to undertake repairs, and Devin will send them information about the program and put them in touch with Caitlin.
- **House II, Hardwick:** This icon of 1960s de-constructivist architecture is being offered for sale for a bargain price of \$550,000. The sale includes the house, a barn and 21 acres of open land. Devin arranged a meeting between the sellers and Paul Bruhn/Preservation Trust of Vermont, to see if an agreement can be reached to purchase the house and turn it over to another organization for use as a long-term vacation rental property. PTV wants to raise \$750,000 to purchase the house, make immediate repairs, and establish a maintenance fund for long-term preservation. Photos and information about the house can be found online [here](#).

Grants

- **Burlington:** Caitlin met with a representatives of Burlington's First Unitarian Universalist Church at the head of Church Street. They will be celebrating their 200th anniversary in 2017 and have begun to planning for celebrations of this milestone along with a future capital campaign. The group asked a number of potential funders, including the Division for Historic Preservation and the Preservation Trust of Vermont to participate in a brainstorming session. A roadside historic marker was recently presented to the church.

Historic Sites Section Chief and State-Owned Historic Sites

- **Vermont Days Weekend:** To help promote Vermont Days weekend, WCAX broadcast live from Chimney Point on Friday morning between 5:00 and 7:00 am, interviewing Elsa in four segments about the history of the site and what visitors can do on this special weekend. That's the first time we've opened up the museum at 4:30 am! Many visitors did indeed say they saw it on Channel 3. This promotion helped us overcome the miserable weekend weather. <http://www.wcax.com/story/32192074/free-state-parks-historic-sites-this-weekend#.V1vzt7FvsR0.facebook>
- **Chimney Point:** Last Wednesday evening Glenn Andres and Curtis Johnson gave an exciting illustrated program, with 21 attendees, on Vermont's architectural legacy—to go with the seasonal exhibit of Johnson's photos. For the weekend there were 26 visitors on Saturday and 29 on Sunday; many had seen the WCAX feature. Amy reports many delighted visitors, including recent immigrants from Turkey, glad for a place to go on a rainy weekend. They loved the atmosphere of the museum and the site prompted many convivial conversations among people who had been total strangers. There were many compliments on the shop.
- **Bennington Battle Monument:** The weekend was cold and very wet, putting a damper on 'Vermont Days' and the lung association's Climb to the top. Although not a complete washout, there were 286 free visitors for the two-day weekend and 111 racers including fire departments from as far as Mallets Bay. We ask visitors how they knew about the events and quite a few mentioned the website and face book and now we have our calendar of events to give out. The Climb brought in over \$22,800 in pledges for the lung association. The winning time was 1 minute 45 seconds. There are lots of photos on their Facebook page, **Fight for Air Climb: Bennington**

Battle Monument. An interesting visitor this past week was a fellow hiking 100 miles in every state for disabled veterans, Vermont is his 24th state, and sadly he left before we could get his photo. The summer days and sunshine are improving our numbers this week. School is out in Vermont but not in New York State, we are expecting one more school group this week.

- **Coolidge Site:** This week's highlight was the Achsa Sprague program on June 12. Sara Rath, author of the new book, *Seven Years of Grace: The Inspired Mission of Achsa W. Sprague*, spoke about Plymouth's second most famous citizen – a mid-19th century spiritualist and reformer who spoke to crowds of thousands across the U.S. and Canada. The presentation was held in the village church, which Achsa attended, to an enthusiastic audience of 35. Sara was very gracious in acknowledging Bill's assistance with her research. After the program, the group walked up the road to the new historic marker dedicated to Achsa and located just a few yards from where her home once stood. Refreshments were then served at the Museum & Education Center. Of course, we are now carrying the book (published by Vermont Historical Society) in the museum store.
 - Sally Fishburn completed the Summer White House window project on June 14 – very nice job! Bill and Matt Denhart had their biweekly meeting on June 15; discussion centered mostly on plans for July 4.

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

- We were alerted by Senator Sanders' office that the Department of Energy issued a "Notice of Proposed Rulemaking Pertaining to Energy Conservation Standards for Manufactured Housing" which originated from the Energy Independence and Security Act of 2007, and is looking for comments. DOE is hosting an all-day public meeting and webinar on July 13th. Arthur forwarded the notice to interested parties, but it doesn't appear to be particularly relevant to DHCD. The proposed standards are estimated to save \$345 per year compared to the HUD minimum code, and have a payback of roughly seven years. Manufacturers of HUD Code Manufactured Housing will have one year lead time after the rule is finalized to be in compliance.
- After some outreach from CVOEO on behalf of the residents, Steve Davis agreed to reduce the proposed \$100 lot rent increase at the Cold Springs MHP by \$26 and set the new lot rent at the State Median of \$320 per month effective July 1, 2016.
- Shaun was invited to the quarterly meeting of the Public Housing Authorities to provide an update on the process of updating the Analysis of Impediments to Fair Housing (AI) as well as the upcoming requirement of an Assessment of Fair Housing (AFH) for the next Consolidated Plan. While an update of the AI is underway and largely being undertaken by the Department with some assistance from stakeholder organizations, the AFH, which is meant to replace the AI as the tool for ensuring non-discriminatory use of federal housing dollars, will be a much greater undertaking. We hope to collaborate with the Public Housing Authorities on this effort, as they will be under a similar requirement for their federal funds. This meeting was the beginning of discussions to establish that collaboration.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Work

- **Town of Cambridge:** Guidance on meeting the Award Conditions for the Town's \$329,192 Implementation Grant for a \$1.3 million project to reduce flooding in the village was provided. The project involves replacing the Cambridge Greenway/Railroad Bridge with an adequately sized and proportioned bridge and also enlarging two culverts under Route 15. The Town is being assisted by Lamoille County Planning Commission staff, and they realize the need to move things along quickly to ensure the project is completed by June 30, 2017.

Regular VCDP

Existing Grants

- **City of Barre:** The \$200,000 enhancement amendment to the City's Scattered Site award was finalized and offered bringing the grant to a total of \$850,000 for the time period from July 2013 to December 2016. The grant provides funding for Downstreet Housing and Community Development to continue the scattered site revolving loan fund serving Washington, Orange and Orleans Counties

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ Steve Sharp, GIS Operations Manager

- **Outreach and Professional Development Program:** Presentation at Historic Preservation and Downtowns conference went fairly well (despite technological challenges, ironically). Audience enjoyed terrestrial Lidar demo by Scott Hamshaw from UVM!
- **Projects and Technical Support Services**
 - **VT Open GeoData Portal:** VCGI continues to finalize front end web site and create documentation, procedures, and data services to enable data access. Ivan completed a second version of a proposed EGC Open GeoData Portal tagging standard.

- **Statewide Parcel Data:** We have been meeting weekly with project team to work out rough budget and staffing plan. These will be provided to Rich Tetreault (VTrans) and Lucy Leriche so that they can work with Agencies to commit to financial contribution to Program in FY18 and beyond. The Parcel Workgroup is scheduled to meet this week.
- **Dept. of Public Safety:** Ivan provided two (2) hours of technical assistance to DPS for GIS data processing that is required for the Spillman system.
- **DEMHS:** VCGI notified DEMHS that VCGI would be able to participate in the forthcoming Vigilant Guard 2016 exercise by sending one (1) or two (2) participants to the SEOC's Planning GIS Unit (or other section component if the SEOC structure is different or changes). VCGI has not yet been scheduled to the exercise, pending scheduling information from DEMHS and identification of availability.

DEPARTMENT OF TOURISM & MARKETING

Summer is officially here and the festival season has begun. This weekend we have NEMBA – The New England Mountain Bike Festival at Kingdom Trails as well as the Quechee Balloon Festival and Wanderlust in Stratton. The whole VDTM crew is staffing Wanderlust with a tent and lots of fun giveaways.

Megan Smith, Commissioner

- **Clemmons Farm:** Megan joined Curtiss Reed at Clemmons Farm in Charlotte to consider them for a stop on the African American Heritage Trail. This 248-acre farm is one of the few African American-owned farms in Vermont and has been owned by the family for 50 years. They are in the first phase of transition to Heritage Center celebrating farming, the arts and sciences, and multiculturalism. Clemmons Farm will be a welcome addition to the trail.

Steven Cook, Deputy Commissioner

- **Fall Advertising Planning:** VDTM is beginning the media planning process for autumn advertising. This campaign will kick off in late August for distant markets and September 1st for drive markets. This year's campaign is budgeted at \$280,000 and will focus on destinations with direct flights to Burlington and Manchester airports as well as regional drive markets.
- **Vermont Colleges Parents Mailing:** Deputy Cook is meeting with staff from the Vermont State Colleges to coordinate a college parents mailing which is tentatively scheduled for this August.

COMMUNICATIONS ♦ Philip Tortora, Director of Communications

- **FAM Tour:** Drove to Manchester-Dorset area to meet with Corey Marshall of CanuckKiwi in New Zealand and Andrew Hutchinson of Adventure World in Australia and guided them on an attractions tour in the Manchester and Burlington areas over two days. Highlights included stops at the Equinox Resort, the Taconic, [Hildene](#) and Orvis in Manchester, and Burlington Segway Tours and also Church Street Marketplace in downtown Burlington. I also had time to visit Dorset and 8 Church Street Hospitality Destinations, including The Dorset Inn and Barrow's House. Intend on reconnecting with many of the places we stopped at, and generating more publicity and coverage for them in the future.

SALES ♦ Kathleen Kolva, Sales Manager

- **Montreal Central Station:** Kathleen is staffing the Vermont table at a two-day travel event in the Montreal Central Station. Montreal Central Station is the transportation hub of the city's population of 1.65 million people. It serves the local transit system (AMT), the Canadian national rail system (VIA), and Amtrak. Travelers and commuters are both eager to pick-up vacation planning material, especially with two 3-day weekends in the next three weeks. Hundreds of Montrealers have stopped by the booth, picking up 300+ Vermont Summer/Fall Guides and various other maps and brochures. Other exhibitors include: New England Tourism Center, Jamaica, Barbados, and the Dominican Republic.



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

- **Advertising:** Chris McGee continues to make headway with both past clients and new clients. Sales revenue for Autumn 2016 issue has grown to over \$74,000, a 33% increase over the Summer 2016 issue, and the foundation for a great year to follow. Also, Tom continued to focus on taking on responsibility for advertising-related tasks such as processing insertion orders, advertising materials and proofs for the Autumn issue.
- **Economic Development:** Created draft of first video for economic development marketing, focusing on why Vermont is a good place to live and have a career.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Attended a workshop organized and paid for by Center for Regional Economic Competitiveness (CREC). Eighteen other state commissioners and deputy commissioners were present. Topics included:
 - Performance Metrics - how do we measure impact in a meaningful way so that the public, press, and legislators understand the value of the taxpayer spend on economic development? CREC will issue a white paper during the summer and probably another workshop to review and continue this discussion.
 - Workforce Pipeline Development (we are not the only ones), foreign direct investment (most have a presence overseas) and challenges of rural economic development. Examples: few are grappling with challenges of rural area development (or lack thereof); South Carolina has zones whereby the businesses located in the prosperous cities 'forfeit' a portion of their incentives to an infrastructure fund for the less prosperous zones. The businesses in the less prosperous zones get the full percentage of the incentives and the infrastructure is paid for by the fund. It has been so successful that they needed to hire an investment manager to manage the surplus funds!
 - Tennessee identifies sites around the state that need development and team up with the local development. Councils to get funding from their legislature to equip sites with proper infrastructure. (This is in the early stages of implementation so cannot say yet whether or not a success but great food for thought.)
- Continuing business visits and workforce calls. Met with Revision, New England Precision, Applied Research Associates, LEDdynamics, and Precyse.
- Attending the SELECT USA FDI conference in DC next week.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director Northern Border Regional Commission (NBRC)

- To complement our core review team, confirmed expert reviewers for various NBRC funding categories, including: Transportation: Costa Pappis, Jon Kaplan, and/or Nick Meltzer (VTrans) and Doug Morton (Transportation Planner, NVDA); Water Infrastructure: Terisa Thomas and Ashley Lucht (ANR); Telecommunications: Jim Porter (Dept. of Public Service); Workforce Development: John Young and Michele Kupersmith; Clean Energy: Gaye Symington, High Meadows Fund.

NBRC Applicants Engaged

- Vermont Quebec Initiative/NVDA; Northeast Organic Farming Association of Vermont; Franklin County Industrial Development Corporation; Vermont Employee Ownership Center; Lamoille Region Solid Waste Management District; Vermont Council on Rural Development; Island Arts; Essex Natural Resources Conservation District; Catamount Arts; Town of Craftsbury; Town of Highgate; Northern Forest Center; Craftsbury Public House; Dailey Memorial Library (Derby); Farm and Forest Viability Program; Community College of Vermont; Vermont Community Loan Fund.

Business Support Provided

- Crowley Cheese; Vermont Farmer's Food Center (working to set up an all-funders meeting at their site, in coordination with ED partners); continued work on outreach related to the former Amoskeag/Morse Hardwoods facility.

BUSINESS SUPPORT ♦ Brett Long, Director

- Met with Revision Military on Workforce Needs and OEA grant
- Met with Lisa Durocher at Northwest Technical on workforce issues
- Met with Vermont Precision Tools on OEA grant and VTP
- Met with NE Precision
- Met with Applied Research
- Met with LEDdynamics
- Responded to Questions on Business Assessment and Corporate Training RFPs
- Worked on finalizing list of companies to visit on OEA grant
- Attended REDC Legislative Briefing and Mixer

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Bermuda Captive Conference:** Dan Towle, Director of Financial Services, is attending this conference which has record attendance. Bermuda is the world's leading captive insurance domicile with over 800 delegates in attendance. The conference which continues to grow in popularity provided Dan an excellent opportunity to meet existing Bermuda captives and meet with prospective captive owners. Dan was also able to meet with numerous consultants that make domicile recommendations to their clients.
- **AM Best Video Interview for AM Best TV:** Dan was interviewed by AM Best in Bermuda on current trends in captive insurance, Vermont's growth, new legislation and competition. The video should be posted within the week.
- **Media Inquiries by Captive Review Magazine and The Intelligent Insurer Magazine:** Dan is handling media inquiries from a large range of topics including 831b captives, advantages of being on-shore and the challenges of growing group captives.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Continued to work with the following regarding potential applications:
 - Caledonia Spirits (Montpelier project), Bariatrix (Georgia), and Chroma (Bellows Falls) for applications to be filed in June.
 - Westminster Cracker (Rutland), IBEX (WRJ), Black River Produce (Springfield), CadCut (Montpelier), and SoyCo (Lyndon prospect), NuHarbor Security (Burl), Inntopia (Stowe), MSI (Morrisville), Precision Composites (Lyndon) to get VEGI PreApplications.
- Started working with Vermont Precision Tools (Swanton) and Precision Composites (St Johnsbury) on potential applications.
- Received Subsection 5 Enhancement determination from Department of Labor. Economic data indicates eligible LMAs do not change from previous year. Burlington, Barre-Mont, and WRJ are not eligible.

Tax Increment Financing Districts

- Received notification from City of Burlington that education property tax revenue prematurely retained by Downtown TIF District will be paid to Education Fund. This will avoid requirement to proceed with noncompliance process under 32 VSA 5404a(j).

Other

- Finalized VEF grant agreement with BHS Composites and made first payment. Company should be ready for a Governor event this summer.
- Updated all VEPC website materials for new ACCD website.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

Companies PTAC is currently working with:

- | | |
|--|--|
| – Adam's North Barre Granite Company – Barre | – John Larry Williams, Sr. – Shelburne |
| – Advanced Machine & Tool – Milton | – K & E Plastics – Bennington |
| – Aeroparts Plus, Inc. – South Burlington | – Kildare Consulting – Woodstock |
| – Appliance Leasing Corp. dba Bouchard – Pierce – Essex Junction | – Let's Face It! LLC – Derby Line |
| – Applied Industrial Technologies – Rutland | – Liquid Measurement Systems Inc. – Milton |
| – Champlain Dental Laboratory – South Burlington | – Northeast Kingdom Human Services, Inc. – Newport |
| – Claire's Home Comfort Cleaning & Linen Service – Newport | – Omega Optical, Inc. – Brattleboro |
| – G. Stone Motors, Inc. - Middlebury | – Richard Electric, Inc. – Wilder |
| – Gates Electric, Inc. – Newport | – Sathorn Corporation – Williston |
| | – Sealand Power Industries – Bennington |
| | – Vermont Prototype, LLC – Colchester |

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Met with Super Thin Saws in Waterbury who is adding new machinery and are in need to get staff trained as soon as possible. Will be following up with them to work on VTP application.
- Had a meeting with Champlain Cable who is looking for training in Lean manufacturing as they are continually trying to hit the fast demands of their customers. Champlain Cable also will be working with Brett Long on an OEA grant.
- Newmont Slate in Pawlet is adding new tooling and has a number of patents on new technology for slate roofs. They have started to work on a VTP application.
- Met with Vermont Custom Gage who will be adding up to 8 new employees into their space in St. Johnsbury and are considering a VTP application.
- Grow Compost is growing and looking to add 6-8 new positions primarily due to the increased rules from the composting legislation. They plan on submitting a finished application within a week.
- Bariatrix is working on a VTP grant to help with the addition of 17 new employees as they add production lines.
- Currently in the VTP review system we have: Vermont Renewable Fuels, Built By Newport and Bourne's Fuels.

ITS/CONNECT VERMONT ♦ Robert White, ConnectVermont Director

Activities and Accomplishments

ITS

- Presented overview of ATMS-511 and MATS Web at 3rd Annual STIC.

MATS

- Attended meeting with ME DOT to review how ME utilizes Planning & Budgeting module.

Future Plans/Activities

- Attend NE Region 19 700/800 MHz Technical Advisory Committee Meeting.

Obstacles and Opportunities

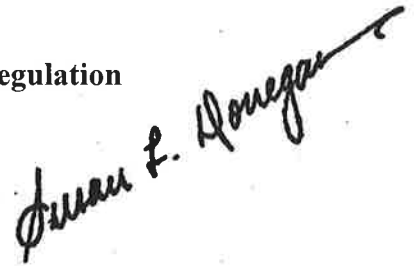
- none

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

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: June 17, 2016
Re: Weekly Report



Insurance Division:

An agreement has been reached with Nationwide Insurance Co. to lower the proposed rate increase for student health insurance premiums. Some final adjustments were made, the company formally filed its request for the new rates and DFR has issued its final approval. The effect on individual schools is not yet known. Companion Insurance Co. has not yet responded to DFR's questions from last week.

Captive Insurance Division:

Fortive Insurance Company is Vermont's captive insurance company number 1,070 and the eighth captive licensed by the department this year. It is a subsidiary of Danaher Corporation, which designs and manufactures professional medical, industrial and commercial products and services. The products are used in electronic and environmental testing and measuring, life sciences, dental technologies and industrial technologies. Ranked number 149 on the Fortune 500 list, Danaher has two other captive insurance companies in Vermont.

Insurance Division:

Commissioner Donegan this week attended her final International Association of Insurance Supervisors (IAIS) meeting as an Executive Committee member. She met with members of the German Federal Financial Supervisory Authority to discuss updates on insurance regulatory developments in each country and issues regarding cooperation on setting and implementing IAIS standards. The IAIS is the international standard-setting body for insurance supervision.





Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: June 17, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

Regional Energy Plan Review - Bennington, Two Rivers, and Northwest have all submitted drafts of their regional energy plans. This marks an important milestone in the regional energy planning pilot program funded by the Department. Review of those plans is underway and will help to inform the development of standards for certifying town and regional plans required in the Energy Siting Bill, S.260

VGS Rate and Alt Reg Filings – Docket Nos. 8710 & 8698 – The Public Service Board held a public hearing in Colchester on Thursday night. Copans and Department Counsel Tim Duggan attended for the the department. The hearing was disrupted by pipeline protesters – the PSB left after enduring about 45 minutes of singing. Department representatives stuck around and engaged with protesters outside afterwards. See press report in VTDigger.

Regarding the actual proceedings - Discovery on the initial filings come to a close today. The Department has finished its initial discovery. Testimony will be due on July 22. On 6/13, the Department issued a fact sheet regarding the filings by posting it on its website and issuing a press release on 6/15.

GMP Base Rates Filing – No Docket – GMP has made its annual base rates filing, seeking a rate increase of 3.53%, which is made up of a 2.57% increase to underlying rates and 0.96% increase

to power supply costs. GMP has already responded to an initial round of discovery on capital additions and the Department will likely send out another round later this week on a broader range of subjects. GMP is attributing a large amount of the increase to net metering (approx. 2%).

PSB Temporary Sound/Noise Rulemaking – The Board issued a memo seeking proposals from parties for temporary sound/noise rules to be put into place while a permanent rulemaking is pending, all as directed by the legislature in S.260. The Department has engaged one of its outside sound experts to help develop a proposal. Proposals are due to the Board by June 27. The Board is required to issue temporary rules by July 28.

Green Mountain Power Approval to offer net metering above the statutory cap – Docket 8652 – On June 10, GMP filed a supplemental request to its November 18, 2015 petition to accept net metering systems above the statutory cap. The request appears to be directed, first and foremost, at the Board's proposed new net metering rule which will apply from January 1, 2017. GMP encourages the Board to adopt a 4% pacing mechanism (essentially a cap) applicable to non-roof-top facilities as part of the new net metering rule. Assuming that the Board does grant GMP's petition, and assuming further that the Board does adopt the proposed "pacing mechanism," GMP requests that the 7.5 MW of incremental 2016 projects be counted toward any such 2017 pacing mechanism. The Department is likely to oppose this request.

S.260 – Development of Standards for review of regional and town plans – PSD has drafted a stakeholder engagement plan for the development of standards as required in S.260. The deadline for final standards to be issued is November 1, so engagement has already begun and some formal workshops will likely be scheduled for July. Meetings have already happened with VPIRG and VNRC, with VLCT, RPC's, and REV to happen next week.

Clean Energy Finance Collaborative – The Department met with Energy Action Network and other stakeholders to discuss our efforts to initiate a new effort, memorialized with an MOU, to form a public-private partnership to focus on clean energy finance. While EAN has concerns about this move impinging on their turf, they seem now resigned to the outcome and only concerned that they will still have a role to play in facilitating related conversations. The next step in the process is to begin to engage non-state players as potential signers on the MOU with the goal of a first meeting in September.

Meetings/Calls this Week:

June 13 – Trans Canada, S.260 Bill Signing

June 14 –

June 15 – Charter Cable meeting with Deputy Jon Copans, VT Green Line (Anbaric) meeting

June 16 – VEIC check-in on Clean Energy Finance effort, PSB Public Hearing on VGS Rate Case

June 17 – EAN Clean Energy Finance Meeting, VPIRG and VNRC Check-ins on S.260 implementation, GMP check-in on innovative pilots

Meetings next Week:

June 20 -

June 21 – REV Check-in on S.260

June 22 – VLCT Check-in on S.260
June 23 – Check-in with LCI/Ehlers on Biodigesters
June 24 –

Media: VT Digger on the Anbaric/VT Greenline transmission project, VT Digger on VGS rate case and public hearing.

Public Official Contacts: Legislators at the S.260 bill signing.

PERD

Energy Efficiency Loan Guarantee Program

- Continued coordinating with VEDA and CEDF manager on development of an alternative plan for using the \$500k of US DOE resources currently in the loan loss reserve for the EELGP. This program has had very few loans to date. Spoke with VEIC on closing the program down; VEIC requested that the program remain open in some form until the end of the year as they put the new RUS program into play. This request is under consideration as is the form of the new program.

Clean Energy Development Fund

- Held the CED Board meeting. Presented a new draft of the FY '17 budget. Received comments from the Board on the CEDF's FY '17 Plan and budget.
- Reviewed an invoice received from Sandri Energy re: a recent grant for pellet infrastructure. Discovered deficiencies with the invoice and purchases made by Sandri that required grant agreement amendment negotiations with Sandri.
- Investigated BGS's contract for the State's four buildings that heat with wood pellets and worked with others on trying to get BGS to put the contract out to bid again as it has been three years.
- Solar PV Guide: Met with CESA to review scope of work, assign roles and set an initial timeline for development of the product; CESA will assume responsibility for finding writers; the Department and other State entities will provide additional content on topics such as consumer protection and current state policy as needed.

Dockets/248 Review

- 8673 - GMP digester. Had several phone calls with staff at AAFM to discuss what a credible avoided cost for phosphorous pollution would be for alternative technology that removes P from manure (centrifuge). AAFM is working to put those numbers together.
- 8698 – VGS Alt Reg. reviewed testimony, discovery rounds, background reports, proposed alt. reg. plan, and several “best practices” papers. Initial thoughts are that we should alter the compensation formula to incent operational efficiency as well as to promote efficiency and RNG. Current formula does a pretty good job of removing the throughput incentive, but removes almost risk from the company while providing an opportunity for the company to potentially use the regulatory process to their advantage. Internal team met to strategize on Tuesday.
- 8525 – GMP rate integration – as a condition of the MOU, GMP agreed to market time of use rates. Met with GMP to discuss marketing plan. GMP will provide a preliminary draft

next Wednesday. Trying to connect GMP to some folks at National Grid who have already developed some excellent customer-facing collateral on TOU rates.

Act 199 stakeholder process

- Sent a meeting summary of the May 25 meeting to VEIC and followed up with a phone call. VEIC is very much interested in being at the table for future discussions on efficiency and interested in creating custom packages for a handful of large users.
- Working on edits to a survey that ACCD plans to send out to large users. Trying to get a handle on what would be useful to know, and advance the conversation rather than just rehashing issues we already covered in the report to the legislature in January.

Standard Offer

- Motion was filed by bidder SolarSense for reconsideration of recent board decision to dismiss their offer because of lack of site control despite being the second lowest solar price. SolarSense claims that it has possession of an executed lease but was not afforded the opportunity to furnish proof as the offers were being evaluated.

Other

- Met with Forest, Parks, & Recreation leadership to discuss a new FP&R position (Wood Energy Coordinator) that will be funded through a US Forest Service Grant and the Dept. of Public Service.
- Created spreadsheet for the Board showing the VT blended rate for residential consumers – broken out by utility. Presumably this is for use in the Net Metering rulemaking.
- Attended the NECPUC Symposium, where the interaction of public policy (e.g. GHG) objectives with market designs was a hot topic. Also connected with Greentown Labs, a Boston-based clean tech accelerator and discussed the possibility of Vermont as a pilot site and future home for their companies (and our interest in local clean energy and climate economy business development).

Regional

NYPA St. Lawrence Contract

- Under the FERC license for the St. Lawrence hydroelectric project, neighboring states are entitled to 4.5% of the output of the project, which is roughly 34.5 MW. Each state receives a share based on population, with the smallest share being no less than 1 MW. Vermont receives 1 MW. The DPS is the contracting party and distributes the output and costs to the distribution utilities. The current contract ends in April, 2017 and the New York Power Authority recently sent a proposed contract extension term sheet.
- On June 13, the neighboring states had a call to discuss reactions to the proposed term sheet and a negotiation strategy. Generally, NYPA is proposing a ten-year extension of the contract, and also offering to sell RECs associated with the power purchased (there was no mention of RECs in the previous contract). Rates have not yet been proposed.
- Neighboring states are pursuing the idea of having a single lawyer assisting the group in contract negotiations with NYPA, with the expectation that each state would also have its own lawyer involved to help direct the joint lawyer.

- DPS staff is coordinating with the distribution utilities, as the utilities are not obligated to accept the power the DPS contracts for.

TransCanada Hydro Sale

- The Secretary of Administration, ANR, and DPS staff selected Synapse Energy Economics as the consultant to assist in the valuation of the hydro assets, along with a review of potential power purchase agreement options.

North Hartland Hydro petitions at FERC

- North Hartland, LLC, a hydro facility that currently has a contract through PSB Rule 4.100(PURPA). In July, 2015, North Hartland filed a petition with the PSB to obtain a new contract under the rule. From July 2015 to February 2016, the PSB took very little action on the petition before issuing an order stating that it must determine whether the North Hartland contract must meet certain criteria of Section 248.
- On May 31, North Hartland filed a petition at FERC requesting that FERC initiate an enforcement action against the PSB for failure to properly implement PURPA. Comments on the petition are due June 21.
- On May 25, North Hartland filed a petition asking FERC to authorize the transfer of its FERC hydro license from North Hartland, LLC – New Hampshire to North Hartland, LLC – Vermont. Based on a review of the filing, the petition is clearly deficient, but it appears that the corporate restructuring does not impact the state or its rules. Comments on the petition are due June 24.

Congressional Letter to FERC

- On June 10, the U.S. House Committee on Energy and Commerce sent a letter to FERC Commissioners expressing concern with the competitive wholesale markets. The letter states that the markets are not keeping up with changes to the electricity sector and further, that the markets “have, in many ways, become mere administrative constructs that are continuously ‘tweaked’ through the regulatory process.”
- The letter further notes recent Supreme Court decisions that address state vs. federal jurisdiction without providing much guidance on the issue, and comments that further litigation is likely.
- The Committee asks FERC to respond to five questions regarding the effectiveness of the markets and the Federal Power Act, and closes by asking FERC to provide “technical assistance as the Committee seeks to provide a strong educational foundation for Members and set the stage for a more comprehensive review of the electricity markets in future Congresses.”

New England-wide voltage reduction test

- As part of ISO-NE’s Operating Procedure 4, which is employed during capacity deficiencies, one of the actions is to reduce voltage by 5% of normal operating voltage within ten minutes.
- ISO-NE conducts periodic tests of the ability of distribution utilities to achieve the voltage reduction in the required time. On June 15, ISO-NE released the results of its

May 5 test. Six distribution utilities failed to achieve the necessary reductions within ten minutes, with Green Mountain Power being one of these utilities. GMP was able to reduce voltage by 1.13% within the ten-minutes required, as a result of a problem with its communications system.

- There have been questions about whether using voltage reduction as an emergency measure is worthwhile, as it results in utilities needing to operate at a higher voltage than may be necessary, at least for some circuits.

Real-Time Emergency Generation

- Due to EPA actions, real time emergency generation resources will no longer be allowed to be dispatched for emergency generation. This is a relatively small impact, as there was 150 MW of RTEGs in New England in the summer of 2015, and only 5.5 MW of RTEGs cleared in Vermont in the last Forward Capacity Auction.
- ISO-NE is not modifying the Installed Capacity Requirement and is still considering what to do with RTEGs with existing capacity supply obligations.

Engineering

Update on VY Groundwater Management Issues

Pumping Incursion Water to holding tanks outside the Turbine Building continues. Four Incursion Water shipments (~20,000 gallons) occurred last week, and four additional shipments are scheduled for this week. As of 6/9, ~134,000 gallons of Incursion Water have shipped offsite. The potential discharging of chemically treated (cleaned) Incursion Water to the Connecticut River (first reported on 5/25) remains on hold, pending Entergy Corporate approval. Additionally, VT Department of Environmental Conservation formally notified VY that it would oppose these discharges until water testing procedures for several potentially hazardous but non-radiological contaminants are agreed upon.

Vermont Gas Systems Addison Natural Gas Project Construction

The Gas Engineer and Pipeline Inspector received project specifications in the areas of pipe-bending, pipe-coating, horizontal drilling and quality control procedures this report period. Pipeline construction activity occurred at several locations along the 40 mile route between Williston and Middlebury this report period, however no pipeline segments were physically installed. These activities included horizontal drilling at four locations in St. George and Hinesburg and pipe bending operations. Contractors also preformed “stringing” operations, to prepare for both open-trench and trenchless technology installation, by welding and coating multiple segments of pipe to become lengths appropriate for particular installation locations.

Vermont Climate Change Science Clearinghouse Scoping Meeting

Engineering participated in an inter-agency scoping to kick off a two-month process to decide whether Vermont should develop a web-based Climate Change Science Clearinghouse similar to that recently developed for New York State (<https://www.nyclimatescience.org>) to provide “climate change data and information relevant to New York State to support scientifically sound decision making.” Engineering will discuss this topic with PERD and the utilities to determine whether this would be useful in the utility space, and then report back to the inter-agency group.

Quarterly Meeting with GMP Engineers

Engineering met with GMP engineers to discuss current topics including: derating solar inverters, solar projects exceeding nameplate capacity, flicker issues due to clouds passing over PV systems, upcoming capital projects, and GMP's reliability performance year-to-date (GMP is below its SQRP thresholds for reliability indices so far this year).

Public Advocacy .

GMP Vegetation Management – No Docket – Department staff has submitted a round of discovery to follow up on the new information and positions advanced by GMP at the April meeting between the Department and GMP. Responses provided little in the way of analysis and to date, they remain incomplete. GMP has not yet provided requested communications to/from its staff involved in vegetation management.

North Hartland Rule 4.100 Contract – Docket No. 8569 –North Hartland is due to file rebuttal testimony on 6/15. A technical hearing is scheduled for July. North Hartland has made a FERC filing challenging the proceeding as inconsistent with PURPA and seeks FERC enforcement against the Board. The Department has attempted to facilitate further settlement talks, which have not succeeded. The Department understands that the utilities may be taking another run at settlement.

GMPSolar Williamstown – Docket 8682 – GMP entered into an MOU with the Thygesens, project neighbors who had been granted intervention.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586 – In a supplemental response to the PSD's first round discovery question, the petitioner revised its expectation for the completion of the project's SIS until the first quarter of 2017. The PSD served its second round of discovery requests on the petitioner.

GMPSolar Hartford – Docket 8580 – GMP has requested that the PSB issue a CPG as soon as possible to allow GMP to commence construction as soon as possible. On May 2nd, GMP submitted supplemental prefiled testimony and exhibits and an addendum to its MOU with ANR.

SSA II, LLC 500 kW net metered facility in North Springfield – CPG #NMP6966 –On June 2, 2016, Kelly Stettner filed a complaint with the Public Service Board stating that there are no erosion control measures being taken by the Petitioner in relation to clear cutting at the project site, allegedly in violation of the CPG. By Order Dated June 7, the Board directed the Petitioner to file an affidavit under oath or affirmation stating that the Petitioner is in compliance with all terms and conditions contained in its CPG, pursuant to 30 V.S.A. § 30(g). The affidavit or affirmation is due by June 28, 2016.

SunCSA 22, LLC 150 kW Group Net Metered Facility in New Haven – CPG #NM-6199 – On June 10, 2016, the Board held oral arguments on the Hearing Officer's Proposal for Decision, at the request of the Applicant SunCSA 22, LLC. The Hearing Officer's Proposal for Decision recommended that a CPG be denied because the Applicant had failed to show that it had taken the generally available aesthetic mitigation measures that a reasonable person would take to harmonize the project with its surroundings. The Applicant and the Town of New Haven (intervenors) had previously filed written comments on the Proposal for Decision and reiterated

their respective arguments before the Board. The Department did not file written comments but did summarize its position to the Board at the oral argument. The Department emphasized that it encourages developers and other parties to try and reach collaborative solutions on the issue of reasonable mitigation as this generally results in better projects and wider community acceptance of renewable energy projects. In this case the Applicant demonstrated a willingness to consult with the parties and agreed to implement the additional landscaping recommended to it by the Department's aesthetics expert. The Department stated that it believes that the recommendations made by its own aesthetics expert were reasonable but those recommendations were made informally in an attempt to reach a collaborative solution, and not in testimony form. The Applicant was not able to reach agreement with the Town. The Department acknowledged that the case was difficult because the Town's expert did not present a clear alternative aesthetic mitigation proposal for the Hearing Officer to consider, which is unusual in cases where the sole issue centers on reasonable mitigation measures. The Department stated that it agreed with the Hearing Officer's analysis of the applicable burden of proof, and that the central question concerned the weight that should be placed on somewhat vague expert testimony. There was evidence on the record that the Town's expert thought approximately twice as many plants of the species proposed by the Applicant would be sufficient. The Department suggested that it may be appropriate for the Board to issue a CPG in this case conditional upon the Applicant implementing a landscape mitigation plan that includes 52 plants instead of 26. The parties are now awaiting the Board's final order.

Peck Electric, 150 kW Group Net Metered Facility in Charlotte – CPG #NM-6691 – On June 13, 2016, the Town of Charlotte and ANR pre-filed testimony addressing the project's potential aesthetic impacts and impacts to public investments (Mt. Philo State Park). ANR states that the view shed in which the project will be located is a central component of the recreational values of the state park and concludes that the project would significantly diminish the scenic qualities of the view shed from the Park and will have an undue adverse impact under Criteria 9K. Discovery is due on June 20.

BDE Sheldon Woods Lazar Solar, LLC 500 kW net-metered facility in Sheldon – CPG #16-0022-NMP – On June 13, the Northwest Regional Planning Commission (NRPC) filed a response to the Applicant's assertion that the NRPC regional plan does not contain any land conservation measures and that the NRPC is not a municipality and therefore even if its plan did contain land conservation measures, those would not be relevant under 30 V.S.A. § 248(b)(1) which concerns the "land conservation measures contained in the plan of any affected municipality." NRPC responds that it is a "municipality," that its plan does contain land conservation measures, but that the Board need not reach a finding on this issue because the project is consistent with the plan's land conservation measures. The Department will file comments supporting the NRPC's request that the proposed finding that the NRPC regional plan does not contain any land conservation measures be struck from the final order for this project, since the issue is contested but does not need to be resolved in this case. NRPC also reiterates its request for further traffic analysis.

Gilman Renewable Solar, LLC 2.1 MW Net Metered Facility in Lunenburg (Gilman Landfill Solar Project) – Docket 8725 – The Department is preparing its first round of discovery, which is due on June 17. Since GMP declined to accept this project as net metered, as the statute allows,

it is no longer considered a net metering project.

GMPSolar – Panton LLC 4.90 MW Solar Facility in Panton, Vermont – Docket 8637 – On June 3, 2016, the Petitioner filed a revised Proposal for Decision. On June 13, the Department filed comments stating that it supports the issuance of a CPG for the project and that it generally supports the proposed findings in the Petitioner’s proposal for decision, except those findings that address the project’s expected cost-effectiveness because the cost effectiveness of the project was not tested in the Section 248 proceeding and is more appropriately reviewed in a future GMP rate case.

Vermont Yankee – Docket 6545 – Entergy VY filed a letter with the Board seeking to be relieved of its obligations under the Docket 6545 CPG to file an updated Post Shutdown and Decommissioning Activities Report annually and an updated decommissioning cost estimate every five years, arguing that the Board’s underlying rationale for imposing the obligations is no longer valid now that the plant is shut down. The Department is reviewing the filing and is consulting with AGO and ANR in formulating a response.

Irasburg/Blittersdorf MET Tower Investigation – Docket 8585 – The Hearing Officer held a status conference to discuss scheduling for the remainder of the proceeding since settlement negotiations have failed. The Hearing Officer set a June 29 deadline for the Department to file its motion for partial summary judgment and for Mr. Blittersdorf to issue a first round of discovery requests on the non-respondents.

GMCW/McLane Icing Complaint – Docket 8734 – The Hearing Officer held a prehearing conference in the proceeding. Parties agreed to file a stipulated set of facts in advance of briefing on the question of whether a violation of the winter operating protocol occurred. The proceeding will move into a penalty phase if the Hearing Officer rules that a violation occurred. Stipulated facts are due July 20 and briefs are due July 29.

Cold River Solar – Docket 8188 – The Department filed a response to the intervenor neighbor’s Rule 60(b) motion for relief, recommending denial of the motion. The neighbor’s request for relief was not based on discovery of any new evidence, as claimed in the motion. The Petitioner also filed a revised decommissioning fund and letter of credit. The Board has set a June 17 deadline for comments on the revised documents.

VGS Addison Expansion—Docket 7970- The Monkton tree-sitter came down on June 14 after a 6-day vigil. He was arrested and will be arraigned on June 15 for criminal trespass, among other charges. The Department continues to work with VGS to ascertain the facts at issue with regard to Michael Hurlburt’s alleged CPG violations.

CLF declaratory ruling re amended CPG for the VGS Addison Expansion-Docket 8330- Reply briefs were submitted by VGS and CLF on June 14. VGS maintains that cost increases cannot trigger the need for a CPG amendment under Board Rule 5.408. CLF maintains that cost increases can serve as such a trigger and that VGS should be ordered to seek such an amendment. The Department, in its initial brief, had taken the position that cost estimate increases to \$248 projects can constitute a substantial change subject to Board Rule 5.408, but

that the Board should waive the amendment requirement for the Addison Expansion Project because of the exhaustive reviews already undertaken in the two remand proceedings. While acknowledging the correctness of the Department's interpretation of the Rule in its Reply brief, CLF added that it was an "abdication of our duty" to waive the application of the Rule to this matter. The Department did not file a substantive reply brief, but submitted a letter reiterating its earlier position and urging the Board to decide this matter with no further process.

GMP-St. Albans Community Digester-Docket 8673- 800 kW methane biodigester generation facility to be constructed in St. Albans. GMP and the Department are engaging in informal discussions between staff in advance of a larger meeting tentatively scheduled for June 28. The schedule remains suspended.

Triland Williamstown Solar Project-Docket 8666-Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. On June 15, the Petitioner advised the Board that the Department and the Petitioner continue to work to resolve issues with the System Impact Study. The Board has requested comments by June 17 on ANR's request to open a docket to investigate whether Triland has performed inappropriate site work and tree clearing in advance of obtaining a CPG. The department will support the ANR request, but take no position on the underlying facts until we have reviewed Triland's response.

VGS-Broughton condemnation-Docket 8641 - This parcel is in Monkton and is owned by Mrs. Broughton's Revocable Trust. Following Mrs. Broughton's death in May, VGS was advised that her lawyer did not represent the successor Trustee who now owns the property. VGS has had at least two productive conversations with the successor Trustee and is hopeful that this matter can be settled with an outright purchase of the property. The hearing officer has suspended the schedule and requested an update by June 22.

VGS-Town of Hinesburg condemnation-Docket 8643-This parcel is in a park owned by the Town. The parties-VGS, the Town, the Department and seven individual residents who act as a group (the Residents)-ultimately agreed on a schedule for the remainder of the proceeding, which was submitted to the Hearing Officer on June 9. It calls for technical hearings during the first week of August. The Residents served discovery requests on VGS, the Department and the Town on June 10, with responses due June 24. Counsel for the Residents (Jim Dumont) had previously requested that the parties stipulate to the questions and responses given in discovery in Docket 8641 and to the fact that Rule 26 conferences were had with respect to those responses, but made no mention of that in his June 10 filing. Counsel for the Residents had also previously stated his intention to file the Motion to Compel that he was going to file in 8641 in this docket. This Motion is with respect to the Department's responses, not VGS's. VGS continues to work with the selectboard and believes it can structure a new, acceptable deal that will soon be ready for a vote by the selectboard.

City of South Burlington 248(j) Petition to Install a 1.55 MW Solar Group Net-Metered Facility on the Closed Landfill – Docket 8722 –The Department filed comments on May 18th indicating it believes the project does not raise any significant issues with respect to the Section 248 criteria but requesting an explicit statement from GMP that it consents to treatment of the project as a net-metering facility pursuant to 30 V.S.A. § 219a(m)(2). South Burlington filed a letter on May

24th, attaching a letter from GMP's General Counsel stating that the project has been accepted as a net metering facility. On June 3rd, the Board issued a Procedural Order requesting input from the Petitioner and the Department on comments filed by the City of South Burlington and the Burlington International Airport regarding a proposed access road in the Airport's master plan that appears to cross the project site. The Board has asked the Department to comment on whether and how the proposed access road should impact the Board's evaluation of the project. As the Board has requested comments from the Department on the same date it has also requested additional information from the City of Burlington (June 17th), the Department will file a letter requesting an additional week to file comments in order to respond appropriately, taking into account comments filed by the City of Burlington.

Telecommunications

FairPoint Service Quality Metrics Investigation (Docket 8701) – The Board held a workshop on FairPoint's petition on June 14. During the workshop, FairPoint representatives attempted to provide a background narrative describing measures that the company has taken to improve service to justify its position that its service quality metrics should be relaxed. DPS representatives questioned the accuracy of statements made by FairPoint and objected to FairPoint's attempt to use the workshop to inject informal testimony to the Board. DPS staff represented to the Board that there is a fundamental disagreement between DPS and FairPoint regarding the purpose of the docket. FP hopes to have the Board universally relax its service quality metrics. The Department, although it is willing to support FP's request to have service quality metrics relaxed where competition exists, wants the Board to enforce more meaningful metrics where customers are dependent on FairPoint for telephone service. DPS legal staff will consult with FP's legal staff regarding process for moving forward. As of now, FP's first round of testimony is due on July 14.

Updated Broadband Availability Data – In September 2015, OTT/Shoreham telephone provided data showing 2271 locations had access to broadband at 4/1 as of 6/30/15. After the eligible locations were published for the Connectivity Initiative, OTT/Shoreham provided a new list of 3710 locations that have access, including all of the 2271. Cloud Alliance has also indicated that it likely will submit updated availability data. FairPoint submitted data in April that was inadvertently not included in the analysis. The list of eligible locations will be updated to reflect this information.

911 Overpayment and Budget Adjustment –The Department oversees the contract for the Vermont Universal Service Fund (VUSF) fiscal agent. The VUSF funds several telecommunications related programs, including E911. E911's budget makes up the majority of the VUSF's annual expenses. In FY16, the program drew just over \$5 million from the fund. This includes a budget adjustment of \$425,000 passed in FY16. The fund's annual revenues are about \$6 million. E911 notified the Department that it will seek a budget adjustment of \$465,000 in January for FY17. If this occurs, and the funds are drawn on the VUSF, the VUSF will likely hold a negative account balance in FY17. In cases where there is a negative account balance, the Commissioner of Public Service is called upon to pay programs in the order of priority outlined in Title 30. E911 is fourth, after the fiscal agent, the lifeline program, and the telecommunications relay service program. The fiscal agent has been notified that an additional \$465,000 will be expensed from the fund.

Prepaid Wireless Revenue – In 2014 the legislature placed a universal service charge assessment on prepaid wireless plans. The legislation called upon wholesale wireless companies to remit 2% of what their prepaid plans would sell at retail. The legislation directed the Public Service Board to develop a methodology for calculating assessments. The Public Service Board issued an order that allowed wireless companies to develop their own methodologies, which would be accepted if found reasonable. None of the wireless companies submitted a methodology. The Department asked the fiscal agent to contact wireless companies and retrieve their methodology. Only a few companies responded. The Department has asked the fiscal agent to provide a list of companies that did not respond. Department staff will follow up with those companies and determine if further action is necessary.

CoverageCo I Project – Vermont's state funded small cell wireless project is being developed. The first phase of the project was ostensibly completed in 2014. However, several issues remain. First, sites in Topsham Telephone territory lack backhaul internet service, which is necessary for their operation. Second, as the Department's project manager is discovering, some of the deployed units are broken. Staff reviewed the Project I contracts this week and have found a couple of deficiencies. First, when antenna sites fail for more than 24 hours, CoverageCo is required to notify the state. The Department has never received a notification. Secondly, rent was due on the equipment in March. CoverageCo is allowed to delay payment of rent if it is not making a profit, but it must file a financial disclosure form. Staff have sought this disclosure form from CoverageCo. Staff is also meeting with CoverageCo on Tuesday to discuss general issues and plans to bring up the issue of the failed antennas at the meeting.

EDA Funded Cellular Project with CoverageCo (Project II) – The Department is building a wireless small cell network with funds from the Economic Development Administration. This past winter, the Department sought a change in scope from the EDA so that the Department could relocate wireless sites. The EDA has not given its approval yet. The project is on hold until the EDA provides an answer to the Department's request.

Mt. Snow Leases – The Department is helping Public Safety negotiate a lease agreement with AT&T for a facility on Mt. Snow. AT&T and the Department have devised an amendment to the existing lease agreement, which is now pending Public Safety approval. Once approved, the Department can move forward with its execution. The Department is also facilitating a lease between VTel and Public Safety on the same facility. Public Safety is reviewing the structural analysis of the site, but believes that there is sufficient space to host Vtel's equipment. Vtel needs a place to host ground equipment. Commercial users of the tower are not permitted to colocate equipment in the Public Safety building, but may negotiate with the ski resort for space in its shed. Vtel has been directed to follow up with Mt. Snow. Staff also provided Vtel with the contact information for the US Forest Service, in case it wants to execute a lease for space with the USDA.

Velco and ECFiber Agreement – The Department is overseeing the final construction of a fiber optic network throughout central Vermont. Once complete, management of the network will be transferred to ECFiber. Part of the network was engineered to attach to a GMP transmission line. The cost of attaching to the transmission line is prohibitive. VELCO already has fiber attached to

the same transmission line. VELCO has indicated that it can lease 4-6 strands of fiber to the State. This would obviate the need of attaching a cable to the transmission line. ECFiber staff met with VELCO staff last week to discuss where it could interconnect with VELCO's network. Department staff will follow up this week about a plan for executing a lease agreement.

Burlington Telecom CPG Renewal (Docket 8719) – Telecom and CAPI Division staff are preparing discovery requests, which must be served by June 16. Motions to intervene in the docket were due by June 8. Only the Burlington Access Management Organizations (PEG channels) have intervened in the docket.

Comcast CPG Renewal (Docket 8301) – DPS staff are meeting with Comcast representatives on June 17 to discuss and attempt to resolve outstanding issues from the docket. Comcast had also scheduled a meeting with VAN, which represents the public access channels, but VAN has informed Comcast and the Department that it does not plan to attend any additional settlement meetings because they do not believe that Comcast is negotiating in good faith. An additional meeting is scheduled for June 24. The technical hearings are scheduled to commence the week of July 8. The Department has posted an RFP for an expert to assist the Department. Responses to the RFP are due by June 17. Telecom staff have already received several inquiries regarding the RFP.

Charter Line Extension Investigation (Docket 8715) – The Board has opened an investigation into Charter's compliance with the Board's line extension rule, which was prompted by complaints from two consumers. The Board has already held a prehearing conference, and Department staff plan to meet with Charter to discuss the docket on June 15. The parties are required to submit proposed schedules by June 23. DPS staff were contacted by one of the complainants who advised that Charter has offered to compromise with him regarding the cost of a line extension. The customer did not explain the specific offer, but indicated that it is favorable and that he is likely to accept.

Outstanding Invoices for VTel Billbacks – DPS sent a demand letter to VTel regarding outstanding invoices from expert witness billbacks for three separate dockets. The total amount of the invoices was in excess of \$10,000. VTel representatives responded promptly and indicated that they will pay the invoices immediately.

Fibercast Cable – Telecom staff have learned that a New Hampshire cable television company called Fibercast has been providing cable television service to areas of Canaan, Averill, and Lemington. Telecom staff have reviewed DPS's records, and it appears that Fibercast has never sought or obtained a CPG to provide cable service. DPS staff sent a written letter to Fibercast inquiring about their service and whether they intend to seek a CPG. Fibercast has yet to respond to the Department's inquiry.

2016 Connectivity Initiative RFP – Friday June 10 was the deadline for Internet Service Providers to email their intent to respond to the 2016 Connectivity RFP (the deadline for receipt of grant proposals is July 15). Twelve ISPs had submitted a clear intent to respond to the RFP: Comcast, Charter, FairPoint, ECFiber/ValleyNet, Burlington Telecom, Waitsfield/Champlain Valley Telecom, Topsham Telephone, Cloud Alliance, Kingdom Fiber, HughesNet, GlobalNet

and Fibercast. Additional questions and responses were also received from Verizon, Duncan Cable, and VTel. Staff are now assimilating questions received and will distribute FAQs along with answers to those who have expressed an intent to respond the RFP. In the first Connectivity Initiative grant round of 2016, approximately \$556,273 is available to provide broadband service to underserved Vermonters. The source of funding is the Connectivity Fund of the Vermont Universal Service Fund, created by the legislature in 2014. An additional \$300,000 will be available in September 2016 for a second round of grant funding from the Connectivity Initiative. The source of this second round of funding is an appropriation that was included in the 2016/2017 Capital Budget Adjustment Act.

PSD GIS Server – A GIS server with associated hardware and software will be required to process broadband availability information internally. PSD staff received quotes from ESRI to house the architecture internally. Also, partnership conversations are continuing with other state agencies.

AoT and Public Service Department Coordination – PSD provided AoT a map of the fiber optic cable locations with associated owner and construction status. This information will aid AoT in future coordination efforts of roadway construction projects.

CoverageCo Project – Vanu CoverageCo is a company who was awarded the EDA contract to provide cellular service in unserved areas of Vermont. We created a field test plan to validate CoverageCo's rollout of Project 1, Addendum 2 which consisted of 95 sites. We have now completed field testing on 55 of those site locations provided by CoverageCo.

Testing has revealed a large number of CoverageCo RAN boxes (cell sites) are not operating in the CDMS mode. No problem was found in the GSM mode. CDMA represents mobile phones from Verizon, Sprint, and US Cellular. GSM represents mobile phones from T-Mobile. All these plus two carriers from Canada have agreements with CoverageCo and can roam into their system.

There is an alarming rate of 32.7% failure of the CoverageCo RAN in the CDMA mode. There is also contention between CoverageCo's system and a Verizon tower in one area of the test. Due to the failure of the RAN's, Coverage Co is providing service to only 56% of the intended coverage areas. Staff will have a meeting with CoverageCo this week to discuss this and other issues.

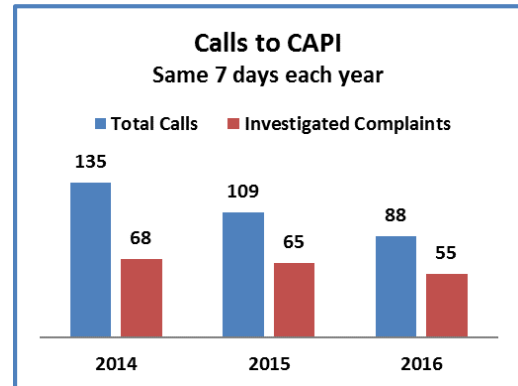
We are working with E911 on validating service on CoverageCo's system. We learned that CoverageCo did execute a test plan with E911. We are not allowed to view the data however E911 will research the sites we provided to them and provide us with any discrepancies found.

CAP

Report period for June 5 to June 11, 2016

CPG Complaint Protocol (H.577) – CAPI drafted several pieces of the protocol, drafted language for the website, drafted survey monkey questions and key informant questions. We solicited and received contact information for key informants from PA and PERD.

CASES OF THE WEEK



Vermont Gas -- A consumer called because he was upset about the construction going on in Williston for the pipeline. The consumer feels that it is ruining the resident's quality of life, the extra traffic and time spent sitting in traffic, the construction areas are not set up well and they are ruining the field they put all of their equipment in. We will work with PA.

Green Mountain Power -- a solar net-metered business customer who had been referred to the Board by GMP for help with questions she had about filling out an application to form a group net-metered system was then transferred to CAPI. The consumer had \$2,000 in credits that GMP said should be transferred to the consumer's other GMP accounts, but was apparently given no further guidance about how to do so. The consumer said that in the past GMP has manually applied credits from the solar NM account to three other (non-NM) accounts but told her that she now needs to tell GMP, by forming a group system, how she wants the credits applied to the other accounts. The consumer had questions about usage for the other accounts, the answers to which would have helped her figure out how to allocate the credits appropriately. According to the consumer "no one has explained anything" to her. CAPI offered to have someone from GMP who could answer her questions call her back. CAPI has coded this case as an Escalation, because GMP should have offered to help her figure out how to form the group and determine how to allocate credits to the other accounts to be included in the group.

Hardwick Electric -- a referral by a state representative for assistance about a barn built by a consumer under existing telephone and electric lines. Both companies have provided quotes to have a new pole installed and to move their lines over to the new pole; the quotes total almost \$9,000. The consumer wants to know why no one has said anything before now, and why she should be responsible for paying to have the lines moved when this could have been avoided by Hardwick Electric telling the consumer that the barn couldn't be built where it is. CAPI has reached out to Hardwick Electric to look into this matter.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: June 17, 2016

Secretary's Message:

I previously reported that we were trying to begin an initiative called the Women's Health Initiative. Through women's health providers, this program will provide enhanced health and psychosocial screening along with comprehensive family counseling and timely access to long acting reversible contraception(LARC). Women who visit these providers/OBGYN offices, midwifery practices and planned parenthood will receive health and psychosocial screening to access mental health, substance abuse, trauma, partner violence, and access to food and housing. Women identified as "at risk" will be immediately connected to a social worker for a brief intervention, counseling and referral to more intensive treatment as needed. This week, the Blueprint convened a steering committee of experts in women's health, including providers, health and social service leaders, pharmacists and insurers. This group will refine the initiative design and help launch interventions in their communities and practices. Another work group has been established that specially addresses LARC accessibility. They will determine how to provide an initial supply of LARC devices, so they will be available at practices for same day insertion. I'm particularly enthusiastic about this aspect of the initiative. In Vermont, 49% of all pregnancies are unintended. This includes many unwed teen-age women. Unintended pregnancies are associated with increased risk of poor health outcomes for mothers and babies and have long term negative consequences for the health and wellbeing of the children and adults those babies become. Not only will this be good for the beneficiaries, but there will also be significant savings for health and social service costs to the state. Craig Jones, Beth Tanzmen, and MaryKate Mohlman have been doing a great job running with this concept.

AHS Highlights:

Agency of Human Services Central Office (AHS CO):

Chittenden County Opioid Alliance (CCOA)

Jane Helmstetter has taken on the role of co-chairing the Community Stat Action Team for the Chittenden County Opioid Alliance with Chief Brandon delPozo. On Tuesday members from the Action Team drove to Rutland to observe the RutStat model of the Project VISION enterprise. The Chief is familiar with this model from his work for NYPD and it was helpful for the team to see a STAT process in action. Next steps include meeting with a group of local providers to enlist their help in creating a Community STAT model in the Burlington District. Other AHS department members will be recruited to assist with this community-wide, data-driven approach to improving our services and outcomes for individuals and families. An initial Action Team meeting will be scheduled for mid to late July.

Champlain Housing Trust Working with St. Albans to Explore Possibility of Transforming a Local Motel into Housing

A group consisting of State staff and local providers continues to meet to explore the possibilities of working collaboratively with Champlain Housing Trust to obtain and renovate the Cadillac Hotel for permanent sustainable housing in St. Albans. The property has a restaurant on the premise that could be used for a daycare center in the daytime and a community center in the evenings and weekends.

Vermont Department of Health (VDH):

High Risk Drinking Prevention Campaign

The Health Department contracted with Rescue Social Change to create a new branded online campaign to address high risk drinking among the young adult (ages 21-25) “partier” peer crowd in Vermont. The campaign promotes new information on responsible drinking behaviors, presented to the target audience in a memorable and culturally relevant way.

-Sue

Brucellosis Risk

On June 7th the Vermont Department of Health (VDH) was informed by the Vermont Agency of Agriculture, Food and Markets (VAAFMM) that swine infected with *Brucella suis* were being imported to Vermont from out-of-state farms. These swine were being delivered to Vermont Packinghouse of North Springfield, VT for slaughter and processing. *Brucella suis* is a bacteria that can cause a disease called brucellosis. VDH understands that there have been multiple shipments of this kind. In humans, brucellosis can initially cause fever, sweats, malaise, anorexia, headache, muscle, joint or back pain, and fatigue. Humans can become infected with *Brucella* by breathing in the bacteria or if bacteria enter the body through skin wounds or mucous membranes. The Department has been working with AAFM and VOSHA in order to provide workers with the information they need to protect themselves and to monitor for potential infections.

In addition, the Springfield District Office will offer serology testing for employees at risk of contracting Brucellosis through their employment at a slaughterhouse. The Department will monitor the employees for six months, conducting serology testing and temperature monitoring. Affected employees will be asked to seek prophylaxis from their primary care providers.

Department of Mental Health (DMH):

EHR Status Report - DII

DMH and DII have been working closely to assure that the VPCH Electronic Health Record implementation plan remains on schedule. We are currently working through some disagreements in how the new hospital's EHR project is portrayed in an upcoming quarterly report which could become a public document if requested. Some of the current report draft content suggests the project is at risk with regard to scope, cost and behind schedule. DMH and AHS IT vigorously disagree with this assessment and are working to ensure that necessary correcting information is made available to DII to mitigate any potential negative perception around this state IT project.

Vermont Psychiatric Care Hospital

VPCH census is currently 24. Patient acuity and staffing demands are unchanged from last report. VPCH and DHR are working closely on ongoing recruitment efforts for vacant nursing and mental health specialist positions. VPCH staff had training this week on the importance of respectful communication in reducing violence which was well attended and in keeping with the hospital goal to increase safety and reduce seclusion and restraint.

Emergency Departments

There were 22 people in need of inpatient psychiatric admission this week and 21 were admitted. There remains one person waiting in DOC from a court ordered forensic evaluation and that person is expected to be admitted later today. After several weeks of higher than normal need for inpatient beds,

this week saw a return to a more average demand. There was a drop in need for child and adolescent beds this week with no involuntary youth and two voluntary youth that were both admitted in less than 12 hours. Having slightly less demand this week allowed for some discharges to occur from inpatient units and helps to reduce wait time for people in need of those beds. Of the 15 adults on involuntary status, 12 of them waited less than 24 hours to be admitted. The overall occupancy of the adult inpatient system of care is at 88% occupancy and the youth inpatient system of care had an occupancy rate this week of 91%.

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

Home and Community Based Services (HCBS) Conflict-Free Case Management

As mentioned last week, DAIL and AHS are currently in negotiation with CMS related to our compliance with rules related to conflict-free case management for individuals participating in DAIL's Choices for Care Program. Although previously negotiated with CMS, they have indicated that our current structure regarding eligible case management agencies is out of compliance and must be addressed. Changes could reduce individual choice of about 1,200 participants and could represent a \$2 million loss of revenue to Vermont's network of home health agencies. Last Thursday we met by phone with representatives from CMS to review potential options for obtain their initial feedback. CMS has requested timely follow up on our part. We are putting together an initial analysis of options and will be developing a timeline and work plan to include stakeholder involvement (providers, consumers and advocates), legislative involvement and statutory and/or regulatory changes that will be needed, budget impact and approvals (if necessary) and alignment and integration with "Medicaid Pathway" in SIM/VHCIP, All-Payer, and overall Vermont health reform efforts. We have informed the two case management provider types (home health agencies and area agencies on aging) about this issue; and already this is causing some unease. An immediate next step will be to meet with them to discuss the issue in more detail and to begin gathering their input on both possible solutions and industry impact.

Proposed Path at Stone Summit Therapeutic Community Residence

DAIL's Division of Licensing and Protection (DLP) has reviewed an application for The Path at Stone Summit, a potential provider requesting licensure to operate as a Therapeutic Community Residence (TCR) on Colvin Hill Road in Danby, Vermont. This proposed TCR has garnered a great deal of interest as some townsfolk are opposed to the idea of this TCR operating in their town and DAIL continues to respond to citizen complaints and media inquiries, clarifying DAIL's role as the licensing agency. DLP has reviewed the application and has set up a meeting with the lawyer for the Path at Stone Summit as there are several elements missing from the application (background checks for staff) and some unresolved issues (adequate wastewater permit). Their lawyer, Michael Munson, will come to Waterbury on Tuesday, June 21st to review the application with DLP and to clarify any outstanding issues. Prior to issuing a license to this TCR, DLP will review the application packet with DAIL Management.

Department of Corrections (DOC):

Corrections Rewards and Recognition Event

The Department of Corrections held its annual Rewards and Recognition event on Monday June 13, 2016. The event was held at the Capitol Plaza, Governor's Ball Room with approximately 135 people in attendance. Nineteen staff members were awarded the Preservation of Life award for actions that led to saving someone's life, either an inmate or staff member. Other awards were presented to people who

have done an exceptional job during the past year, as well as Anniversaries for 20, 25, 30, 35 & 40 years of state service.

Population

The Department's incarcerated population averaged **1750** for the previous week. Last year at this time, the average was **+129** over the current number.

The Department's incarcerated male population averaged **1616** for the previous week. Last year at this time, the average was **+119** over the current number.

The Department's incarcerated female population averaged **134** for the previous week. Last year at this time, the average was **+10** over the current number.

The Department's overall detainer population averaged **410** for the previous week. Last year at this time, the average was **-41** under the current number.

The out of state population is currently at **236**. Last year at this time, the out of state population was **+63** over the current number.

Department for Children and Families (DCF):

Inpatient Psychiatric Hospital Closures' Impact on Family Services

Recently, the DMH reported on the closure of adult and adolescent in-patient psychiatric units at the Cheshire Medical Center and the closure of Champlain Valley Physician's Hospital child and adolescent inpatient unit. DMH reported these closures' impact Vermont's children in need of this level of care because the units function as an "escape valve" for children who might otherwise be placed involuntarily at the Brattleboro Retreat.

This is of particular concern to DCF, as children in DCF custody experience high rates of serious mental health issues due to very significant trauma histories. Even before the closure of these facilities (18 adolescent beds, 30 beds total), we experience situations in which our children are screened as needing hospital care that is not available. These children can spend literally days in emergency departments awaiting placement. Our social workers must stay with these children for the entire time of their emergency room stay. This is stressful for all concerned, and costly in terms of overtime pay. Although we have been working with DMH on this challenge, no solution is in immediate sight.

Department of Vermont Health Access (DVHA):

Vermont Health Connect

COC backlog:

For the first time, VHC's change in circumstance backlog dropped below 3,000 this week. The goal is to get to 2500 by the end of the month

Other Agency Report Items for Consideration:

Agency of Human Services Central Office (AHS CO):

FY16 Closeout

The AHS fiscal team continues to work with the departments of AHS and Finance & Management to prepare for the close of the fiscal year.

FY17 BAA and FY18 Budget

CFO Clark is meeting with Commissioner Pallito to provide a very preliminary look at issues facing AHS for FY17 BAA and FY18 Budget.

FY17 Letter of Intent – H.875

CFO Clark has provided feedback to Finance & Management and JFO on language needed for the letter of intent document.

Cost Allocation – HSE

The HSE fiscal team is working on the cost allocation within the HSE and responding to related questions from CMS.

Bennington ACH Learning Lab Team

The Bennington team joined 9 others in the state and the Accountable Communities for Health Learning Lab in Waterbury. It was an opportunity to hear what other regions are doing and hoping to do over the next year. The Bennington Team is poised to make significant strides in further collaborations between the medical and human services providers. One of the specific issues identified by the team was continued support of the Community Care Team (formed by the hospital and AHS field services) and participation of developmental service providers on local care teams.

Bennington Hunger Council begins

Hunger Free VT is forming a Hunger Council in Bennington. The second meeting brought together a wide range of partners and focused on summer meals for children. The Meals on Wheels program is heavily involved and hosted the meeting. The group will be setting its longer-range agenda at a future meeting.

Coalition priorities converging in Brattleboro district

At recent meetings of the Windham Southeast Supervisory Union Student Attendance Council and the Building Bright Futures Council, the Integrating Family Services Team, and the District Leadership Team, the question of partnering with families has been raised. There is a lot of confluence between these conversations. AHS Field Services will be working with other partners to talk about how to coordinate efforts between these groups, which are considering the use of a collective impact model.

IFS/DCF BDO Teaming Pilot

A Teaming pilot is underway in Burlington to create a family-centered, team approach to working with families who are Reach Up eligible and on a Conditional Court Order with Family Services. Supervisors and case managers are being recruited from both Reach Up and Family Services. Information, tools and stories are also being gathered from case managers within the community who currently utilize teaming in their work. The local service coordinator, VCCI nurses, Children and Adult Local Interagency Teams, the Blueprint Community Health Teams, and the Care Management Learning Collaborative – have all offered helpful advice and shared what they have learned. The next step is to meet with the participating RU & FS Supervisors to look at current practice, plans, requirements, rules and expectations of their division mandates and to begin to identify what a shared

plan might include. We will also explore this within the concepts of family centered practice. Our hope is to complete this work with the Department first and then identify and meet with potential families by end of August.

Community Partnership Meets with Legislators

Eight legislators joined the Franklin/Grand Isle Community Partnership last week and discussed the results of the recent session, including their hopes and concerns for the future.

Vermont Department of Health (VDH):

Board of Medical Practice Honors Dr. Josh Plavin and Readies to Welcome Dr. Ryan Sexton

At its June meeting, the Board of Medical Practice bid farewell to Dr. Josh Plavin after six years of outstanding service. The Board has learned that the Governor has approved the appointment of Dr. Ryan Sexton, an MD who practices in St. Johnsbury.

Department of Mental Health (DMH):

Veterans Hospital

DMH was notified by the Veteran's Hospital that it would be delaying its request to be a designated hospital for involuntary treatment for at least three to four months due to work demands on their facility from the Office of the Inspector General. The VA's Medical Director remains optimistic that they will re-engage with DMH for designation sometime in the fall.

SAMHSA Site Visit

Substance Abuse and Mental Health Services Administration representatives will be on site June 21-23 for its required five-year review of the annual Mental Health and Substance Abuse Block Grant uses and expenditures. DMH and VDH/ADAP staff have been in communications with the federal site visit team coordinator and preparing departmental staff and informational materials for the visit over the past few months.

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

Supported Decision Task Force Convenes

The Vermont Task Force on Supported Decision Making (SDM) held its first session on June 10th. The goal of the group is to bring together key representatives from the Legal, Educational, Advocacy, Courts, Mental Health, Elder and Developmental Disabilities Services communities to create solutions and initiatives that transform practices in a way that brings a culture of collaboration to advance supported decision making to the state. Many Vermont citizens are vulnerable to systematic disenfranchisement when their experience of disability or aging leads others to falsely assume that they are incompetent and unable to make their own decisions and exercise their rights to self-determination. These false assumptions often result in premature pursuit of court appointed guardianship. The phenomenon is recognized as a bias that emerges out of an "ableist" world view and harkens back to a time when people with disabilities were exiled from our communities to institutional settings. Supported Decision Making describes a set of approaches that are built on the understanding that decision making is an acquired capacity, evolves and varies over time, and that receiving support for important decisions is a common aspect of the human experience. We have a unique opportunity in Vermont to build on the foundation of good practice and common values that will lead this essential advancement of social justice for our fellow citizens. The convening of the Task Force on SDM is the first step in that direction. The group plans to convene twice more in the coming year. Jonathan Martinis of the Syracuse University Burton Blatt Institute and a national authority on SDM, will serve

as the facilitator of the task force and a national pilot project with Vermont is under development with the Institute.

Department of Corrections (DOC):

Edward Czuchrey, Aaron Stetson, Benjamin Mallery, Justin Lynaugh—NECC

On January 28th, 2016, an inmate at the Northeast Correctional Complex, on the Camp side, was seriously assaulted. Unit Officer COI Lynaugh immediately radioed a 10-33 and kept the scene clear. CFSS Czuchrey, COII Stetson, and COII Mallery responded and immediately began life saving measures. They maintained C-Spine stabilization and kept the inmate calm while medical staff assessed his injuries. Due to the quick response and actions of these officers, Dr. Steven Fisher, Centurion's Medical Director stated that "without the assistance in stabilizing the spine the inmate would have suffered significant damage and would quite possibly be a paraplegic.

Department for Children and Families (DCF):

Update on Family Services' Initiatives

DCF Family Services continues to work on a variety of initiatives related to the 2014 systems evaluation by Casey Family Programs and the 2014 case reviews by the Vermont Citizen Advisory Board. The division's follow-up report has been updated with current information, and can be found here: <http://dcf.vermont.gov/sites/dcf/files/DCF/reports/DCF-Response.pdf>

Department of Vermont Health Access (DVHA):

QHP Verification:

VHC is preparing to request documentation from QHP enrollees with inconsistencies related to SSN, citizenship, immigration status, and incarceration status pursuant to federal qualified health plan (QHP) eligibility requirements. Notices will be mailed to approximately 320 households next Monday June 20. Customers can bring their documentation in person to District Offices if they do not want to send it in the mail. Vermont Legal Aid is aware and supportive of the effort.

✓ Sue



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**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin *PS*
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: June 17, 2016

Good News

Good news: making headway on increasing food security

The AOE General Supervision and Monitoring Division's Child Nutrition Team is pleased to report that the Food Research & Action Center (FRAC) just published their annual Summer Feeding report, and Vermont increased summer meals program participation by 14.4% from 2014 to 2015, and moved up from #4 in the nation to #3 for providing summer meals (we passed New York!). Here's the report: http://frac.org/pdf/2016_summer_nutrition_report.pdf#15

Emerging Issues:

CONFIDENTIAL: General Counsel – Probate Judge?

Greg Glennon (my General Counsel) is interested in appointment to the probate judge position in Burlington. If it has not already, his name will come before you soon. I wanted to include a note here to let you know that even though I don't at all look forward to losing him, I fully support his candidacy. He is tough and smart and deeply interested in the law. That is something we really needed at AOE, even if it ruffled a lot of feathers. He was fast, which helped change the tempo of work at the Agency. He was instrumental in helping to clean up the AOE and give us a backbone. He was there to do good work and not to make friends. He is relentlessly ethical. We all need someone like that on board. It really underscored for me how critical it is to have strength in our government counsels and strength in the AG's office, or the rest of government struggles. That said, I firmly believe in supporting good people when they seek good opportunities. It would be unfair to do otherwise. This is an amazing opportunity for Greg. If he wants to reach for the gold ring, so to speak, I fully support his efforts and we will figure out how to cope.

Sarah

Alternative Education Structures/Act 46/State Board

At the State Board retreat next week, we will encourage the Board to initiate rule making around the final phase of Act 46, including guidelines for formation of Alternative Education Structures. Act 46 allows for proposals for Alternative Education Structures in regions where there has been no union formation activity but a proposal to "stay the same" within the same SU and/or remain some sort of standalone district that didn't join other logical partners in a union formation. Districts need guidelines for how they demonstrate that a merger does not make sense.

Independent school approval rules/State Board

I am delaying bringing revised rules to the State Board for one more month, in the hopes I can come to some deal with Tom Lovett and Mark Tashjian and the Council of Independent Schools in advance around NEASC approval and Special Education. These are deal breakers for the Board, and my hope is to negotiate this in a way that works better for both parties, so the process is less contentious. Lovett appears to be working with us. I am a little concerned about Tashjian, who is less pragmatic and more ideological.

NH update that potentially affects VT: Hassan opts for limits on public dollars to private schools

Last week, Maggie Hassan vetoed a bill that would allow New Hampshire towns to send students to an approved private school if the town doesn't have a public school covering their grade. In her veto statement, she called the bill unconstitutional, arguing that "it also has no mechanism to ensure a student's constitutional right to the opportunity to receive an adequate education and would undermine the state's efforts to ensure a strong and robust public education system for all New Hampshire students." My understanding from my conversations with the NH Commissioner is that part of the objection is that the private schools don't have open enrollment, and siphoning off some students and their tuition—typically students without disabilities—to the private sector, effectively defunds a public sector and inclusive independent schools that serve a disproportionate number of disadvantaged students and students with disabilities. <http://www.vnews.com/Croydon-School-Choice-Bill-Vetoed-2720437>

I asked my attorney to look into this veto and the pending court case as it might relate to tuition of NH students to VT schools. Presently, under NH law, tuition can only go to a public academy (another name for a private or independent school that meets public school standards). The standard for being a "public academy" that can receive public tuition is (i) the state board of NH approves any contract between a school district and proposed public academy, and (ii) the "public academy" complies with all requirements applicable to the public schools. Geographic reasons could be a basis for a border town to tuition, by contract, with St. Johnsbury, for example. We were told that the NH State Board probably allows the contract between one or more border towns and St. Johnsbury because it's called an "academy" and the state board doesn't scrutinize St. Johnsbury too closely because it's a long standing arrangement and St. Johnsbury is known and has been respected over time. In truth, the only "public school approved" independent school in the State now is Thetford Academy, which actively sought to preserve that designation through grandfathering. And, we have no vehicle in statute now to approve independent schools as "public school approved" as that provision was taken out years ago, around the time the academies decided to be independent schools and not "public schools with a different form of governance", as they used to be in statute. Our understanding is that the present arrangement should not be disturbed by Governor Hassan's veto for St. Johnsbury, which is good news.

It is worth noting that the tweak that was proposed to current law by the bill Hassan vetoed would have essentially created a system like ours. Governor Hassan rejected this as unconstitutional since the proposed scheme would remove the standard of complying with all requirements applicable to the public schools and this cannot guarantee an adequate education for every child under the adequacy requirement of the NH Constitution for education to children (again, because it would not hold the private schools to public school standards).

My takeaway is that it will be hard to have this group do anything that informs good policy. The wrong expertise is at the table. I have two general suggestions:

1. We need to decide whether we want to buy state funded child care wholesale (e.g. in bulk, through a more limited number of providers, at scale and under conditions in which the state has some bargaining power) or retail (e.g. through vouchers, with parents making choices, no bargaining power, and less wealthy families at a negotiating disadvantage).
2. We have to decide how important equity is to us.

Media Contacts:

Patti Daniels, VPR: Haley reached out to VPR to see if they would be interested in doing a Vermont Edition segment for the anniversary of Act 46. Producer Patti Daniels said they were interested, but later said they changed their minds because Howard Weiss-Tisman is working on a story about the first year of Act 46 and the next phase of implementation. Howard spoke with Donna for his story.

Katy Savage, Vermont Standard: Katy called to ask about the transgender guidelines and if there is any state level guidelines on school dress codes in Vermont. Haley provided her with a link to the best practices, the AOE statement about the best practices, Secretary Holcombe's memo about the best practices, and the Secretary's op-ed. Haley forwarded the question about the dress code to Greg Glennon, who said there are no state level guidelines on school dress codes in Vermont. Any student dress code in a Vermont public school district would be a matter of local policy development. Haley sent the statement to Katy.

Brian Rosenthal, Houston Chronicle: Brian contacted the AOE several weeks ago with questions about special education and special education funding. He sent the questions to all 50 states. He contacted Stephanie again this week with follow up questions that are also going to all state departments of education. He asked about evaluations under IDEA, how much federal special education funding the state has chosen to divert to preventative general education programs, etc. He also asked how much money the state spent on special education in the most recent school year for which we have data, the number of private schools in the state, the number of students with disabilities being homeschooled in the state, etc. Linda Moreno's team is working on answers to these questions.

April Burbank, Burlington Free Press: April called/emailed Haley for information for a story about student absenteeism data in Vermont. The U.S. Department of Education released data on student absenteeism in every school for the 2013-12 school year. She is analyzing the data for a Free Press story and was hoping to speak to someone at the AOE about why student absences matter and what Vermont is doing to try to minimize absences. She also asked for a copy of the student census numbers. Haley forwarded the question on to Deputy Secretary Fowler and me. We didn't have much to add to what the data shows. Haley asked April to formally request the student census data. That request was denied because the AOE does not currently create a report for that. We will do that in the future. Haley suggested April reach out to someone in the field to see what they are doing to encourage attendance, and told her that at this time, the AOE does not have an initiative related to absenteeism. April sent follow up questions asking if the AOE provides guidance for schools' attendance policies, and asked for a comment about whether anxiety- and depression-related absences are a significant problem statewide. Haley told her that we are unable to comment on data

that we don't collect, and referred her to stories from the field such as the CVU student who wanted to build a sensory room to help with her anxiety.

Ryan Katz, APM Reports (Minnesota): Ryan called Stephanie last week to get background information on Act 46 for a podcast he creates. He reached out to her again this week to set up a time to record an interview with her or Donna. Haley called Ryan to tell him that Donna and Stephanie would be unavailable to participate in the podcast. He requested someone take 20 minutes to do the recorded interview and asked if anyone else would be available, such as me. Haley sent him a response explaining that while we appreciate his interest in the topic, we must prioritize requests to participate in public dialogue. Haley suggested he reach out to John Alberghini (CESU), Jay Nichols (Franklin NE), or Dan French.

Rolf Parker-Houghton, Deerfield Valley News: Rolf emailed the AOE-Act 46 account asking how to interpret alternative structures and what might be approved. He sent a hypothetical question about a K-8 school with high school choice and asked if that would be considered for alternative structure status. Donna forwarded the question to the Communications Team. Haley called Rolf and explained that we cannot answer hypothetical questions and told him that the SBE would be discussing alternative structures at the meeting on Tuesday. He later emailed asking what prompted the SBE to meet and what exactly they would be considering about alternative structures. Haley told him that the board meets on the third Tuesday of every month, and that they have an annual retreat in June. She also sent him copies of the retreat and meeting agenda, and the handout attached to the agenda explaining what the board will consider regarding alternative structures.

Tiffany Pache, VTDigger: Tiffany emailed Haley to say she planned on attending the Windsor meeting with AOE on Wednesday, and asked if it was still happening. Haley said yes, and that it started at 6 p.m.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, June 18, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

TCI – Regional Cap and Invest Policy Framework

I'm convening a call today of NASTO state DOT Commissioners and Secretaries to give them an overview of the TCI work, why it's important and how this policy approach could provide additional revenue for the transportation sector to begin building a low carbon sustainable transportation system. The New York Commissioner will be at the July retreat and it's critical from my view that New York take a leadership position in this effort. At the end of 2016 we hope to have a framework agreement that the States can support which would lead to designing the cap and invest policy.

Rutland

I met with Mayor Chris Louras yesterday to discuss some specific transportation projects as well as areas of transportation focus he would like to see us working on with the City. The Mayor is also interested in developing additional charter or commercial routes for the airport and developing additional properties on the airfield. He also has concerns about work we are going to be doing to stabilize Mendon Brook (a leftover Irene project), but I assured him we would be following ANR's lead on what work they felt was necessary, so he was satisfied the City's water source would not be compromised. In addition, Castleton University is locating students in downtown Rutland, the Rutland Economic Development Center has contracted with Castleton University to provide economic development services and they have moved the Castleton polling to Rutland as well. I was able to communicate to him that we are adding additional public transit services to improve the mobility between the school and the downtown.

PTAC

I chaired the Public Transit Advisory Council meeting held in Rutland. The item of most concern by the transportation providers is the Medicaid Transportation RFP that DVHA has out on the street. Vermont enjoys the benefits of a coordinated service delivery system between public transportation and Medicaid transportation. The DVHA RFP and the work of the Green Mountain Board in establishing a block grant for Medicaid has the

potential to change our coordinated service delivery system and this has the potential to become a political hot potato during the election season. You may want a briefing from VTrans and DVHA on the potential impacts to our current delivery system.

Montpelier Bike Path

The City of Montpelier has three parcels to acquire easements before they can build their bike path and transit center project. The City has consistently settled with property owners paying them more than the appraised value and more than the FHWA administrative settlement amount and thus have had to pay this additional amount with City funds. They are agreeing to amounts beyond what the project will pay. I will inform the Mayor that they will be on the hook for these additional amounts; I don't anticipate he will reach out but you never know, so better you have the background.

VAST and the Lamoille Valley Rail Trail

VAST had a tough winter revenue wise, have exhausted their fund balances and want to terminate their lease agreement with the State as the Board no longer feels that managing a four season recreational trail is within their mission. I met with the Executive Director, Cindy Locke and the Board Chair and their ideal outcome is to just be able to walk away from the project. I indicated that wasn't feasible since they accepted a federal earmark and have maintenance responsibilities associated with those funds. I did indicate a willingness to explore a different relationship with the State assuming responsibility for funding 80% (federal funds) of the remainder of the trail with VAST fundraising the 20% match and then VAST accepting responsibility to maintain the entire trail. I also indicated that we could discuss how we would fund ongoing routine maintenance. Since their lease expires June 30, 2016 and VAST has indicated they won't be renewing the lease under the current terms, I offered to extend the renewal period by four months to give us time to work out a new relationship and agreement. I'm in close communication with both committee chairs and key Senators who are interested in seeing this project advance.

NOTES FOR STAFF

Federal Legislation

- Just about two weeks remaining for federal legislation to move through before the next break and a number of bills, including the FAA reauthorization are caught in the mix of stalled negotiations. It is beginning to look as though a longer term CR may be needed as there continues to be an impasse between the preferred approach of the House T & I chair's desire to open air traffic controllers to the private sector versus the Senate version which would keep them under the federal umbrella.
- Also included is the "delay" pile is the Homeland Security Appropriations bill, which has now been stalled while Congress awaits more details on this past weekend's shooting in Orlando, to see if there are additional "needs" related to terrorism that they will want to address. Senator Leahy has included in this bill the language we

need to operationalize pre-clearance so we can begin working on all of the other issues dealing with returning passenger rail service to Montreal.

Projects

- **Burlington – North Avenue Pilot Project**

The pilot project that converts the 4-lane segment of North Avenue to 3 lanes with designated bike lanes is scheduled for implementation the week of June 20th. Following the implementation, the CCRPC will be assisting the City with extensive data gathering and analyses. This project has generated much controversy in the new North End of Burlington with residents there firmly opposed, but residents throughout the rest of the City supportive. This item will be on an advisory ballot in the City after a successful petition drive of new North End residents.

- **Advance Transit Real Time Information System**

Advance Transit continues to improve their Real Time Passenger Information Technology. The highest customer usage to date for the iPhone application was on Friday, May 20th with 270 hits. The Android application received a peak of 70 hits on May 23rd. Advance Transit has also configured the application to refresh vehicle location every 7 ½ seconds which is optimal performance for Real Time Passenger Information Technology. Advance Transit is the first transit agency in the state of Vermont to introduce Advance Vehicle Locator (AVL). Their success and model for the system may be presented to other agencies throughout the Northeast at the upcoming Tri-State Conference.

- **Porsche Rally**

Finalizing Porsche Rally agreement. Solutions to concerns about contractor ceasing construction during the rally is being written into agreement. Rally is next Wednesday and Thursday.

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Deborah L. Markowitz
Agency Secretary

Trey Martin
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: June 17, 2016
Subject: ANR Weekly Report

Governor Level Issues:

TMDL to be Issued Today! The final TMDLs for each Lake segment are very similar to the 2015 proposed TMDLs. There have been numerous small refinements, but the overall allocations and reduction targets by sector have not too much. Here are two notable changes:

- Developed Land (slight decrease to non-road impervious allocation, description of where CSOs are captured, increase for backroads other than Missisquoi Bay, and update to Future Growth WLAs in numerous segments per DEC analysis),
- Forest LAs in Missisquoi Bay and South Lake B (increased allocation), and to streambank LA in Missisquoi Bay (slight decrease in allocation)

We have sent over more complete talking points.

PFOA/PFOS Updates:

Pownal Fire District #2 – A Permit to Construct application for the carbon filtration water system was received from APU, the potentially responsible party in Pownal. The submittal was technically incomplete and DEC staff have followed up with comments. It will be tight for APU to have the system go live by the end of this month. We continue to press forward in an effort to meet that timeline. A community meeting on this topic and on PFOS contamination at Pownal Tannery, was held on June 13.

Bennington/North Bennington – After the briefing for the Governor on the municipal line extension and the preliminary engineering report, Alyssa called both towns and Saint-Gobain to press to expand the report to include the outliers and the potential future impacted areas. North Bennington had additional funds in the existing contract with the engineer and agreed to add the additional areas to the report without going back to Saint-Gobain for more funds. Bennington is

pricing out the additional costs associated with the changes to their report and will send that information to Saint-Gobain for consideration. Saint-Gobain indicated that they would consider this request. We followed up in writing and are waiting for Saint-Gobain's response. Officials from both communities agreed with our approach and were enthusiastic about the path forward.

Statewide – Test results were announced at three locations: Harbour Industries in Shelburne, the Vermont Air National Guard base in South Burlington, and the Pittsford Fire Academy. Private wells sampled near Harbour Industries in Shelburne tested clean for both chemicals. Results showed PFOA and PFOS to be present at the Vermont Air National Guard site, and in an underground storage tank at the Pittsford Fire Academy. Both sites have historically used firefighting foam in routine training exercises. No drinking water supplies have been impacted by PFOA or PFOS contamination at any of the three sites. The limited wells located near these sites are either inactive or have been tested previously and were not found to contain perfluorocarbons. DEC is working on containment and remediation plans. We expect results back from IBM and Champlain Cable in the coming days.

EVERYTHING ELSE:

Press Issues/Releases:

Universal Recycling on Vermont Edition: VPR's Vermont Edition covered the next phase of the Universal Recycling law, including the upcoming ban on leaf and yard debris. Josh Kelly from the Waste Management and Prevention Division was DEC's spokesperson. He was joined by Dan Goossen, General Manager of Green Mountain Compost, and Paul Tomasi, Executive Director of the NEK Waste Management District. The show covered in depth the new requirements for leaf and yard and clean wood debris, how residents can manage these materials at home and how Universal Recycling is working in places like NEK. Paul Tomasi spoke about the success of "Pay as You Throw" in the NEK region with some towns decreasing waste by 20%. Landfill gas methane and enforcement also came up. Overall, it was a positive show.

Vermont bass fishing season to open June 11: VT's regular bass fishing season kicked off on Saturday, June 11. VT's regular bass season opens each year on the second Saturday in June and extends through the last day of November. However, outside of those dates, anglers can fish for bass on open water on a catch-and-release basis with artificial lures and flies only on waters that are not seasonally closed.

Timber Trespass Charges Filed: The Vermont Attorney General's office charged Cavendish men with stealing timber from Proctor Piper State Forest.

Significant Events/Meetings:

RGGI: Auction Number 32 was successfully concluded on June 1. All 15,089,652 allowances offered for sale were purchased at a clearing price of \$4.53 each. Bids ranged from \$2.10 to

\$12.65 per allowance. The clearing price was almost 14% below the Auction 31 clearing price and 40% below the all-time high clearing price of \$7.50 achieved during Auction 30 in December of 2015. Vermont sold 113,976 allowances; proceeds \$516,311.28

Lead and Copper Rule Outreach Following Guardian Article: DEC sent email notifications to over 200 water system operators around the state reiterating proper lead and copper sampling techniques, which included a copy of the February 2016 EPA memo providing new guidance on proper technique. DEC has also done follow-up with the labs in Vermont providing lead and copper analysis to ensure proper sampling guidance is being distributed. This action follows concerns outlined in the [Guardian publication](#) about “cheats” in drinking water sampling, implicating the City of South Burlington. The City is a member of the larger Champlain Water District (CWD), which oversees all water quality monitoring for its member public community water systems. CWD is nationally recognized for excellent water chemistry and is in compliance with federal and state drinking water laws. It has also certified that it does not have any lead pipes within the system. In addition, CWD uses orthophosphate, a corrosion control treatment, which coats any leaded pipes or fixtures in homes, preventing lead from leaching into drinking water. There have been no issues with the system in twenty years. DEC is not concerned with CWD’s water quality. CWD will be sampling for Lead and Copper this summer, 2016, and will adhere to the new EPA February 2016 guidance.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of General Counsel

Mountain Top Inn: We are reviewing the enforcement matters related to the Inn because we are aware that the outstanding issues are holding up permitting on some additional construction. ANR and NRB have referred several violations to the AGO and are currently reviewing additional violations associated with the building expansion at their beach pavilion and residential units at the resort. We have scheduled an internal meeting to discuss the status of enforcement matters on June 28.

Triland Partners, LP Williamstown 2.2 MW Solar Array: ANR filed testimony on Wednesday, June 15 in the Public Service Board docket in which Triland is seeking a Certificate of Public Good for its 2.2 MW solar project in Williamstown. ANR’s testimony was filed on the heels of ANR’s June 1st letter to the Board requesting that the Board open an investigative docket as to whether site preparation has commenced at this site prior to the issuance of a Certificate of Public Good in violation of 30 V.S.A. § 248(a)(2)(A). ANR’s testimony describes how the construction work done has caused undue adverse impacts to Class II wetlands and makes the recommendation that the Board consider this construction as part of the project and therefore deny the petition. In the alternative that the Board does not consider this construction as part of the project, ANR recommends that the Board include standard wetland conditions in any Certificate of Public Good issued.

Ranger Solar's 20 MW Coolidge Solar Project in Ludlow/Cavendish: ANR served its second round of discovery questions on Coolidge Solar I, LLC (a subsidiary of Ranger Solar) on June 15 regarding the 20 MW solar project proposed in Ludlow and Cavendish. ANR's discovery questions seek further details regarding the approximately 40 acres of tree clearing proposed and the anticipated greenhouse gas emissions of the project. ANR's testimony is due July 20.

Environmental Conservation (DEC)

Green Mountain Power Digester (St. Albans): A draft air permit was issued for public comment on June 8. DEC staff met with a group of concerned citizens in January and we provided them a courtesy copy of the draft seeking comments.

Vermont Rail's Stormwater Permit (Shelburne): The Nature Conservancy has petitioned the Department to revoke, in part, the authorization granted Vermont Rail under the Construction General Permit.

Fish & Wildlife (FWD)

Fishing Festival! The Grand Isle Fishing Festival on June 11, which was also Free Fishing Day, was a huge success again this year with high attendance and good fishing all day long.

Hinkum Pond to be Sampled for the First Time: Staff contacted landowners to gain access to Hinkum Pond located in Sudbury. Plans are underway to sample the pond next week for the fish community study. According to historic records the state has not yet sampled the pond.

Fishing Activity: Damp weather keeping many anglers inside, however, catches of certain species still on the increase or remaining steady. A few license issues were the only violations reported.

Forests, Parks and Recreation (FPR)

Flood Resilience: The ANR Lands Stewardship Team presented a proposed "Action Plan" for enhancing flood resilience of ANR lands to the ANR Leadership Team this week. The Action Plan was developed with significant input from district stewardship staff and builds on a recent consultant's report on this subject, and includes both short-term and long-term actions intended to enhance the inherent flood resilience of ANR lands.

Passes for Foster Families: Vermont Parks Forever has successfully raised \$3,000 to purchase 100 state park punch passes for families of foster children. This supplements the 200 passes already purchased by the Department of Children and Families.



State of Vermont
Department of Public Safety
103 South Main Street
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To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: June 17, 2016
Subject: Weekly Report

Priorities:

There was a Memorial Service this week at the Vermont State Police Shaftsbury Barracks honoring the ultimate sacrifice made by Sergeant William Chenard and Sergeant Gary Gaboury. On June 14, 1987, 29 years ago this week, Vermont State Police Sergeant William J. Chenard died in the line of duty representing the Vermont State Police, and serving the citizens of Vermont. At the time, Bill was a Detective Sergeant at the Shaftsbury Barracks and suffered a fatal heart attack while leading a search party up a steep mountain. On May 12, 1992 Sergeant Gary Gaboury died in the line of duty while attempting to recover the body of a college student who had drowned swimming at the Huntington Gorge. At the time of his death Sergeant Gaboury was Patrol Commander at the Shaftsbury Barracks.

The Annual State Police Awards Ceremony was held in the Statehouse this week.

We continue to work with AOT / GHSP to fund replacement of the balance (180 units +/-) of Watchguard cruiser cameras over a 2-year Federal Fiscal cycle.

VOSHA met with DPS this week to inform us of their intention to Cite DPS with an "Other Than Serious Citation", which has no monetary penalty. This stems from an employment file oversight, previously reported here. Furthermore employee records are in fact managed by DHR. We have requested a pre-citation conference on this and will withhold further comment as to the merit and benefit to their approach regarding this matter.

Administration

Year-end budget work continues. In VSP GF budget, we have encumbered \$140k for Watchguard cruiser cameras and \$120k for tactical vests. There are a number of other PO's that have been requested and another payroll to post next week. We are watching and updating our projections pretty much daily now to ensure we can post our last payroll.

David Beatty contacted DPS to say that as of the first of the new fiscal year, he will be reassigned and will no longer be the Budget Analyst for DPS. A new hire at F&M named Nick Foss, who came to F&M from the Treasurer's Office has been assigned to DPS.

CJS

Forensic Lab-

Safety concerns have been raised from the Community regarding field testing of drugs (possible exposure to fentanyl). The Lab is working with agencies to determine best practices.

VCIC-

Received call from James Pepper in the Governor's Office on 6/14/16 concerning two items. The first was a brief follow-up on the fingerprinting issue discussed in the recent conference call (it was reiterated to James that without additional resources at some point in the process the pipe will simply burst). The second issue related to a legislative response to recent updates to the Medical Marijuana Program, specifically the timeline for updating the website and forms to reflect new statutory requirements and allowances. It was relayed that the website would be completed by 6/14/16 (completed) and the forms by end of the week (to reflect the 20+ changes to the program that S.14 initiated).

Work continues on review and response to triennial FBI audit of Vermont criminal justice information services, including the Sex Offender Registry and Crime Reporting (NIBRS) program. Additional programs are also being reviewed, including NCIC (National Crime Information Center), Fingerprint Processing and Dissemination (NIS), IT Security, and the National Data Exchange Program (N-DEx).

Additional work continues on reviewing crime statistics (NIBRS) as it relates to Valcour and extensive outreach continues with regards to agencies completing 2015 'paperwork' to allow as much data to be included as possible. Currently the software vendor for the Vermont Crime Online tool (VCON) is working to integrate geographic data from 2014 and 2015 for publication on the web.

The Tri-State AFIS contract has been signed by the Attorney General's Office and is currently working through DII for review (to our understanding it has received some but not all of the necessary signatures there). Once completed it will be routed to the Agency of Administration for final review and approval. At this time Maine stands prepared to move forward as soon as possible with New Hampshire still on an uncertain timeline.

A review of recent billing relating to Tropical Storm Irene is currently underway due to recently submitted invoices by the vendor who restored records. The contract was initiated and held by BGS and DPS was one of several departments involved.

DEMHS

2016 LEOP submission rate is at 72% as of 6/9. While not 100% this is an excellent response to date.

DEMHS and Admin Services continue to work through projected RERP fund numbers following a notification last week that Vermont Yankee had been billed based on a budgeting error.

Submitted \$2.8M of Pre-Disaster Mitigation applications this week. Under the State's guaranteed funding level of \$575K, we submitted a road relocation in Shrewsbury, LHMP support for Eden, and Brownington's emergency generator. Under the competitive funding, we submitted an acquisition/floodplain project in downtown Brattleboro, involving a partnership with VHCB, the Town, and Vermont River Conservancy.

FEMA Region 1 approved the following HMGP applications under DR4207: three buy-outs in Barre for \$150K, 81K, and 91K, respectively, a buy-out on Water Street in Northfield for \$154K, and management costs of \$29K. We submitted three HMGP applications under DR4232: two more buy-outs in Barre City and LHMP development for Glover. The applications total \$185K federal share, against the \$193K maximum available for DR4232.

Operations and Logistics Section Chief attended the "Rainbow Gathering" briefing hosted by the U.S. Forestry Service. The meeting addressed issues that could be raised at this upcoming event.

VT ALERT notifier training was provided to the city of St. Albans and the town of Hartford this week.

DLAN training was provided to the city of South Burlington and to SEOC support staff.

Fire Safety

The Division received \$8.4 Million in new plan review construction valuation collecting \$45,300.00 in fees.

Stone Environmental is moving forward with draining and cleaning the underground water storage tank at the academy in Pittsford. Once the water is drained a cleanup contractor will be hired to clean the tank.

BGS is working on plans and permitting for the new burn building at the fire academy.

Director Desrochers has been traveling all over for the past 2 years to VSFA meetings. He states there are major communication issues within the organization and reps are not thoroughly disseminating DFS/SOV information to their respective membership. The VSFA agreed and in fact admitted there is a lot of work to do. DFS has a solid relationship with the VSFA and will work to move things forward.

We are hearing a lot of noise from the electrical inspectors and the managers regarding our inability to meet the electrical inspection demands primarily in the Springfield District. We have gone from 9 electrical inspectors to 7 and with vacations and construction season there is a lot pressure on these folks.

We are struggling in Williston to keep up with the inspection requests and we have received calls from applicants stating they are closing in a week but our inspectors are scheduled out almost 30 days. If someone purchases a condominium this takes at least 8 weeks from start to finish. Since April 1, 2016 the Williston office has received 145 requests which is averaging 15 a week and many require follow up inspections.

The Professional Fire Fighters of Vermont have elected Brad Reed from St. Johnsbury Fire as their new President. Former President Ben O'Brian stepped down.

Vermont State Police

A Troop-

FF

7 Total Arrests, 5 DUI

VT Gas protest in Williston 6 arrested.

Bomb squad call of a pipe explosion in a vehicle on I189 South Burlington.

Troopers responded to a domestic in Williamstown where a female was arrested. She resisted, exposed the troopers to bodily fluid and kicked out a cruiser window.

BCI

Assigned missing person case. Female called HQ to report that her son was missing. D/Sgt. left numerous messages with the female but has yet to receive any call back. No records of the name provided by the female.

Assigned special investigation. Montpelier. D/Sgt assigned.

Numerous detectives assisted with the Bernie Sanders detail in Burlington.

CUSI detective assigned Human Trafficking case in Colchester and St Albans. Male pimping out young girls in those towns.

Drug case at the Maple Leaf Treatment facility. Female distributing drugs to other patients. Female arrested.

Assigned Civilian background for HQ.

Assault case at the CRCF. Two female in for detox. One female the aggressor and the other received significant injuries.

Numerous detectives on standby for protestors in Chittenden and Addison County.

SOR checks for Chittenden Cty.

Arson unit responded to Rutland for residential fire.

NUSI assigned case of a female who currently lives in New York and suffers from mental health concerns. Female alleges while she visits her father in Vermont he has been assaulting her. D/Tpr assigned.

NUSI Assigned case of a 5 year old who disclosed to her therapist that her mother had been sexually abusing her.

Detectives prepared for McAllister trial.

Assault case at State Hospital. Staff member injured after patient threw a chair at her.

B Troop-

FF

18 Total Arrests, 7 DUI

Worked long hours to help with the double fatal/DUI fatal in Charleston from the week prior. Trooper obtained search warrants and those were executed. On 6/7/2016 Troopers arrested Joshua Cole for multiple charges related to the DUI, death resulting.

Responded to a motorcycle crash in Topsham, VT, where the operator had exited the roadway and could not be located. The operator reported being 30 feet off the roadway and was located after his cell phone was 'pinged'. The operator sustained a broken hip and dislocated shoulder.

BCI

Follow up on Trooper Background.

3 Citations issued to inmates for transporting drugs into correctional facility.

3 Correctional Center Cases requiring follow up possible criminal Charges.

Assist to Uniform Troops in St. J with suicidal female who had fled from residence after taking medications. Located in the woods in need of medical attention.

Follow up on Missing person/fugitive sex offender Peter Gaudreau.

Correctional Center Cases involving VSP destruction of drugs and contraband seized at facility.

Correctional Center Case involving two inmates assaulting each other.

Arson investigator attended two day conference in Killington.

Arson Investigator instructed Volunteer Fire Fighters at a training in Alburgh.

Death Investigation, Newbury, VT- 80 yr old male deceased at his residence. Natural.

C Troop-

FF

13 Total Arrests, 4 DUI

Poultney Radio morning show, "Coffee Talk", WVNR, Lt. Cacciatore.

US Forestry Meeting reference The Rainbow Gathering @ the New Haven Barracks.

K9 Demo at Clarendon Grange, Tpr. and K9 Buck.

Monkton/VT Natural Gas Protest, man in tree on platform.

BCI

Follow up investigation with Center Rutland Macs robbery; case write-up, witness statement, adjacent business surveillance video, swab items of evidence for DNA, and consult with P&P regarding POI.

Follow up with Benson sexual assault; work on case write-up.

HIG interview training.

Follow up with Windsor OIS; continue to review depo transcripts for corrections and return

Follow up Poultney sex assault/kidnapping; Retrieve AT&T subpoenaed cell phone records from S/A's office and begin review.

Pipeline protest detail – Williston multiple detectives assigned.

2 days at Monkton tree sitter site; affidavit prepared.

Agency assist. Assist US Marshal Service with interviews on sex offender/gun case.

Call out Death Investigation – 31 y/o female deceased at RPMC – sent for autopsy.

New case Sex offense – interview w 5 y/o who disclosed sexual abuse by an adult female.

Assist New Haven uniform with suspicious person in New Haven.

Untimely Death investigation involving operator of TT Unit who died of natural causes while operating vehicle on US Route 7 in Sunderland.

Quarry search for Schaff missing person case, no evidence recovered.

Meeting with family and PI for Schaff missing person case.

Prepped for briefing and interviews for Schaff case.

New Case: Drugs at correctional center.

New Case: Drugs at correctional center.

Assisted uniform with out of control subject at Spring Lake Ranch.

Received information of possible white supremacist gathering in Rutland City on June 28. Met with Rutland PD BCI commander and relayed information.

Attended State v. Pelletier homicide hearing. Pelletier changed his plea to no contest. Sentencing scheduled for September.

Assisted Troop D BCI with locating sexual assault suspect in Rutland City.

Rutland County Sheriff's Dept. is in route back to VT with Alan Van Overbeke from Illinois. Family updated.

Follow-up with lab on Leicester robbery DNA evidence.

Completed arrest paperwork on drug/assault jail case.

Case Follow-Up: Sex Offense. City of Rutland. Cindy J. McKearin was charged with Luring a Child. Case Completed.

New Case: Sex Offense. Town of Pittsford. It was reported a 14 year old girl was being sexual abused by a 19 year old transgender female. Victim and Offender interviewed. Affidavit Pending.

Fire Investigation (Rutland) / Fire was originally considered suspicious due to witness accounts of hearing explosions, and the fact nobody was home at the time of fire. Investigation later revealed the fire was more-than-likely caused by discarded rags (Chemical reaction).

Attended the two day mid-year training and annual meeting of the IAAI (Vt. Chapter) in Killington. This training contained the ongoing professional development criteria to stay current with NFPA 1033 & 921.

D Troop-

FF

8 Total Arrests, 5 DUI

Stopped a vehicle in Pittsford; arrested one as a Fugitive from Maine.

BCI

Review of Interview transcription for Attempted Murder case.

Dead Body, Weston; 83 yoa male. Non-susp.

ASST to South Burlington PD; subject dropped off a laptop computer for Det. Andrew Johnson of South Burlington PD

Sex Assault-Londonderry-52 yoa female alleging 42 yoa male sexually assaulted her at her home-ongoing/Working on Wire Warrant/Search Warrant/NTO.

Follow up on Suspicious in Reading from last week.

FIP Data Collection Quality Sub-Committee meeting.

Review of unaccepted DCF intakes for possible criminal investigation (Windsor County).

4 DRE Evaluations reviewed.

Death Investigation – Strafford – Untimely death of 66 year old female. No autopsy per AME. Ruled natural death.

Sex Assault – Cavendish – 8 yr old alleging grandfather touched her inappropriately. Interview at CAC in Norwich.

SOR Compliance Checks – Westminster, Grafton, Rockingham.

New case. 16 year old female disclosed sexual assault by unnamed male – spoke with family – victim does not want to report to law enforcement or DCF.

EOD K9 in service with CT State Police – Tue, Wed, Thursday.

New case assigned SOR violation- completed arrest warrant and followed up with US Marshalls, Hinsdale PD, and Windham SA's.

Violation of conditions investigation, Bethel, offender from L&L w/ child arrest.

DCF intake, Bethel, alleged sex assault investigation.

Death Investigation – Rockingham – Untimely death of 66 year female, autopsy requested, nothing suspicious discovered appeared to be natural.

CCU-

Out of State Training for Garivaltis, Jollymore and Tallmadge.

Continued computer forensic examination of pending cases. No new intake submissions this week.

OCME-

11 Autopsies.

Toxicology data entry and shipping.

Law Enforcement Regulatory meeting with Major. Sheets – Montpelier.

TOPS-

Several assisted with Pipeline protests in both Williston and Monkton.

Assist w/ Sanders detail.

Three troops participated in Operation RoadCheck (CMV) much of week.

Polygraph-

Six Pre-Employment polygraphs.

1 Pre- Employment polygraph for the AGs office.

Major Crimes Unit-

Smith Homicide: Facebook warrants for Hoben and Simard, interviews, cell phone records review
Marzilli homicide: follow up.

MCU firearms qualifications.

Schneider Homicide: follow up with discovery request.

Williston – Assist with Crowd Control Detail for the area.

CSST- Drug room audit @ HQ.

Peters homicide: follow up.

Brattleboro homicide: Follow-up with SA Perry FBI CAST.

Gaudette homicide- Case book, digitalizing files.

Follow up on Paula Weldon case with Historical Societies, reviewed more of the case file.

Tip: sent to VSP, unknown what case this involves. Info about a homicide and the burial of victim in basement of home. Person who submitted tip have refused to call me back.



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Justin Johnson, Secretary

PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: June 17, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Randolph – VAEL - New Construction: Reviewing Act 250 abutters submission to prepare for our supplemental information. Awaiting the recess memo from last week's hearing to be sure we respond to all issues. Also working on budget concerns and review of documents. We received our DRB approval last Thursday, June 9th and await the issuance of the final EA and FONSI from FEMA. Still waiting for the CM Services RFP from Contract Administration and Jeff Lively.

Montpelier Heat Plant: Rate setting time of year, developing rate, prepared cover memo to notify the City. No questions yet from the city on the rate memo, planning to send formal letter of rate on July 1, 2016 per the TEPSA.

RUSF – Ice Rink on State House Lawn – Capital Complex Commission: Attended a meeting yesterday of the Capital Complex Commission. A presentation on the proposed ice rink to operate in the 2016-2017 winter season was given. The City of Montpelier is to submit an application to BGS/RUSF. The City is invited to submit their proposed MOU – that includes BGS conditions.

Renaming of Bennington Welcome Center to James M. Jeffords Welcome Center: Is tentatively scheduled for 1:00 PM on Tuesday, July 5, 2016. A meeting was held on Monday, June 13th and assignments/tasks were given/accepted. Awaiting approval of invitation list. Need to finalize program, once speakers are determined.

Significant Meetings/Events:

Lamoille County Courthouse Grand Opening: Went to the grand opening with BGS staff. It was a success by any measure.

Art in State Buildings: Discussed the Employees Memorial, past, present and future. Steve Howard has a VSEA meeting on July 12th which will determine whether there is enough support to continue the project.

FINANCE AND MANAGEMENT

Nothing new to report.

HEALTH CARE REFORM

Issue Updates:

SIM: Y2 contracts are in the clearance process at OAGM. Y3 are with our project person at OAGM and we will get questions on Monday.

APM: The team has reviewed the terms in more depth, but has not yet been able to meet to make decisions on whether escalation is needed on any items. Overall, the terms are very favorable.

GC: The feds have clearly signaled that they want to restrict uses of managed care investments, but are giving the state 3 to 5 years to transition.

We are hoping to get time with the Gov next week to update him in more depth on the waivers. We are also working on a legislative update plan.

HUMAN RESOURCES

No report.

INFORMATION AND INNOVATION

Evolving Issues:

Web Updates: The Governor's Office is putting the final touches on their Website in the new template and it should be launching in the next 2 to 3 weeks.

Project Updates:

- **Enterprise Content Management System for Agency of Natural Resources – ECMS** – Project team working to present reduced scope and responses to risk items identified in Independent Review to Richard Boes for authorization to proceed on or before meeting on June 16. Updated pricing, including search capability for internal staff remains under \$700K.
- **Voice Over Internet Protocol** – VoIP transitioned the DMV at 226 Holiday drive in White River Junction June 9th and AoE June 10th. Over 1500 phones have been replaced with VoIP technology.

LIBRARIES

Nothing to report.

TAXES

Operations Update:

2015 Tax Changes, Return Errors: Intuit has scheduled a meeting with Gov on Monday – we are preparing background. The long and short is that we are not seeing a flood of amendments, and are facing some angry taxpayers. Even at our Advisory Board meeting, two practitioners reported that the amendment process set up by Intuit was clunky and time consuming– and that is from tax pros. Question is whether we can get Intuit to take more measures to encourage affected taxpayers to file, because if we get to the point of billing, we will have even angrier taxpayers. Or whether we can get Intuit to pay the state more damages so we can forego billing.

Air BnB: The Commissioner attended the Federation of Tax Administrators annual conference and discussed negotiations other states have had with the company. Apparently, they are becoming ever more insistent on confidentiality of their terms. We continue to find that states' approaches to the company are colored by the local tourism climate – varying from willingness to forego regulation in other areas (such as health and safety) for revenue, to a tougher approach forged on opposition from local lodging concerns such as traditional BnBs, who would just as soon the platform was shut down. Our next call is scheduled for next week.

Remote Vendors/Quill and Amazon: There was a great deal of discussion about So. Dakota and Alabama's direct challenges to overturn the physical presence requirement to force collection of taxes by any vendor doing a relatively low level of business in the state, and Colorado's reporting requirements (these are the measures that VT piggybacked on this year, effective 2017). All three states are now in court with some big retailers, and expect protracted litigation (meaning we will likely join them next year!). Many commented that they thought the key to winning in the US Supreme Court would be assurances that the new rules would not be applied retroactively – So. Dakota wrote this into their law. Some industry observers opined that given the different approaches the states are taking, even if states win in court, Congress may react with protectionist measures – such as very high thresholds to impose collection, or sourcing by origination rather than destination (the Goodlatte bill in the US House).

Fraud: Much of the FTA meeting was spent on fraud. States are taking a variety of approaches – using analytics to shut down sketchy practitioners, identity quizzes (mixed results), teaming with financial institutions who do their own analytics on patterns of deposits, holding vendors and employers to higher disclosure standards upon a data breach. The most buzz was the “Selfie” authentication of returns – biometric matches to driver license pictures. Will be in use in 3 states next year.

Tax Advisory Board Meeting: We had a very constructive meeting with our Board, which now includes the former RI Commissioner who is working for a national practitioner group. They suggested taking a very hardnosed approach to Intuit, and had some helpful suggestions about more communication that the Department can put out both around the software errors and the rollout of business taxes into VTax. Specifically, we strategized how we can explain diplomatically that we saw a variety of user errors/challenges in using our new online portals (struggles with two factor authentication protocols, use of outdated forms, sending in paper checks that lag behind processing of the electronic return). The problem is that public perception is that the new software has issues, where the problem is really assisting a larger group of taxpayers than we anticipated who are technologically unsophisticated.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: June 17, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates:

Press Issues/Releases/Contacts:

Significant Events/Meetings:

On June 10th, I met to discuss process of implementing the use of hand-held scanners for product delivery to liquor stores. This will greatly enhance the Department's ability to track and account for product inventory, and streamline the Warehouse audit process.

On June 14th I met with the local Microsoft representative to discuss their level of service to the department and to answer questions about the Windows AX software program that is being used in several other control states for retail POS machines and integration with warehouse operating systems

On June 15th I met with individuals representing the Vermont Brewers Association and the Distillers Association. We discussed their needs, present service levels and request for a bullet point presentation on issues germane to their industries that they would like to see addressed during the Title 7 re-write.

On June 16th I meet with DLC staff to discuss consolidation options for licenses and permits. This is another chapter in the Title 7 re-write.

Summary of Key Department Activity:

Agency Issues: Liquor agency sales for Shelburne and Harmonyville are in process.

Staffing:

The Department is in the interview stage for the Warehouse vacancy, and will seek to fill the soon-to-be vacant Principal Assistant position as soon as possible.

Commissioner's Commentary:

We continue to set the groundwork for internal operational changes that will be necessary to implement more significant change to our operational procedures.

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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: **June 17, 2016**

Water Quality Staff had consultation meetings with 9 LFOs and discussed Agency direction, LFO's permit compliance, and reviewed insufficiencies with LFO's nutrient management plan. The majority of Nutrient Management Plans for the Large Farm Operations need adjustment. All construction approvals have been put on hold until nutrient Management Plans are updated. Many LFO farms are not pleased but the Nutrient Management Plans have several deficiencies.

Senior Agriculture Market Development Specialist Zipparo Meets with Statehouse Buy Local Market Planning Partners to Discuss Key Issues. BGS's Deb Ferrell and John Hebert, VAAFM's Zipparo and Faith Raymond, ANR's Celia Riechel and Capital City Farmers' Market manager, Ashton Kirol attended this planning meeting. The event will take place August 10, 2016 from 10am -2pm on the Vermont Statehouse lawn. This is the second year for this event.

Animal Health Section provided an Assurance of Discontinuance to a swine producer who violated swine import regulations by diverting slaughter only sheep from slaughter and shipping them to his farm. Slaughter-only sheep are exempt from a Certificate of Veterinary Inspection and certain testing requirements as the animals must be shipped directly to a slaughter plant with no interim stops and therefore don't represent a direct disease threat to VT's domestic swine herd. The AOD suspended half of the proposed administrative penalty for a period of one year and would be removed if the producer remains compliance with VT's livestock regulations for a period of one year. The agreement was reached amicably through a pre-hearing.

A Notice of Violation will be issued to a licensed livestock dealer who illegally imported five horses from NY and then subsequently illegally exported two of those horses to NH. New York is currently experiencing an outbreak of Equine Infectious Anemia in its horse population, a disease for which there is no cure and infected animals must be quarantined for life or euthanized. The actions of this dealer put Vermont horses at risk for this serious disease, and the monetary penalties proposed in the NOV will be maximized.

Meat Inspection staff is extremely busy this time of year, as most slaughter and processing establishments are in full operation and we continue to provide relief coverage to several federal plants. Supervisors are also covering inspection assignments to ensure all are covered.

The Agency brought together representatives of the Vermont Planners Association, regional planning commissions, the Vermont League of Cities and Towns, Vermont Natural Resources Council and the Farm Bureau to discuss how to further a collective interest to encourage business growth that can both preserve the working lands and serve Vermont's communities. Many of these individuals also wear other hats and shared these other points of view from these different perspectives.

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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: June 17, 2016

Press Issues/Releases/Contacts:

- Henry Marckres, Chief, Consumer Protection, was interviewed by Lisa Rathke of AP on 2016 maple syrup production. The story went nationwide.
- Henry Marckres, Chief, Consumer Protection, was interviewed by Lesley Engle of Local 22 & 44 on the maple season.
- State Entomologist Alan Graham was on WCAX discussing Fireflies. Here is the piece on fireflies that aired on WCAX last night. <http://www.wcax.com/story/32222515/wildlife-watch-firefly-facts>
- Cassie Horner, a local writer, is interested in interviewing Alan Graham on Wednesday afternoon on his role as state entomologist. She is hoping to write a piece for her column "Around & About" in Woodstock Magazine.

Significant Events/Meetings:

- Animal Health Section provided an Assurance of Discontinuance to a swine producer who violated swine import regulations by diverting slaughter only sheep from slaughter and shipping them to his farm. Slaughter-only sheep are exempt from a Certificate of Veterinary Inspection and certain testing requirements as the animals must be shipped directly to a slaughter plant with no interim stops and therefore don't represent a direct disease threat to VT's domestic swine herd. The AOD suspended half of the proposed administrative penalty for a period of one year and would be removed if the producer remains compliance with VT's livestock regulations for a period of one year. The agreement was reached amicably through a pre-hearing.

Evolving Issues:

- Animal Health Section is working the USDA Veterinary Services regional office in Sutton, MA, to provide outreach to small ruminant owners, veterinarians, and livestock dealers regarding official identification options for earless goats, like Lamanchas. It's more complicated than you would think.
- Assistant State Veterinarian provided to the VAAFM lab new equine infectious anemia testing requirements from USDA Veterinary Services for certified labs.
- Animal Health Specialists visited a noncompliant cervid farm this week to attempt to complete the required annual herd inventory. This was not possible since the farmer did not present the animals for inspection as required. A Notice of Violation will be issued as the noncompliance issues have been ongoing for an extended period.
- Kristin Haas, State Veterinarian, responded in writing to a disgruntled Addison county dairy farmer who is concerned that he has not received his portion of the class action settlement involving DFA. Since VAAFM was not a party in the case, the farmer was referred to a lead plaintiff who can answer his questions. The farmer also wanted dairy industry statistics, some of which is proprietary information and some of which the Agency does not maintain, so nothing was provided to him in that category.

- Kristin Haas, State Veterinarian, participated in a conference call with the executive director of the United States Animal Health Association (USAHA) and a NASDA representative to discuss ways that NASDA and the USAHA can better collaborate on livestock health issues. Haas is the 2nd VP for USAHA and is responsible for leading the development of one of the USAHA's strategic plan goals – increase membership and engagement of current members. Conversations on this topic will be ongoing.
- A Notice of Violation will be issued to a licensed livestock dealer who illegally imported five horses from NY and then subsequently illegally exported two of those horses to NH. New York is currently experiencing an outbreak of Equine Infectious Anemia in its horse population, a disease for which there is no cure and infected animals must be quarantined for life or euthanized. The actions of this dealer put Vermont horses at risk for this serious disease, and the monetary penalties proposed in the NOV will be maximized.

Summary of Key Agency Department Activity

Administration:

Agricultural Development:

Land Use Section

- Last week, the Act 250 Coordinator attended a site visit and hearing for the Greaves Farm Master Plan. Greaves Farm, LUP # 5L5100 and associated amendments, is located in Morristown and comprises of roughly 332 acres spread across 4 distinct development areas. In total the Applicant is proposing to impact 7.5 acres of primary agricultural soils, and due to the multipliers, the Agency requests 15.65 acres of onsite mitigation. The design, which minimizes impacts to primary agricultural soils, would divide the onsite mitigation across numerous landowners. The Agency requests that all onsite mitigation be under the control of one landowner, and collocated with the existing 18.6 acres of onsite mitigation. The Act 250 Coordinator presented the Agency's position at the hearing with the Applicant, interested parties, and the Commission present. The Agency is waiting on a revised proposal and/or a hearing recess order from the Commission and Applicant.
- The Land Use Section hired Bradley Kennedy as a summer intern. Bradley will spend the summer with the Agency (before going overseas! to begin graduate studies) completing statewide data collection and research concerning the use of onsite mitigation land protected by permit condition through the Act 250 statewide land use review process. This is an expansion of last summer's research that looked at [onsite mitigation areas in Chittenden County](#). This research will help the Agency understand what limitations might exist to using mitigation land for the purposes of farming and what policy or programmatic changes it can consider that might encourage the use of the land for farming.
- The Agency brought together representatives of the Vermont Planners Association, regional planning commissions, the Vermont League of Cities and Towns, Vermont Natural Resources Council and the Farm Bureau to discuss how to further a collective interest to encourage business growth that can both preserve the working lands and serve Vermont's communities. Many of these individuals also wear other hats and shared these other points of view from these different perspectives.
 - A significant portion of the discussion concerned the Agency's application of jurisdiction as guided by the Required Agricultural Practice Regulations, and the process for obtaining a determination as it exists today. The convened individuals are leaders in the planning community and it was worth making sure this process is understood so each can share in their interaction with their colleagues.
 - Goals shared by the group included viable working farms and forests, regulatory clarity and a clear path for those that want to diversify farm operations. Individual goals include VLCT wanting no mandates placed on municipalities to act (such as a mandate to develop zoning standards that enable on-farm enterprises) or otherwise impact a municipality's ability to enact its own regulations to regulate land uses. Equity in regulation of all businesses types was a goal shared by VLCT and VNRC (why should on-farm enterprises be different from other businesses?). The group also discussed what "rural" means and the conflict between residential uses and farms, and managing individual interpretations of what is "rural," and understanding the reasons why a place looks the way it does is a function of its use- in this case working farms and forests.

- The next meeting the group is on June 22 when we will hear from a municipal official, a farmer and DRB member, and an individual that helps farms with business planning. Items for future discussion include approaches used by other states that have tackled the farm diversification issue, and set a course for our own Vermont solution.

Senior Agriculture Market Development Specialist Zipparo Meets with Statehouse Buy Local Market Planning Partners to Discuss Key Issues

- BGS's Deb Ferrell and John Hebert, VAAFM's Zipparo and Faith Raymond, ANR's Celia Riechel and Capital City Farmers' Market manager, Ashton Kirol attended this planning meeting.
- Issues around alcohol sales, parking, outreach, and solid waste were discussed.
- BGS is a close partner in the event, and has several staff working closely with VAAFM on leading the coordination and operations of the event.
- This year, ANR will be partnering with VAAFM and BGS on getting a strong message out to SOV employees and the general public about Universal Recycling.
- The event will take place August 10, 2016 from 10am -2pm on the Vermont Statehouse lawn.

Vermont Farm to School Coordinator Zipparo Attends Local Procurement Train the Trainer Training at USDA FNS Office in Boston

- VAAFM will conduct more training for food service and farmers on more easily buying and selling local food to schools in Vermont.
- USDA procurement regulations have made local procurement a challenge for some, so VAAFM's farm to school program will take on more of a leadership role in educating supply chain partners.
- The training was provided by Danielle Fleury, Northeast Coordinator for USDA Farm to School.
- Zipparo will be one of three people trained in Vermont by USDA FNS on local procurement for schools.

Food Safety and Animal Health and Consumer Protection:

Dairy

- Dairy section program managers and VAEL supervisors are discussing a revised protocol for testing of water samples/issuance of water certificates in light of the amendments made to the PMO at the last National Conference of Interstate Milk Shippers meeting. Conversations are ongoing at this time.

Animal Health:

- Animal Health Section provided the some-what quarterly newsletter to VT veterinarians. The newsletter provided information on feral swine reporting, free emergency response courses available to veterinarians, the equine disease communication center, an update on animal shelter/rescue registrations, among other things. Archived editions are available on the Animal Health Section of the VAAFM website.
- Assistant State Veterinarian participated in the national state-federal cervid health call
- Animal State Veterinarian met with staff from VAAFM's communication department regarding the creation of an education handout for livestock stakeholders that provided text and visual information regarding types of official identification for livestock species.
- Animal Health Specialist Bartlett is working with Pete and Jerry's company to complete HPAI biosecurity assessments on their VT contract growers' farms.
- Followed up on an animal welfare referral from the ARM Division at a farm in Charlotte - no issues found at this time
- Met with a food animal veterinarian to learn more about the Food Armor program.
- Completed revisions to the Umbrella cooperative agreement work plan as requested by USDA program administrator Connie Weekly
- Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report

- Completed the annual testing and inspection at a National Poultry Improvement Plan participant farm in Vergennes VT.
- Participated in an Animal Disease Traceability quarterly call-in meeting.
- Participated in a Biosecurity assessor training webinar hosted by the California Department of Agriculture. The training was developed in response to the HPAI outbreak of 2014/2015.
- Received livestock dealer license, bond and payment for an auction management company in NY that is having a short notice dairy sale in West Rutland Vt. The company advertised the sale without first procuring the required dealer license; this company is perennially problematic, and were it not for the negative impact on the dairy farmer who is having the sale and who was not at fault, the enforcement plan would have been stricter.

Consumer Protection

- Henry Marckres, Chief, Consumer Protection, was contacted by Mary Donchez of Harvard, who is working on a Master's thesis on maple.

Meat Inspection:

- Asst. Director beginning work on applying for the Cooperative Interstate Shipment Program with USDA.
- Meat Inspection continues to work with Animal Health, USDA/FSIS, USDA/APHIS and several other states regarding interstate movement of animals to slaughter at a federal slaughter establishment in the state.
- Inspection staff is extremely busy this time of year, as most establishments are in full operation and we continue to provide relief coverage to several federal plants. Supervisors are also covering inspection assignments to ensure all are covered.

Agricultural Resource Management:

North Lake Farm Survey Initiative:

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 360 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. To date, over 350 farms have been fully surveyed and approximately 5 farms are left to survey as part of this effort.

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

- Staff have finished processing annual report submissions from MFOs and are contacting MFOs that have not submitted their annual report materials.
- Staff are preparing documentation for the ARM Division Enforcement Section as a result of review of LFO annual reports. The review included nutrient management plans (NMPs) submitted by LFOs as part of their annual reporting as well as other permit compliance concerns.
- Staff had consultation meetings with 9 LFOs and discussed Agency direction, LFO's permit compliance, and reviewed insufficiencies with LFO's nutrient management plan.
- Staff are continuing to work on and test the FoodSafety Water Quality database. The Agency recently hired a new project manager and we are currently developing a new strategy to complete the water quality database. Additional team members are assisting with database testing to hasten database go-live.
- Visits to 8 SFOs in Franklin County were conducted as part of the North Lake Contractors initiative where contractors will provide case management services to farms that need assistance to improve water quality as a result of North Lake Farm Surveys.
- Staff conducted 1 MFO inspection and 9 SFO inspection and started writing reports as part of an assistance effort with Vermont Housing and Conservation Board.
- Staff continue to coordinate with North Lake contractors as projects move forward
- Staff conducted 4 SFO inspections and started writing reports as part of an assistance effort with Vermont Housing and Conservation Board.
- Staff attended ACEP ALE partner meeting in Montpelier
- Staff conducted 2 LFO annual inspections and started writing reports

- 2 SFO complaints were investigated and reports are being written
- 1 SFO and 2 LFO compliance checks were performed and reports are being written up
- Due to increased staffing efforts, supervisors are working on restructuring farm inspection zones.
- Staff have started reorganizing LFO and SFO files and are making sure paper files are consistent with the shared drive.
- Staff attended an additional Memphremagog partner meeting in Newport to inform partners of ongoing water quality efforts in the watershed
- Staff attended an additional ACEP ALE partner meeting in Montpelier and reviewed one of those plans
- Staff collected a water sample as part of a complaint investigation

+CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: June 17, 2016
Re: Weekly Report

Status of Governor's Priorities:

none

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

none

Significant Events/Meetings:

none

Evolving Issues:

none

Summary of Key Agency Department Activity:

It is clear now that our YTD sales will reach approx. \$124 M by the end of June, beating last year by \$12 M (11%). It is too early to estimate profits. The record Powerball jackpot was responsible for \$4 M of this growth.

Executive Director's Commentary:

I have been away from the office most of the past three weeks at meetings and conferences. Now that I am back we will focus on completing some key tasks such as reorganizing our warehouse fulfillment area, filling our three open positions and closing out this fiscal year.

I have begun negotiations with Intralot for reducing our liability for the lease on the game consoles that are being removed from bars and restaurants.

Sent from my iPad