

WEEKLY REPORTS

Checklist
July 29, 2011

Bill Lofy

☒ Agency of Commerce and Community Development – Lawrence Miller

☒ Agency of Agriculture – Chuck Ross

☒ Agency of Transportation – Brian Searles

☒ Department of Labor – Annie Noonan

Alex MacLean

☒ Agency of Natural Resources – Deb Markowitz

☒ Department of Public Safety – Keith Flynn

☒ Public Service Department – Liz Miller* (shared with Beth)

Susan Bartlett

☒ Agency of Human Services – Doug Racine

Beth Robinson

☒ BISHCA – Steve Kimbell* (shared with Anya)

Jeb Spaulding

☒ Agency of Administration – Jeb Spaulding

Special Reports

☒ Additional Report: Education

☒ Additional Report: GIRO

☐ Additional Report: _____

6/28

MEMORANDUM TO GOV. PETER SHUMLIN

To: The Honorable Peter Shumlin
From: Governor's Information and Referral Office
Date: July 29, 2011
RE: Weekly Constituent Update

Current Issues

- Many calls from Grand Isle County urging you not to appoint **Ray Allen** to fill his wife's position. Most cited corruption within the department as the reason for not supporting Mr. Allen's appointment.
- Morgan Brown created a petition on change.org regarding the **Vermont State Hospital**. I consulted Christine Oliver and drafted a response.
- The **Union of Concerned Scientists** have started an e-mail petition to encourage heightened safety in the NRC. Consulting on how to respond.
- People have been e-mailing regarding **Dan Fogel's compensation package**, response is written.

Intern/ Fellow's Report

Catherine:

- Met with Mike Mitchell and Cary Giguere (separately) to continue data collection for statistical profile of agriculture in our state. In addition, I corresponded with Dan Scranton, Diane Bothfield and other folks inside and outside of the agency to acquire data.
- Sent out more pardon application forms to constituents
- Corresponded with constituents on a variety of issues (Lowell wind, health insurance and economic stress, and more)

Elise:

- Pulled together questions from 2007 Deliberative Polling event on the topics of thermal efficiency, feed-in tariffs/standard offer, and commercial wind for new VPIRG public engagement poll.
- Sorted and summarized last of stakeholder comments for CEP.
- GIRO correspondence: topics including corrections, Lowell/Eden asbestos mine, property taxes, unemployment, Grand Isle Sheriff appointment.
- CEP team meeting and cabinet meeting on policy options and draft updates.
- Worked on rollout of public input documents.

- Began gathering energy materials for "Governor's Priorities."
- Began helping Susan Bartlett on JAG project.



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Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: July 29, 2011
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Status of Governor's Priorities:

Governor's priorities intact.

Legislative Issues/Contacts:

BGS Commissioner Obuchowski met with Caledonia side judges Vance and Kennedy regarding lease of sheriff's office in the court house. In seven years the lease agreement has twice committed the county to go to the FFS rate at lease expiration only to have the county budget not reflect the agreed upon rate. BGS has subsidized the county over \$112,000 over the years. BGS consented to a one year lease at the county's proposed rate with the remainder of the lease to get to FFS yet to be negotiated. Sens. Kitchel and Benning and Rep. Toll contributed constructively to the discussion.

Called Sen. Hartwell and Rep. Emmons to inform them about the Bennington Rest Area delay.

Press/Media Notes:

Talked with Neil Goswami, Bennington Banner and Patrick McArdle, Rutland Herald about the delay in construction of the Bennington Rest Area. The delay is the product of the project not being included in the STIP, qualification for federal funding and a local Bennington permit.

Significant Events/Meetings:

BGS met with EVT regarding their 7.5% energy use reduction program over the next two years. BGS intends to enroll in the challenge program.

Met with Cathy Voyer, AGC, to plan for BGS-Contractors round table in November. In the contractors' opinion, what is BGS doing that is correct or wrong will be one of the roundtable discussion questions.

BGS met internally on “Leasing procedure handbook”, an attempt to pass on knowledge and process. Participated in conference call with Dummerston town officials and officers of the education collaborative to get title to the former Regional Library transferred to the collaborative ASAP.

FINANCE AND MANAGEMENT

Issues Update:

Finance & Management

Public Records Study Committee: Deputy Commissioner Susan Zeller testified before the legislative summer study committee charged with: 1) developing a recommendation to the General Assembly about if and how the State’s public records laws should apply to outside entities that perform government services; and 2) review 200+ Vermont statutory exemptions from public records to determine which they will recommend be narrowed or eliminated. Zeller testifies on the possible implementation of the expansion to contractors: how Administrative Bulletin 3.5 – Contracting Policy & Procedures (“3.5”) currently works; how 3.5 could/would accommodate any expansion; and the impact of expanded public records on department/agency contracting and administrative staff. Zeller’s testimony followed that of Beth Robinson, Special Counsel to the Governor who provided the committee with several points of complexity that the committee should consider when determining if and to what extent the public records laws be expanded.

Financial Operations (FinOps) Division:

Self Assessment of Internal Controls - Statewide results from the annual *Self-Assessment of Internal Control Questionnaire* reflect the 6th consecutive year of improvement in the State’s overall system of internal control. Individualized results were distributed to all departments on July 22nd and included three performance metrics intended to help departments strengthen their system of internal control by identifying areas of risk and opportunities for improvement. Validation reviews (“trust but verify”) will be conducted in the near future for a random sample of questionnaires. Self-assessment is a management tool that clarifies expectations and reinforces departments’ responsibility to maintain adequate controls in their operations. Through this process departments gain a greater understanding of financial controls, best practices, administrative requirements and methods to protect assets from loss or abuse. The iterative process of the self-assessment model functions as an incentive for continuous improvement and has had a positive impact on the accuracy, quality and timeliness of our financial processes and data while minimizing operational risk. The foundation of internal control is a strong control environment (“tone at the top”) and our overall internal control initiative (i.e., self-assessment, best practice documents, newsletters, reviews, etc.) has been highly successful, resulting in the elimination of a statewide audit finding and an absolute win-win for departments and Finance & Management. We routinely receive inquiries and compliments from our peers in other states and organizations on our program and the material we’ve produced.

FY 2011 Year End Closing: Financial Operations has completed the first phases of 2011 year end close and will now be moving on to the next phase of developing the financial statements for the Comprehensive Annual Financial Report (CAFR).

HCM/Time & Labor Upgrade: Time and Labor Training was conducted this week in the VISION Training Room. This training has been a real eye opener in regards to the quantity and complexity of

rules that need to be established in this module to assure that payroll is calculated correctly. It will be very important that the Labor Relations Division of DHR is very active in the implementation of this module over the course of the project. A Statewide kick-off is in the planning stages. A draft presentation is complete. The current strategy is to hold project overview sessions in Montpelier (several), Waterbury (several), Burlington (one or two), and webinars. A strategy for addressing the Leadership & Goal alignment recommendations is in process.

Employee Expense Reimbursements – FinOps Directors Brad Ferland and Tori Pesek will be meeting with ANR-Central Office and the Education Department (DOE) in early August to discuss concerns they have with recent changes in how the Payroll Division processes employee expense reimbursement requests. In the past, an excess amount of time and effort was required by the Payroll staff in attempting to interpret illegible (handwritten) forms, rather than returning them to departments for clarification. This practice too often resulted in errors and additional problems for employees, departments and Payroll. As of March 2011, Payroll no longer accepts hand-written expense reimbursement forms (the form has been a fill-in Excel spreadsheet developed by Human Resources years ago). This is the issue to be discussed with ANR and DOE.

VISION Module Training – VISION User Manuals are in the process of being updated to reflect the recent changes associated with DII's recent computer server migration from 133 State Street to National Life. Once completed, the next round of VISION module training, tentatively scheduled for October will proceed.

Bond Issuance Cash Flow Requirements - FinOps is beginning the annual process of working with departments to understand the cash flow requirements of the most recently passed capital construction act. The cash flow requirements will drive the amount of debt that will be issued this fall.

Budget & Management (Budman) Division:

BDS Replacement Project: The Department's procurement of a new budget system continues to move forward. On July 15, the Department posted a Request for Information (RFI) under which we will ask at least three software vendors to conduct in-person presentations of their budget software products. Interested vendors have been submitting questions during the Q&A period. An initial triage of responses will take place, with presentations from at least three finalists to take place in August.

The division has begun recruitment for a new budget analyst in the human services policy area. The position was posted on July 11 and is "open until filled." We are currently reviewing the first batch of applicants for potential interviewees.

HUMAN RESOURCES

Status of Governor's Priorities:

Green Mountain Care Nominating Committee: DHR has facilitated the Green Mountain Care Nominating Committee's efforts to identify potential Board members. The Committee has completed its task and a list identifying 22 candidates was sent to the Governor yesterday. DHR is working with Liz Bankowski to advise all applicants of the status of their candidacy. Commissioner Duffy will also draft letters for the Governor to thank the Nominating Committee members as well as Chris Graff, who let us hold some of the meetings at National Life.

Evolving Issues:

Lieutenants' Request for Classification Review: Vermont State Police Lieutenants have submitted a request that their job duties be reviewed and their jobs reclassified to a higher pay grade. Molly Paulger has interviewed some of the lieutenants and representatives from management to assess the current scope of job duties. It is possible that as a result of this review the Lieutenants will be considered managers and would no longer be eligible for membership in the VSEA Supervisory Bargaining Unit. They could then seek to have the benefits of the VTA contract extended to the lieutenants. The VSEA will contest any such reclassification, which could delay the beginning of bargaining for new collective bargaining agreements, currently scheduled to begin in late August.

INFORMATION AND INNOVATION

Evolving Issues:

Constituent Management System: To date, DII has received a single response as the result of a simplified bid process for a Constituent Management System. We sent Statements of Work to three vendors. Lockheed Martin Desktop Solutions Inc. (DSI) proposed we use their Intranet Quorum (IQ) solution that includes constituent management features as well as business process management. The Governor's Office may be one of the first users of such a system.

DHR and DII are working with the VSEA to make sure we are on the same page around the requirement for background checks for some employees who will have access to Criminal Justice Information during and after the consolidation of the DPS system into the enterprise system managed by DII. VSEA is polling members affected to see if they have objections. To date, we have heard no objections.

Issues Updates:

After more than a year in development the Fire Safety website is scheduled to go live next week. The Governor's new Communications Director has been trained to support their Web site.

Agency/Department Requests:

Public Information Request: DII sent a copy of the Silanis and IBM contracts for Electronic Signature to vtdigger.org on Tuesday, 26 July. Vtdigger (Taylor Dobbs) made the request after reading the IBM press release this week.

LIBRARIES

Significant Events/Meetings:

Vermont Get Online: Libraries has been working with Matt Dunne (Google) and others on a variety of proposals for funding that connect communities and technology, specifically: (1) deploying community videoconferencing in public libraries (the big hurdle here is the lack of high-speed, high-capacity broadband in our libraries); (2) developing WIFI hotspots at all Vermont public libraries (according to the latest statistical report from libraries in November 2010, 135 libraries have public WIFI), and (3) expanding public computing centers across the state, including in public libraries. Marty Reid will provide copies of what they put together next week.

The Department of Libraries joins the list of partners in the Google project. See:
<http://www.vermontgetonline.com/partners>

Other

Digital Literacy for Vermonters: No matter where Marty goes in this state, she hears about the need for widespread computer training and digital literacy skill training for Vermonters of all ages. Libraries have been working on these issues for years and will be part of the solution in this state, along with many other partners. Reid spoke with Lawrence Miller about this and understands he is working with the Governor on a statewide initiative. Marty applauds this and want to make sure that the Department of Libraries is actively involved in such an initiative.

As we help our libraries help citizens be equipped for what they need to be informed, engaged, and successful in the 21st century, one document that Libraries is using is the report issued by the Institute of Museum and Library Services: *Museums, Libraries and 21st Century Skills*. The full report is at: <http://www.vermontgetonline.com/partners>

TAXES

Nothing to report from Tax this week.

CONFIDENTIAL and PRIVILEGED—No Sharing

To: Governor Peter Shumlin
From: Lawrence Miller, Secretary, Agency of Commerce and Community Development
Date: July 29, 2011
Re: ACCD Weekly Report

Status of Governor's Priorities:

Top Credit Card Listing: Vermont has made the CardRatings.com list of the Top Ten States with the Best Credit Health. This list, written by nationally respected credit expert, Curtis Arnold, was featured recently in an article on CardRatings.com. It was compiled using a quantitative formula that took into account credit score, foreclosure rates, credit card delinquency rates, unemployment rates, and bankruptcy rates. The Huffington Post and Fox Business are among the web sites that have highlighted the CardRatings.com list of best states for credit.

Evolving Issues:

Beecher Falls Energy Park: Pat MP met with Quebec and Vt. Officials regarding feasibility work being conducted for an "energy park" near the Ethan Allen plant in Beecher Falls. The feasibility work is critical to know if we could tap in to the natural gas pipeline near the facility, what companies might move there, and how to "light up" the exiting but dark fiber optic cable already in the ground. Pat talked to an economic development minister for the eastern townships about doing a joint project such as this. The feasibility work will be done in 6 months.

Department of Economic, Housing and Community Development

Commissioner MacKay and Deputy Commissioner Hollar

- Jen was away this week, vacationing with her family.
- Noelle chaired this month's **Downtown Board meeting where \$1,825,000 in tax credits** were awarded. (see the Community Planning and Revitalization section of the weekly for more details).
- Along with Commissioner Miller and the Governor, Noelle attended a press conference to kick off the **Energy Leadership Challenge**.
- Work on filing the **Director of the Creative Economy** hit a snag this week. But thanks to help from Kathy, Kitty and Commissioner Duffy and her staff we are working our way through the HR process. Noelle and Joe are working on developing a strategic plan for the program while waiting for the position to be announced.
- Noelle spent Thursday in **Lamoille County** meeting with the ED's from the RDC and RPC as well as the Town's economic coordinator and liaison with the Downtown Organization. These groups all seem to be coordinating efforts and working well together. Noelle also met with David Marvin of Butternut Mountain Farms and received a plant tour as well. David shared why he feels that Vermont is a great place to do business.

Business Support

- **SB Electronics, Inc.:** Sam Anderson of CVEDC and Ken Horseman met with company officials at their request to begin planning for a Supply Chain Open House to be coordinated by the department. Companies will be invited to a half-day event and a tentative date in October is being considered, and when firm the governor will be asked to make welcoming remarks to attendees.
- **Swan Valley Cheese:** An excellent event was held earlier this week in Swanton as the Governor announced the grand opening of Swan Valley Cheese.

- **Revitalize Waterbury:** Kiersten spoke to a small group at RW's request about the Jobs Bill as well as review existing programs and services, such as VTP and VEDA. Representatives Ellis and Stevens were in attendance. She also picked up one expansion project – Laughing Moon Chocolates.
- **WCW:** Kiersten and Chris Cochran had a very productive discussion with company representatives, including the CFO, to talk about space needs and tax credits.

Community Planning & Revitalization

- **Downtown Program:** On Monday Downtown Board allocated \$1,825M in tax credits to support nearly \$30M in building improvements in Vermont's Designated Downtowns and Village Centers. Larger projects (Winooski's My Web Grocery and Burlington's Wharf Lane) as well as smaller projects in Bellow's Falls, Gilford and Barre were funded. We will forward details on the projects and hope to hold a press conference with the Governor. The Board also renewed the Downtown Designations for Bristol and Winooski and re-Designated Bradford.
- **Downtown Program goes International:** On Tuesday, Leanne traveled to Coaticook, QC along with representatives of the city of Newport and Newport City Renaissance Corporation for the initial meeting of Jumelage, or "Twinning" in French. It is hoped that there will many more meetings of both officials and volunteers of both downtown organizations to learn best practices from one another that will have economic benefits for the entire region.
- **Federal Historic Credits and Energy Efficiency:** An upshot of the gathering Brattleboro to discuss energy efficiency, affordable housing, and historic preservation is a \$50,000 federal grant to UVM to address the research needs identified at the meeting

Financial Services

- **Vermont Captive Insurance Association Annual (VCIA) Conference:** the largest captive insurance event in the world will be held in August from the 9-11 and the Governor will be providing opening remarks.
- **Business Insurance Magazine Q & A with Governor Shumlin:** This magazine is the largest weekly trade magazine for the insurance industry and last year the content from the "Show Daily" was also featured in the weekly magazine and on the web.

Historic Preservation

- **HUD EDI Grants:** Diane has been working with grant recipients, Senator Sanders' Office, and the consultant that was hired to work with the recipients. The process is taking shape and legislators have been informed of the projects in their districts that have been approved.
- **Barn Census:** Josh travelled to Essex County to inventory barns in several towns, including Norton, Averill, Lemington, and Bloomfield. Deborah Ormsbee, a teacher at the Jean Garvin School in South Burlington, is working with us to develop a curriculum for high school students based on the Barn Census.
- **Soldiers Atop Mount Independence:** Thanks to the 50 or so reenactors who came for the annual Soldiers Atop the Mount living history weekend this past weekend. The heat hurt attendance so we are talking with the reenactors finding another weekend later in the year, when there wouldn't be the usual heat wave or monsoon issues.
- **Chimney Point & the Bridge Project:** Elsa attended a bridge opening logistics planning meeting on Wednesday. Whether the event is held this October or next spring, the planning has to continue. On the Vermont side Flatiron continues working on carefully curing the concrete poured for the deckwork.
- **Rutland County, Grandpa's Knob Wind Farm:** Devin and Julie had an introductory teleconference with the potential developers of a new wind farm in Rutland County. The site is immediately adjacent to the Hubbardton Battlefield, a State-owned Historic Site.
- **The Environmental Review Team commented on the following projects:**
Conditional No Adverse Effect (Canaan, Town of Canaan Wastewater System Upgrades)

Housing

- The **2001 Mobile Home Park Registry and Lot Fee Invoice** was mailed to all park owners and are due by September 1.
- Arthur helped the new bookkeeper for the **Tri-Park Housing Cooperative** in Brattleboro with the ins and outs of giving a lot rent increase for Tri-Parks three mobile home parks, including the requirements for a capital improvements surcharge. A leaseholder also contacted Arthur for information about their rights, in anticipation of the rent increase notice.
- The real estate agent for **LeBlanc's Mobile Home Park** in Barton contacted Arthur for further assistance with the sale notice.

Vermont Global Trade Partnership

- **AN Deringer, Inc.:** interested in organizing an educational program for VT food products companies to learn about FDA initiatives. A Food & Drug Administration seminar is planned on Tuesday, September 20, in St. Albans
- **Champlain College:** met with Jim Cross, President of EDVTUSA to discuss the program and the VGTP's role in helping with the organization's inaugural international activities.
- **Draker Laboratories, Inc.:** met to follow up on recent VGTP technical assistance and to provide an overview of how the Leahy Earmark funds can be used by Vermont businesses. Draker has more than tripled its staff over the past year with over 30 employees on board in their new location in the Maltex Building on Pine Street in Burlington--and they anticipate a lot more growth.
- **Mylan Technologies, Inc.:** The VGTP is working with Allocca Enterprises and Allison Hickey to arrange Harmonized Tariff Schedule/Schedule B training for Mylan staff.
- **Century International Arms, Inc.:** met with to discuss the company's immediate ITAR training needs.
- **Hubbardton Forge:** The VGTP directed them to a US Commercial Service training program titled, European Union: Complying with RoHS II which their staff attended.

Vermont Training Program

- **Vermont Smoke and Cure:** discussed whether or not the Vermont Training Program (VTP) would be helpful. At this time they may submit a proposal to VTP for new hires and some assistance with process flow & set up.
- **Seventh Generation:** met to discuss a proposal for funding to the Vermont Training Program (VTP). The company has a new CEO and is moving into a broader customer base. Due to this shift the company is focusing on organizational development. A complete funding proposal will be submitted in early August.

Tourism & Marketing and Vermont Life

Commissioners Report

- **Colchester Bridge Re-opening:** The celebration in the Town of Chester for the bridge re-opening was a huge success. Governor, Thank you so much for attending. This community has given us a model to use moving forward and Sue Minter and I will be sure to keep it going.
- **Porter Air:** Porter air talks are moving forward – next step is to get them here for a tour. Although we have the capacity to do the customs here in a building adjacent to the airport, it is not ideal. The DC delegation is working hard to help us get the clearance at City Airport in Toronto.
- **VermontWeddings.com:** Both vermontweddings.com and Vermont Innkeepers associations are becoming a reality so that we can start regaining our ground in these markets. Marketing these groups will become part of our strategy in 2011-2012.
- **Manchester Chamber Annual Meeting:** Megan spoke at the Manchester Chamber annual meeting. Over 100 members were there and they announced the opening of their new visitor center in downtown Manchester. Lots of emphasis was placed on our upcoming opportunities in Japan, Canada and Brazil

since those markets love to shop and we are putting effort into all of them in the near future. Chris Vickers, new VP of marketing for Vermont Country Store was very interested in forming a partnership with us. Steve will follow up with him.

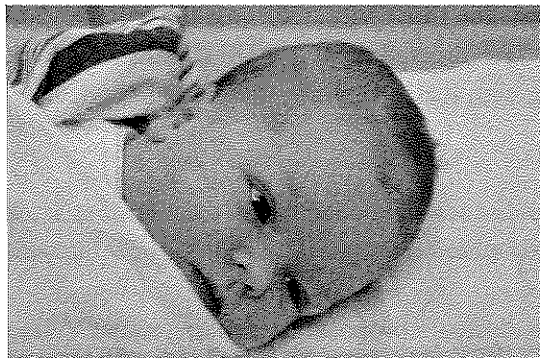
- **Diversity in Marketing:** Steve and Megan had a very productive meeting with Kesha Ram and Hal Colston concerning diversity. This is obviously a much bigger issue than tourism and we committed to bringing Lawrence and other key players to the table for further discussion. In the mean time, Kesha has given Megan homework reading and ways to further venture into more ethnic and cultural diverse tourism options. When summer vacations are over we will schedule the more expanded meeting.
- **Vermont Life magazine Advisory Board Meeting:** Deputy Commissioner Cook let the Vermont Life magazine Advisory Board Meeting on July 27th. Performance documentation and future strategy plans were presented at the meeting by Cook and Editor Mary Nowlan.
- **Autumn Advertising Campaign:** VDTM has developed an integrated autumn media campaign targeted at a younger demographic. The goal is to capture a 28 – 36 year old market and engage them with Vermont in autumn.

Strategy: Employ a combination of online and traditional media used most often by target audience in geo-region of Boston DMA during key decision-making periods (days leading to weekend) and optimal weather patterns (cooler, sunny days)

Placements: Online Google context network; 30 second radio spots; Pandora media placements; Social media paid advertising

- **Erica Houskeeper Baby News:** Vermont Tourism Communications Director Erica Houskeeper had a beautiful, healthy baby girl this week. We are all so proud of her and wish her and her family the best. Erica will be on maternity leave through October.

Phoebe Elizabeth Barron; Born 7/26/11, 4:10pm at Fletcher Allen; 7 lbs, 20.5"



- **Holiday Weekend Comparison:** a review of the Columbus and Memorial Day weekends found that the Columbus Day weekend is substantially the busier of the two.

Travel Trends

- **Mobile travel booking is still an issue of trust.** Despite the perceived potential of mobile travel bookings, a survey reveals that nearly half of users would be comfortable spending only \$200 or less through their mobile devices
- **U.S. Travel to Canada Drops:** Spending by international visitors in Canada, the largest segment of whom are Americans, declined 3.5 per cent in the first three months of this year. At the same time, Canadians are also taking advantage of the strong Canadian dollar by heading to the United States, a trend which is positive for Vermont where 18 percent (2.5 million) of all person trips by visitors are made by Canadians. Domestic visitors may also be more inclined to visit Vermont rather than make a more expensive trip to Canada.

State of Vermont
Vermont Department of Education
120 State Street
Montpelier, VT 05620-2501

TO: Governor Shumlin
CC: State Board of Education
FROM: Armando Vilaseca, Commissioner
DATE: July 29, 2011

Governor's Institute of Vermont: On Wednesday of this week I visited the GIV Engineering Institute at UVM. This program has a total of 88 students participating, roughly 23 girls and 65 boys. I really enjoyed seeing the exciting hands-on engineering projects that students were working on which included aerospace launchers and atmospheric probes, earth science, wind and biomass, robotics and design engineering. Enrollment is up for GIV's summer institutes, as is the number of students granted scholarships, reflecting an intentional effort to increase diversity at GIV. I understand that you are scheduled to attend the GIV today and I think you will find that it is a great way to meet some of Vermont's brightest students showcasing their aptitude via some amazing projects.

Accountability Systems: Vermont is working with 30 other states through CCSSO to revamp accountability systems to be more comprehensive and inclusive of multiple measures of how students and staff in schools are performing. Staff from my office participated in a regional conference call on Wednesday to discuss issues such as timelines, challenges and tension points, our process, and support needed to make this transition. For more information, please read my "Opinion Piece" located on our website:

http://education.vermont.gov/new/html/dept/commissioner_memos/reflection_on_past_year.html

Common Core State Standards Initiative: The Common Core State Standards Initiative is a state-led effort coordinated by the NGA and the CCSSO and will go into effect in 2014. These standards have been adopted by all but five states. The standards were developed in collaboration with teachers, school administrators, and other experts, to provide a clear and consistent framework to prepare our children for college and the workforce. The standards represent the highest, most effective models from states across the country and countries around the world and the consistency of these standards will provide appropriate benchmarks for all students, regardless of where they live. These standards define the knowledge and skills students should have within their K-12 education, ensuring that our graduates will be able to succeed in college courses and/or workforce training programs.

SU Merger Discussion: There have been some interesting merger discussions among three supervisory unions (SUs), Rutland Windsor SU, Windsor Southwest SU and Rutland South SU. These three SUs are considering merging into two SUs. There is a study committee in place and the committee recognizes that this potential consolidation of SUs is outside the scope and funding parameters of the Act 153 "virtual merger" law. However, in the committee's opinion, this contemplated SU consolidation process, and its significant implementation costs, closely parallels the Act 153 RED "voluntary merger" process. Unfortunately, Act 153 does not extend the \$20,000 consulting reimbursement to SUs

considering consolidation, but rather, only to combinations of districts considering the formation of a single RED. Thus, RWSU, WSWSU and RSSU school leaders have requested financial assistance from the VT DOE to complete the transition process necessary to consolidate the SU operations. Also, within Windsor Southwest SU, the Mountain Towns that comprise Flood Brook Union School District have undertaken a RED study, with the stated and earnest intention of eventually seceding from this SU and realigning themselves with Bennington Rutland SU. I will keep you informed on the results from these discussions.

Request for Meeting: Thank you for making yourself available to meet with me on August 9th. Please feel free to ask me any questions that you may have related to education. I also hope to discuss with you some of the highlights of the recent CCSSO meeting, the position we are taking as we move forward, the upcoming federal data requirements and a strategy to address these, and the direction that states are moving in as we anticipate the reauthorization of NCLB. I look forward to this meeting and thank you again for making time for this.

Weekly Field Memo: In case you did not see it, here is the link and list of subjects covered in this week's Weekly Field Memo. http://education.vermont.gov/new/html/dept/field_memo.html#first

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin

FROM: Secretary Brian R. Searles

DATE: Friday, July 28, 2011

SUBJECT: VTrans - Confidential Report to the Governor

Danville

There have been meetings on a nearly daily basis between Agency officials, the Contractor, the design consultant, utility companies, and local officials, business owners, and legislators in an effort to address traffic management and design issues. The Contractor resumed work on Wednesday, July 27th. The prime contractor, Pike, is performing erosion control work and a subcontractor, Hutchins, is working on the waterline. The length of lane closure is approximately 850 feet. Traffic delays averaged two minutes with a maximum of six minutes, well below the target value of 10 minutes maximum.

The Project Formerly Known as The Circ

The first meeting of the Task Force assembled by the Chittenden County Regional Planning Commission, under the direction of CCMPO, was held yesterday at their Winooski office. Representatives from the four Circ towns, VTrans, ANR, ACCD, the MPO, the Lake Champlain Regional Chamber of Commerce, Jeff Nick from JL Davis Realty, Tim Baechle from IBM and environmental community reps Sandy Levine, Brian Shupe and Paul Bruhn were all part of the 30 people who started this process.

The two-hour meeting included an explanation of the charge, the status of A&B segments of the Circ, and the process for project selection going forward led by MPO Director Michele Boomhower and me. The towns of Essex, Essex Junction, Colchester and Williston then introduced their prepared "wish lists" which had been submitted, described and plotted on maps in advance by staff. There was no debate on specifics but a couple of comments were made about the efficacy of utilizing existing right of way and Williston, through their planner, expressed concern about Segment A without B and its potential to cause problems at the intersection and terminus, Mountain View Drive. By the way, the new name for A is the *Mountain View Connector*. Essex Junction then countered with the need for something to help with IBM traffic and quickly both towns

were reminded that we weren't at the point where specifics of projects should be discussed. However, this was clearly a preview of coming attractions.

The group will meet every other Thursday through August and September discussing various projects on the list. A facilitator, not from Chittenden County, will be brought in for the meetings beginning with the next one and the meetings will be moved to a larger room due to the obvious interest in the process.

I would characterize the first meeting as a success knowing full well that there are a number of places where the discussion could become difficult with the potential biggest crimp in the line being around the *Mountain View Connector*.

Western Corridor/Middlebury Rail Spur

For more than 10 years VTrans has been in discussion with OMYA about how to take advantage of around \$20-25 million that the company would be willing to spend on the Middlebury Spur enabling them to get more aggregate to their operation in Florence (they are currently limited to 117 truck trips per day by permit) and allowing us to get the heavy loads on to the mainline and off Route 7. This is important to the utility of Route 7 and particularly important to the Brandon downtown.

The various ideas have ranged from a loan to the state from the Federal Railroad Administration which OMYA would pay off with a per-ton fee on their loads to a direct "earmark" for the project that they would match. A recent idea presented by OMYA lobbyists Lee Khan and Ed Barron (a former Leahy staffer) is to ask for a \$100 million demonstration project in the next federal highway reauthorization bill (Leahy would do the ask) and OMYA would provide the \$20 million match. This project would include the spur and the improvements to the Burlington to Rutland corridor that was subject of our last unsuccessful grant application. OMYA would also spend \$5 million to ready the quarrying and slurry manufacturing operations in Middlebury and Florence for the conversion from truck to rail.

Successfully converting the OMYA investment into state match needs to be better defined. In an effort to do that and in response to USDOT's current penchant for public/private partnerships, I will be meeting, perhaps as early as next week in DC, with a team from USDOT led by Polly Trottengerg, Assistant Secretary for Transportation Policy.

The subject of a demonstration project in the next reauthorization bill was raised with Sen. Leahy's Vermont staff this week so they are aware of the discussions. However, none of us can be too excited about anything related to additional spending from Washington or even the prospect of a reauthorization bill passing at all. The Highway bill is on its 5th CR and there are serious differences between the House and Senate on major issues such as level of spending and the length of the reauthorization.

Aviation Reauthorization

After 21 CRs the authorization for spending by the Federal Aviation Administration lapsed last Friday. This is not having a significant effect on our operations yet, but it is having a serious impact on airports nationwide, particularly around construction activity. The Burlington Airport completed the reconstruction of the main runway in 2010 but has some taxiways under design at this time and work on those will be stopped until money flows again from the FAA.

Newark Bridge

This bridge on Route 114 has been the subject of some controversy in Island Pond, 26 miles away, due to the plan to close the bridge for a new deck and creating a detour on Rt. 5A. Senator Illuzzi has been communicating with me regularly on this project as his folks are not happy with the potential harm to businesses in Island Pond. On the other hand, the towns of Newark and West Burke are pleased with the plan to close the bridge thereby reducing the project length to three months (rather than two years) and the cost by a third. We did make a couple of changes in the schedule by moving the project to August instead of July and providing the contractor financial incentives for each day he (J.A. McDonald) can shave off the schedule. We will also add signage, traffic calming and added speed enforcement on 5A, particularly in the town of Westmore where Lake Willoughby generates seasonal traffic.

We are cautiously optimistic that this 25-30 day project will be another successful effort to expedite bridge projects, thereby saving time and money, much the same as the recently completed projects in Chester.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: July 29, 2011

AHS Secretary's Office

I did a long interview with Anne Galloway who was concerned about the ongoing problems with the Adult Protective Services (APS) division in DAIL. I explained that both Susan Wehry and Patrick Flood are investigating. She asked why we did not simply add more staff. I explained that we are looking at systems issues and IT issues as well as staffing. (I did not mention that we think that there are management issues as well.) I told her that I cannot advocate for staffing until we are satisfied that there are not structural issues that should be addressed first.

We got into a discussion of the context of the problem. First, we inherited a number of problems that resulted from downsizing and less than ideal planning. Second, I am evaluating my many concerns so that I can fully inform you. Third, I will not recommend additional resources until we examine the opportunities to make IT changes and organizational/management changes that will create greater efficiency.

However, I was quite open in discussing our many issues, including APS, the sanctions we have received from the federal government in foster care deficiencies and 3 Squares (food stamps), my concerns about the quality of many programs, and AHS's limited ability to use data and plan. She praised my "transparency." I responded that you meant what you said and that Vermonters have a right to know. Hope that I got it right!

Vermont Department of Health (VDH)

Status of Governor's Priorities:

Radiological Surveillance. The Health Department continues to monitor groundwater at Vermont Yankee, and has received its first fish sample results from a new contract laboratory. Previous results were obtained from New York State's Wadsworth Laboratories. The results will be released in the coming days. All appear to be in the range of normal background, but two results are at the higher end of the range. We are also working with EPA to install a RadNet air monitoring station on the roof of the 108 Cherry Street building in Burlington. RadNet was one system used nationally to track fallout from the accidents at Fukushima.

Chloramine and Drinking Water Disinfection Byproducts. The Health Department's Radiological and Toxicological Sciences program (RTS) continues to research and respond to inquiries related to chloramine and disinfection byproducts. Opponents of chloramine as a drinking water disinfectant are aggressively communicating with the program about research findings they believe substantiate chloramine risk. Meanwhile, state water suppliers must meet EPA and state requirements for water disinfection and some may soon be transitioning from chlorine to chloramine for secondary disinfection. Primary disinfection will still use chlorine and oxidation along with other techniques in preliminary and primary disinfection processes. This transition to EPA-approved chloramine secondary disinfection may next occur for the Tri-town Water Supply in the Vergennes area. A transition for the Champlain Water District was accomplished in April 2006.

Press Issues/Releases/Contacts

Opiate Drug Abuse. Sam Hemingway is continuing to work on a series of stories for the Free Press on the opiate drug abuse problem, the Vermont Prescription Monitoring System and the Board of Medical Practice. He is planning to attend the Board's hearing on Dr. Jon Porter at UVM's Student Health Services.

As a result of a new SAMHSA state ranking report on alcohol and drug abuse, WCAX requested data on treatment. In the report, Vermont was ranked as having the second highest per capita rate of treatment admissions for prescription opiates in 2008. Nearly 60 percent are young, age 20 to 29.

Suboxone Treatment. Deputy Health Commissioner Barbara Cimaglio talked with Brent Curtis, Rutland Herald, about bussing patients to suboxone treatment. Cimaglio encouraged Curtis to speak with local providers in the area, and talked generally about the Health Department's role in helping people overcome addiction.

Underage Drinking. Deputy Health Commissioner Barbara Cimaglio talked with Peter Hirschfeld, Vermont Press Bureau, about the same report that pointed to Vermont as having the highest percentage of underage drinking. Barbara did an on-camera interview with WPTZ's Jill Glavin about what parents can do about underage drinking parties. ParentUpVT.org has new YouTube videos and other resources from the Health Department on the subject.

Obesity. Deputy Health Commissioner Tracy Dolan talked with Molly Walsh, Burlington Free Press, about the higher prevalence of obesity among lower income Vermonters, reasons for such health disparities, and how public food and nutrition programs such as WIC can help to reverse this trend.

Genetic Testing Regulation. Chris Fleisher, Valley News, is working on a story about genetic testing companies (23andMe, MaculaRisk). What is the state's regulatory oversight of such companies? The Secretary of State's Office, the Health Department, and BISCHA reported they do not have oversight of genetic testing companies. He asked: Are firms that market directly to consumers regulated? What laws are in place in Vermont to govern these products? Fleisher said some states have chosen to adopt an additional layer of privacy laws to protect patient

information. Has Vermont taken any steps to protect the genetic information of people living in the state? We provided this information:

Genetic testing companies are accredited by and have oversight from CAP (the College of American Pathologists), and would also have to hold a CLIA certificate. Vermont Statute related to Genetic Testing is: Title 18, Chapter 217.

Significant Events/Meetings

Life-Size Cardboard Breastfeeding Moms will Work to “Change the Landscape”. The Health Department is staging a provocative month-long promotion to get people talking about supporting breastfeeding in their communities. Life-sized, stand-up images of four different real Vermont nursing mothers will start showing up at businesses and shops, libraries and parks, hospitals and other public places starting the first week of August – World Breastfeeding Week – and throughout the month of August. The theme of this promotion sponsored by our WIC program and district offices is: Change the Landscape: Support Breastfeeding in our Communities. Each of the 48 stand-ups around the state will have a “flash” bag containing message buttons and postcards. We are asking the public to look for these models, choose a message button to wear, enter a drawing by filling out a postcard and mailing it to the local Health Department office, take a photo and share it on Facebook – and learn more about how to support breastfeeding in our communities.

Department of Mental Health (DMH)

Legislative Issues

Beth Robinson provided Commissioner Oliver with information about a legislative committee that is contemplating changes to the public records laws that would include designated agencies into the public records law. Beth suggested that the committee talk to Christine about the extent of information already available through DMH regarding the designated agencies and the impact that such a change would have on resources and contract rates.

Governor’s Priorities

Vermont State Hospital Replacement. Commissioner Oliver provided information to Bill Lofy that details our process for developing a VSH replacement plan. In addition, she provided more general information to assist in responding to the petition you received requesting greater community mental health capacity rather than a new state hospital facility.

In addition, Commissioner Oliver and BGS representatives met with Morris/Switzer, a Burlington architectural firm, which is interested in working on a VSH replacement facility. They voiced concern that Architecture Plus’ continued involvement in the planning phase of VSH replacement may result in their staying on the project without it going out for bid. Morris/Switzer is frustrated that the initial bid on this project was 6 years ago. In addition, they want to be a part of a significant state health care project as they are struggling in this economy

and are seeking to avoid further layoffs. BGS determines how to proceed with architectural planning issues.

General Information

VSH discharged a patient who has been in the facility for 15 years. This is quite an accomplishment. He went to the Next Door Program in Burlington.

Department of Disabilities, Aging and Independent Living (DAIL)

Governor's priorities

Valuing partners and employees - National Recognition for NEKAAA. A key partner in our aging network, the Northeast Kingdom Agency on Aging, recently received top recognition and a monetary award of \$2500.00 for an innovative program with local food partners to enhance senior nutrition. Working with their own nutrition department, AmeriCorps and other community partners, they demonstrated that even in hard times, Vermonters display the can-do attitude and spirit of innovation of which we can all be proud.

Customer satisfaction surveys for caregiver support. The results of DAIL's 2010-2011 Family Caregiver Program surveys are in and we are happy to report favorable results. Here is just a sampling of the numbers which remind us that a little bit of well-placed help can make a big difference. Three programs were reviewed:

Dementia Respite Program (Average grant = \$1000)

% of caregivers who agreed or strongly agreed that the dementia respite grants:

- helped them maintain their physical health – 96%
- helped them maintain their emotional well-being – 97%
- helped them continue caregiving – 98%

National Family Caregiver Support Program Respite for Caregivers of Older Adults (Grant amounts variable)

% of caregivers who agreed or strongly agreed that the NFCSP grant:

- helped them maintain their physical health – 94%
- helped them maintain their emotional well-being – 98%
- helped them continue caregiving – 94%

National Family Caregiver Support Program for Older Caregivers of Relative Children (Average amount of grant \$150-200)

% of caregivers who agreed or strongly agreed that the NFCSP grant:

- helped them maintain their physical health – 80%
- helped them maintain their emotional well-being – 90%
- helped them continue caregiving – 50% [this is largely grandparents raising who state they would do so anyway]

Evolving Issues

The Adult Protective Services Program (APS) was notified by the Burlington Police Department of the impending arrest of two individuals who allegedly used Craig's List to target vulnerable adults by advertising to provide care or support to individuals. The two individuals involved with this situation have had their parole revoked and have been returned to prison. They **never actually succeeded** in working for vulnerable adults; they were **thwarted halfway through their plans**. Liz Manfredi contacted ARIS who advised that application materials had been sent in from the individuals for care giving employment for vulnerable adults, but **they have not been, nor will they ever, be approved. ARIS will flag any other materials from these individuals** but it is unlikely there will be any.

APS also received a referral from DCF. They are working a case in Cabot regarding alleged sexual exploitation of more than one Developmentally Disabled male under the age of 18. They have notified APS that one of the victims is over the age of 18. We have no name yet. The total number of alleged victims is unknown at this time. The case has been triaged and has been assigned. The APS investigator will be coordinating with the DCF investigator. I will keep you posted.

Media Contact

DAIL was contacted by Alden Pellett, Associate Producer at WCAX, expressing an interest in including coverage of eldercare issues during their *30's Show*. Commissioner Wehry and Deputy Commissioner talked with him by phone this week and at our suggestion he will host Martha Richardson this week from the Alzheimer's Association to talk about dementia. Commissioner Wehry will appear on his program next Thursday to talk about healthy brain aging.

Department of Corrections (DOC)

Significant Events/Meetings:

Attorney General's Office. Commissioner Pallito met with Bill Griffin of the Attorney General's Office regarding the Ashley Ellis incident of two years ago. The family is filing a second suit against the State. They have already settled with PHS. The AG's position is that this suit is also for PHS to defend. The AG believes that we will have to file against PHS.

Corrections Citizens Advisory Group. Commissioner Pallito and Deputy Commissioner Menard met with the CCAG on July 28th. Topics included the incident in Massachusetts, new policies and directives, access to legal material and membership. Commissioner Pallito would like to review the current membership as it has remained static since the inception of the CCAG in 2005.

Give back to the Community. As part of their give back to the community, the American Flat Bread Pizza will be having a pizza luncheon for the residents and employees of the Chittenden

Regional Correctional Facility in South Burlington this Friday. The event will take place in the recreation yard. This event has attracted media attention from WCAX-TV who will be covering the event. Commissioner Pallito will be interviewed by reporter Scott Waterman on Friday morning regarding this event.

Other

Population. The Department's incarcerated population hit a high of 2155 on Monday morning. The population has not reached this mark since November 8, 2010. The detention population was at 370 on that morning, with the female detention population at 46. The percentage of the female population who are detainees is 28% while the percentage of male population is 16%. The Department currently has 12 inmates on Home Confinement, 75 on Reintegration Furlough and zero inmates on Home Detention.

Department for Children and Families (DCF)

Press Issues/Releases/Contacts

Burlington Free Press. Molly Walsh of the BFP is researching a story on obesity and believes that 3Squares fosters this health concern. The nature of Walsh's questions reveals that she thinks the Department for Children and Families (DCF) should restrict the use of 3Squares benefits allowing people the ability to purchase only healthy foods. DCF explained that the USDA does not allow such restrictions and DCF believes that the answer is not government intrusion, rather education of nutritional choices. The Department shared with Walsh your idea to change the Commodities Program to a voucher program whereby local foods could be purchased and education around healthy choices could be supported through area schools. DCF also shared that in 2007 only three Farmer's Markets used EBT cards, whereas today over 40 Farmer's Markets use them. The story will run this Sunday.

Significant Events/Meetings

Fraud Investigation. The ESD Fraud and Claims Unit has completed an investigation and has probable cause to believe that a registered family day care provider in Barre City, Kimberly Cyr, has committed offenses of welfare fraud and child care financial assistance program fraud from 7/09-7/10. VT State police cited the individual this past weekend to appear in court in 8 weeks. The Fraud Unit will be sending a court package to the Washington County State's Attorney for review. The allegations stem from falsifying attendance records and claiming attendance on children that were not in the day care. In addition, during the process there was an attempt by Cyr to impede the investigation by asking a witness to provide false information. The CDD licensing unit will be conducting an unannounced visit to this provider to inspect records to ensure that she is in compliance with current attendance claims.

DCF Meets with New Boston Regional Social Security Commissioner. On July 26th, the DCF Commissioner, Director of Operations, Financial Director and Disability Determination Services (DDS) Management met with the new Social Security Regional Commissioner for New England,

Susan Harding, and members of her executive staff who manage the Disability Program regionally. While the purpose of the meeting was primarily a “meet and greet”, several important topics were discussed.

Budget and Workload

Regional Commissioner Harding provided some preliminary budget and workload projections for the DDS for federal fiscal year 2012. It is likely that the budget for case development will decrease by 12% next year, while applications may continue to increase. Unfortunately this means more Vermonters will have to wait until their benefits are determined. The cases pending determinations in the DDSs across the nation are expected to rise to unprecedented levels by the end of FY 2012, as budget and staffing shortfalls lead to case backlogs. The Vermont DDS has had the highest increase in receipts of any New England state over the last three years; whether and for how long this will continue is uncertain.

Recognition for Quality Work

Regional Commissioner Harding recognized the strong record of decision accuracy in the Vermont DDS, the teamwork demonstrated in providing assistance to other states in the Region, and the strides made in improving service to disability applicants, shortening the time it takes to get a correct decision on claims. Jack McCormack and Trudy Lyon-Hart were also recognized for their recent national awards. Jack received an Associate Commissioner Citation for outstanding service and dedication to the Disability Program, and Trudy received the Commissioner’s Disability Program Leadership Award for her work on the national level as well as the management of the Vermont DDS.

Department of Vermont Health Access (DVHA)

Evolving Issues

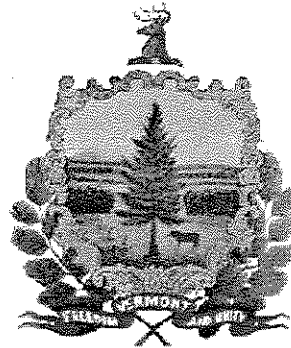
McGregor’s Pharmacy. Representatives from DVHA’s pharmacy, program integrity, member services units and AAG met on Wednesday to discuss the re-enrollment of two locations of McGregor’s Pharmacy as a Medicaid provider. In light of the current credible allegations of fraud, the group decided to extend the enrollment period for McGregor’s Winooski location for 90 days from July 31, 2011 during which time DVHA and AHS will make a final decision regarding their future enrollment as a Medicaid provider.

The McGregor’s Pharmacy, South Hero location, is also scheduled to be re-enrolled as a Medicaid provider on July 31, 2011. Their application failed to disclose that the pharmacy was disciplined by the Office of Professional Regulations (OPR) in 2005. It was decided that this pharmacy will be enrolled once the application is corrected to disclose the OPR disciplinary actions. A letter of these decisions will be sent to McGregor’s Pharmacy prior to July 31st.

Medication Assisted Therapy Business Care Model. Representatives from ADAP, DVHA, UVM and the Blueprint team met Thursday morning to start building the business care model for developing an integrated medication assisted therapy hub and model for beneficiaries addicted to opiates. The current plan is to pilot the model initially in Chittenden County and go statewide

with additional 5-7 therapy hubs implemented over the next state fiscal year. A subgroup of this committee will be meeting again to work through the financial and clinical modeling and then the large group will reconvene to fine tune the modeling before budget adjustment begins.

Memo



TO: Governor Peter Shumlin
FROM: Keith W. Flynn, Commissioner
DATE: 7/29/11
SUBJECT: Governor's Report

STATUS OF THE GOVERNOR'S PRIORITIES

Correctional Recidivism- Implement a sustained interdepartmental approach to reduce recidivism and the overall need for corrections resources. Invest corrections savings into early childhood education. **Exploring the creation of DUI Courts in Vermont. Generally, the mission of the DUI Court is to reduce the number of repeat DUI offenders by providing alternative community-based treatment, thereby increasing both offender productivity and public safety. I will be discussing this concept further next week with DOC Commissioner Pallito and Court Administration Bob Greenmore. This program will reduce Corrections demand for non-violent offender bed space.**

State and Government Employees- Improve the effectiveness of state government by support of a motivated and healthy workforce through greater accountability, performance measurement, and focus on customer service.-

Safe Communities/Strong Schools- Prioritize our resources to ensure our children's future in safe, prosperous communities, thereby supporting improvement in performance and economic sustainability of our schools.-

DIVISION ACTIVITIES

Emergency Management

Issues:

- Working with VOAD and FEMA to get a VISTA volunteer to assist with individuals and families that have unmet needs due to flooding. We have 6 candidates but need to resolve supervision issues and where they will sit.
- Received EMPG grant award of \$2,860,761.00 from DHS.
- Received FEMA 4001 DR addendum for Public Assistance to Essex, Orange and Washington Counties.

- Preparing VY drill schedule for the future
- Met with FEMA's Long Term Community Recovery group to discuss VT projects to include Barre, Berlin and Beecher Falls.
- Participated in FEMA inspection of new EOC. Inspector indicates that facility will receive highest rating.
- Participated in planning meeting for opening celebration for new Crown Point Bridge.
- Work continues on GIS software update.
- Participated in Med Surge/Mass Care Facility TTX in St. Albans.

Division Requests: Looking for Commissioner and Governor to Welcome New England States and Canadian Provinces at the IEMG Conf. in Burlington Nov 14, 2011

General Information/Other:

- Continue to work with FEMA and VOAD in a long term recovery plan for flood survivors.

Fire Safety

Issues / Updates:

- (Construction Summary Plans Review: Between July 18- July 22, 2011, the division reviewed (\$10,896,211.18) in new construction valuation.
- Building Inspections Conducted: July 1- July 22, 2011, the division conducted 400 building inspections
- Electrical Inspections Conducted: July 1- July 22, 2011, the division conducted 282 electrical inspections.
- Two recent barbeque grill fires in which one resulted in major fire damage to the house. The second fire occurred at a community care home causing minor damage to the house. No injuries reported. Grills located too close to combustible material.
- On 7/25/11 at approximately 3:15 pm the Eden and North Hyde Park fire departments responded to a reported house explosion on Marjorie Drive in Eden. The Division of Fire Safety investigated the fire and the cause was not determined. Still under investigation by the insurance company. No injuries were reported.
- On Monday evening July 25, 2011 the haz-mat team responded to Trailside Condominiums at Okemo (Ludlow) at the request of the local fire department to offer assistance in locating the origin of carbon monoxide. The carbon monoxide alarms activated on two different days. The investigation is on-going however it appears the gas was hydrogen gas which activated the CO alarm. Some units remain vacant until the investigation of the cause is confirmed by laboratory analysis.
- The Division took delivery of 2 new fire safety education trailers which were displayed at the recent Vermont State Firefighters Association Convention in Addison County. A number of fire departments showed an interest in using the trailers to teach the public the importance of fire safety.

Legislative Issues:

We will be meeting with Thursday with the Secretary of State and the Commissioner of Labor regarding the death of a worker this past week at the Lamoille County Fair. It appears they might not have had insurance, but there is no process for inspections of some parts of the Fair that we are concerned with. Deputy Commissioner Wood feels we should play a more active role inspecting these fairs and putting in place a permit fee to pay for the inspections. We'll keep you posted once we meet.

Criminal Justice Services

Marijuana Dispensaries

We are getting ready to send out the survey to registered patients that we were mandated to do in the recent legislation.

Breath Alcohol Program

The RFP for the assessment response has been received. We have one bidder and the cost is more than we expected. The cost is \$84,000. However, the value of the service is important and a comprehensive rebuilding of the program is needed. We are seeking to find a funding source for the project.

All Felon Arraigned DNA sample law

The program has been implemented and we are collecting samples. However, there are not a lot of samples that have been ordered thus far in July. We are continuing to monitor the implementation with our local and state law enforcement agencies and the courts.

Information Technology

BTOP Program

The Department of Public Safety under Tom Tremblay committed our support for the BTOP program. This was after some pressure from the Douglas Administration to provide a letter of support that is attached. We tried to provide a letter that was supportive but not committal but the Administration wanted a stronger letter than we originally wrote. As of today, the letter we submitted has been interpreted to mean our full support of the BTOP initiative. As such DI&I and VTA have signed a contract with SOVERNET committing the Department of Public Safety to use their (SOVERNET) in 36 different sites. Of these 36 sites many are local agencies.

This commitment means a cost of approximately \$500 per month per site. Locals today pay \$330 per month for data circuits. The State Police do not pay anything which means we do not have an out of budget expense for data circuits. The total expense will be approximately **\$216,000 per year**, of which we may be able to recover a portion of this expense from local agencies that choose to use the SOVERNET solution. It is my understanding that the contract has committed to SOVERNET the 36 sites and so someone is going to have to pay for the sites whether local agencies use them or not. More information is need on this development and we will have to keep watch on this project as it may be a significant pressure on the FY 13 budget.

Vermont Justice Information Sharing System Project

We are working on developing support for our consideration of joining the Open Justice Broker (OJB) Consortium (\$85,000 per year membership). This consortium originated

with SEARCH the national consortium for justice statistics and information sharing. It is now a separate non- profit organization. This consortium will provide open source and open standards shareware for the purposes of justice information sharing through a technology broker. As part of this membership we receive 300 of technical support for the building of a justice information sharing system. We also get to implement technology that other member states have developed. Currently Hawaii and Maine are the only members of the OJBC. This is an exciting program to consider and I believe would be very cost effective.

We are in the process of developing a cost benefit analysis that will help us to in vetting the decision through.

VIBRS CAD/RMS

Currently we are have performance problems with the Spillman software. With the addition of mobile users over the course of time we have run out of processing speed on our server. This is creating a very slow user experience with entering and looking up information in Spillman. We are currently working to get a new server. However, new servers have to approved through DI&I. This is taking a long time as we have to do a tremendous amount of planning before they will allow the purchase of the server. Further, they will be buying the server and charging us back over a 5 year period. This charge-back right now is projected to be approximately \$18,500 per year and they have not finished their cost estimate so it could be higher. This cost estimate is on top of what we already pay.



State Police

Weekly Report -Time Period: July 18, 2011 ~ July 24, 2011

Location	Narrative
A Troop – Field Force	Standard calls for service
A Troop – BCI	Arrested suspect for reckless Endangerment, I-89 shooting. Male shot by Burlington PD with Homicide. *Essex Assist follow up with FBI. *Worked (CSST) on Burlington Homicide. Processed victim for evidence and assisted residence and trash dumpster at the Williston Barracks. *Interview admitted the statutory sex with the 14yoa female. Arrested, cited into Glacial death at the Lamoille County Field days.
B Troop – Field Force	Trp. struck a deer on I-91-n. Trp. uninjured, but moderate damage to bike. a male for Domestic assault, and assault on LE with bodily fluids. Trp. later admitted he deserved to be Tased.
B Troop – BCI	Follow-up on child abuse case, embezzlement case, assist on sex case. leans Sheriffs with Burglaries. *Assist Troops with burglary in Barton. *Homicide. *O'Hagan Homicide. *Follow-up on a possible homicide case following up on some leads that he has received in VT regarding a possible authorities in MA.
C Troop – Field Force	2 Teens runaway from Camp E-Waukee in Benson (troubled youth camp), left it in Shoreham, then stole a car from Shoreham, drove to Burlington returning to Camp E. Both vehicles were recovered and undamaged. *Responded to Lake Champlain to a boating accident where a subject fell out of a motor boat. The Scuba team activated and recovery was made.
C Troop – BCI	Drug Diversion/ICAC Training. *HNU call to VA Hospital for barricade. Assist to Secret Service on Romanian organized crime. *Continued investigation assault in Pittsford, New Haven and Starksboro.
D Troop – Field Force	Monday night - assault in Jamaica - Subjects went into a house and assaulted. The following arrests made: 1 cited for simple assault and unlawful trespass and 1 cited for assault and robbery. Assisted VA Hospital Police room at the VA Hospital. TSU and HNU activated, subject taken into custody.
D Troop – BCI	Agency assist to VA police with barricaded subject. *Death investigation non. *Interviews and evidence collection at SSCF for drug possession and Pharmacy check at Brattleboro Pharmacy. *Multiple death investigation
TOPS Unit	Standard calls for service.
Polygraph Unit	Standard calls for service
Narcotics Investigation Unit (NIU)	Several drug arrests
ICAC/Lab	Cellebrite Trainings in C -Troop and D – Troop. *Made drug destruction report with closed case drugs from 2011 audit. *Assist to BPD with the Ration/autopsy/victim's apartment/trash dumpsters.
Arson Unit	Follow up on Nelson fire – develop plan of attack along with other cases family. *Assisted with the Burlington Homicide case by searching the area. Responded to the TSU call at the VA Hospital.

Assisting with missing person in West Stewartstown, New Hampshire. Search Team and Crime Lab deployed.

Officers responding to a possible homicide in Dummerston.

Memorandum

Vermont Department of Public Service

Privileged and Confidential

To: Hon. Peter Shumlin, Governor & Beth Robinson, Governor's Counsel
From: Elizabeth H. Miller, Commissioner
Subject: Weekly Report
Date: July 29, 2011

Status of Governor Priorities:

VY/Energy

- The Department continues to assist the Attorney General's office on the Entergy litigation. This is in large part tracking down documents, attending prep meetings, and readying contracts for the latest witnesses. This week we have added Bill Steinhurst to our witness list. We met with Bill to discuss his testimony and what the DPS could do to assist in preparing that testimony. Contracts still have to be undertaken for Bill and also for Peter Bradford.
- The two VT Commissioners to the TX Compact, the Deputy Commissioner and our lobbyist/attorney in TX met in Montpelier to talk about the Compact, issues, the upcoming meeting on August 20th of the Compact and to meet with two representatives from Waste Control Specialists. The meeting seemed to be informational and a sizing up on both sides. The Compact facility is being constructed and will begin taking waste in December, 2011.
- NRC said we will get a response to our letter regarding retaining the \$40 M parental guarantee but probably not until mid-August.
- We have been working on a plan with the Treasurer to use the state's allocation of Qualified Energy Conservation Bonds.

Telecom:

- Hearings held this week regarding VTel's cable CPG went well and we hope for a relatively quick decision from the PSB, so that VTel can obtain funding from RUS. Nearly without precedent, the AMO/PEG representatives came in supportive of VTel's petition.

Legislative Issues/Press Contacts:

- Representative Botzow called us to get support for a letter from the Governor for the EOS solar project in Pownal. Later he expressed satisfaction with the action by the Governor's office.

- We have a records request from David Gram for correspondence between the DPS and Entergy regarding bill-backs. We are collecting all of the responsive materials. We have also spoken at length with Peter Hirschfeld on the same issue.
- Shay Totten requested information on the Reliability Oversight Committee and our intentions. He was somewhat confused between the POP and the ROC but the two were distinguished. We answered that the ROC is still in the process of becoming established and would probably convene in the 4th quarter of this year.

Significant Meetings/Events:

- See meeting of the Vermont TX Compact Commissioners and Waste Control Specialists above.
- Deputy Commissioner represented the state at a National Association of State Energy Offices Regional Meeting on Friday, July 29th. The purpose of the meeting is to talk about regional priorities, share lessons learned, and highlight things NASEO might do to support the states.

Public Advocacy and Consumer Affairs:

Southern Loop Project – Docket 7373 – Construction of this project is nearing completion, with installation of aesthetic mitigation underway. VELCO filed a revised planting plan for the Vernon substation; screening of the new structures has been severely reduced due to nearby installation of a meteorological tower associated with the Vermont Yankee plant. NRC regulations sharply limit the planting that can be done around such towers. The Department's aesthetic consultant reviewed the revised planting plan and advised that it accomplishes as much as can be done in the changed circumstances. DPS filed in support of the revised plan. We will perform an aesthetic review of the entire Project in the spring.

Lamoille County Project – Docket 7032 – The Public Service Board conducted a final site visit to review the installed aesthetic mitigation measures, and on July 26th DPS filed the final report of its aesthetics consultant. The report concluded that VELCO had followed the PSB's orders, with some adjustments necessary in the field to accommodate landowners and field conditions. This Project is now complete.

CVPS Street Lighting – Docket 7745 – New statutory law requires electric utilities to offer rates for LED street lighting, including an option for customers to own the fixtures. CVPS already had a tariff for customer-owned street lights, and therefore filed new LED options only for company-owned (leased) LED lights. In order to promote adoption of LED lighting CVPS discounted the new lease rates. Several comments were filed at the PSB and DPS by people (including towns) complaining that it is unfair for the lease rates to be materially lower than the rates for customer-owned lights. On July 15th the PSB issued an order allowing CVPS's new LED rates to go into effect, but also opening an investigation to focus on the discrepancy

between CVPS's rates for leased lighting and rates for customer-owned lighting. A prehearing conference will be held August 2nd.

CVPS Salisbury Substation - Docket 7635 – As reported earlier, this substation received a CPG in March 2011. Following issuance of the CPG abutting landowners (the Sacks) complained about various CVPS actions including alleged misrepresentations by CVPS with respect to a shared access road. In addition, CVPS filed a motion to amend the CPG to accommodate certain design changes. The Sacks moved to intervene and their motion was granted. DPS supported both the Sacks' intervention motion and CVPS's motion to amend its CPG. A hearing is tentatively scheduled for August 17th.

Swanton Village Electric—General Terms and Conditions Tariff—No. 8220 — VPPSA notified the Department that the third of the three municipal utilities involved in this matter –Johnson-has joined Swanton and Morrisville and has agreed to delete from its general terms and conditions tariff a provision requiring customers to execute and return repayment agreements. However, when the municipalities made the requisite filings with the Board, they all maintained that they would continue to pursue the execution of these agreements. The Consumer Affairs Division feels very strongly that this is an unnecessary burden to place on consumers and that it gives the utility no more protection than it already has under Board rules. The Department has determined to seek a Board ruling either sanctioning or disallowing this stated policy of the municipal utilities. As the rules neither require nor prohibit execution of these agreements, it is solely a matter of policy, as opposed to interpretation of the rules.

Petition of Green Mountain Power for Authorization to Purchase Electricity from NextEra Energy Seabrook— Docket 7742 — The Board has issued a formal schedule substantially consistent with that proposed by the parties. A Public Hearing will be held via Vermont Interactive Television on August 19th; representatives of the Department will attend. The Department served our first set of Information Requests on the Petitioner this week. Based upon its review of the Petition and talks with GMP, the Department is prepared to support the Petition. IBM has filed a Motion to Intervene, but its counsel has informed the Department this is solely for the purpose of monitoring the docket—they are not opposed to the project. There will be no other intervenors as the deadline to intervene has passed.

AARP low income program - Docket 7535 – The Board issued a Final Order, adopting in all material respects, the Findings of the Hearing Officer.

Penn Energy Application to construct a 2.2 MW photovoltaic array on the corner of Route 7 and Route 103 in Clarendon Docket 7647 – A site visit and Public Hearing were conducted this week. Representatives of the Department, ANR, AAFM and the Petitioner attended, as well as Board Staff. Fewer than 10 people attended the Public Hearing and all were in favor of the Project. A revised, less ambitious schedule was negotiated among the parties and will be submitted to the Board by the Petitioner.

Smart Metering Docket 7307 - The Public Service Board held a status conference on 7/27/11 to discuss privacy, cyber security and opt-out policies and determine the approach Vermont

Utilities and Regulators will take on these issues. The parties agreed to hold discussions for 30 days to see if they could come up with a proposal for each of these issues. The Board determined it would be best in the public interest to hold a public hearing on these issues, preferably on Vermont Interactive Television, which would be preceded by a short presentation devised by the parties on Smart Grid and these particular issues. The parties will also discuss whether Board workshops on any or all of the issues would be of assistance in determining the right approach for Vermont. The Board and the parties agreed that the end of 2011 would be the target date for resolution.

CVPS Smart Power - Docket 7612 – DPS has been asked to sign a major milestone financial commitment letter for the VTel backhaul communication network purchase agreement. We have told CVPS we need to see the signed contract before we can issue that letter.

GMP AMI – Docket 7704 – The Public Service Board, on 7/22/11, approved the GMP AMI plan and the Memorandum of Understanding (MOU) between the Department and GMP with no significant discussion and no changes. GMP is moving forward with implementation and with additional filings and updates as contemplated in the MOU. GMP intends to update the plan on 7/29/11 with information on the role of the EEU in the GMP AMI implementation.

CVPS Smart Power and GMP AMI - Docket 7612 and Docket 7704 –The Department met again with CVPS, GMP and VEIC on 7/26/11 and made great progress on reaching consensus on a Smart Grid Measurement and Verification Plan and Reporting Template. The status of these efforts will be reported to the Board on 7/29/11. We will reconvene on 9/8/11 to further refine the model report. We hope to file the model plan and reporting template by mid October and have the first reporting period be the 4th quarter of 2011, with the first report due in Mid January 2012.

248a PSB Amended Standards and Procedures –Several *de minimus* filings have been made under the amended statute during the month of July, mainly by AT&T but also by VTel. DPS is contemplating filing additional comments on the Amended Standards and Procedures to assist the Department and the Board in their evaluation of whether projects qualify as *de minimus*.

Voice over Internet Protocol (VoIP) Docket 7316 - Parties must file a status report on 7/30/11 regarding separate party negotiations. DPS is contemplating a request to the Board for a Final Order on Phase I of the docket, paired with a request for abeyance of Phase II until the Phase I Order becomes final through an appeal or expiration of appeal deadline.

Kingdom Community Wind –Docket 7628 – Fallout continues from the unauthorized clearing on the Project site. Intervenor are seeking to use the violations to justify their request for a stay, and ANR's investigation continues. ANR continues to review water quality permit required for construction, and GMP has not yet submitted draft SIS needed for construction as well.

PPA Confidentiality Workshop - No Docket – The Department filed a letter with the Board on 7/25/11 generally supporting the approach the Board has taken in the past, other parties in the docket filed letters, most generally in agreement with the Department's position.

CVPS/GMP Merger – No Docket – The Department has engaged in preliminary discussions regarding the process to be followed before the Board. The Department has recommended that the matter be resolved in a single docket. CVPS and GMP are seeking some guidance from the Department regarding their proposed resolution of the windfall issue and the VELCO aspect of the deal. So far, the Department has limited its discussions to internal conversations but will communicate formal positions once they are formulated.

Hardwick Electric Embezzlement – No Docket – The Department attended a meeting that it jointly organized with VPPSA to help municipalities understand the details of the Hardwick Electric embezzlement case and how to take steps to prevent similar occurrences. There were presentations by Hardwick Electric, the Vermont League of Cities and Towns and the State Auditor's Office. The meeting was well attended and the information presented was very helpful.

Consumer Affairs:

- Another above average week for consumer calls and investigations for CAPI. The explanation for the spike in calls this week may be a direct result of the increase in the number of complaints from consumers regarding FairPoint's issues with installation orders not being completed in a timely manner and within the window provided for them from FairPoint and the company's failure to close repair tickets (and restore or repair service) within 24 hours (in some instances, the consumers are experiencing delays of several days prior to the restoration or repair of service). Discussions have been ongoing with FairPoint about these delays and another call will be taking place early next week to further discuss what steps FairPoint is taking to correct these long delays.
- CAPI staff participated in a very productive working retreat, held lakeside in East Calais, but unfortunately under cloudy skies. CAPI staff spent time recognizing the current status of the division, and identifying goals for the upcoming 12 months and beyond. For the upcoming months, CAPI will be focused on putting together a brown bag lunch presentation for the DPS, the Energy Summit (September), Lifeline Awareness Week (September), reviewing/editing CAPI codes for use in the database; and the completion of the review/edits to the CAPI template letters.
- Consumer messages continue to be received through the broadbandvt.org website, with 120 contacts logged into the CAPI database (CATS) this week.

Planning and Energy Resources:

Comprehensive Energy Plan:

- Energy and economic modeling Project – Continued working with Synapse and Optimal to review data design for the economic analysis of CEP energy portfolios. The modeling exercise will continue through July.
- Incorporated public comments received (online) into Public Involvement Report. Revised summaries of sub-sections of the Public Involvement Report to account for new comments received in the last few weeks of the comment period.

- Staff worked with consultants at GDS Associates to develop “annual decay rates” to be used in the Energy Efficiency Economic Impact analysis being conducted by Optimal Energy. The REMI model runs will include the new AECS avoided costs that were provided to the Department by Synapse Energy Economics this week.
- Provided list of transportation research ideas to VTrans in response to their RFP (deadline 8/19/11) that correspond to policy and strategy priorities set forth in the Deliberative Draft of Policy Priorities.
- Attended cabinet meeting to discuss establishing CEP over arching goals and targets, long term and near term.
- Updated CEP website to reset the date for the release of the Public Draft to September.
- From initial review of VTrans’s Transportation section, we have identified topics that are missing. These are primarily related to transportation fuel sources. We are contacting partners to assist with the drafting of these topics. In addition, we identified transportation topics that are missing from the State Energy Plan.

Residential and Commercial Building Energy Standards (RBES & CBES):

- Navigant is working on the annotations for CBES and there is a possibility we might make an August LCAR submittal, but more likely September.
- Review of the final RBES handbook is in process. A final printed copy should be completed by mid-August.

BioMass Energy Development Group:

- As a member of the Enhancement and development subcommittee the following activities were assigned and initial investigation begun on 1) wood pellet manufacturing, 2) biomass generation, 3) commercial/industrial thermal-led CHP. Weekly meetings and conference calls held.

Act 250 Reviews:

Three major projects proposed this week

- TOWN: BERLIN PROJECT: Construction of a 7,370sf auto parts store on Lot 1 of a 10.6 acre tract called Overlook Plaza.
- TOWN: ST. ALBANS TOWN ROAD PROJECT: Construct a 72,080sf addition to existing building D at St. Albans Town Industrial Park for storage and distribution.
- TOWN: MIDDLEBURY PROJECT: Creation of a planned unit development with 43 single family homes (6 lots shall remain undeveloped), to construct 1.65 miles of new public road, utilities and all necessary infrastructure to serve development.

Fuel Survey:

Crude oil price continues to trade at the upper end of the \$90-\$100 range, currently at \$97.77.



ARRA Funding/Programs:

- Finalized Davis-Bacon random selection for grantee monitoring.
- Prepare Site Visit and Desk Review selection list for planning purposes.
- ARRA Press Conference was held on 7/27/11.

Energy Efficiency and Conservation Grant Program (EECBG):

- In July staff approved and drew down federal funds totaling of \$226,132.00 for EECBG.
- Approved final invoice of \$21,650.00 for U32 Retro project upgrading cafeteria and gymnasium lighting.
- Staff selected finalist, Vermont based Energy Futures Group (EFG), as the contractor to complete the Energy Code Compliance Plan. As the prime contractor EFG has assembled a top shelf team including Navigant, CX Associates, Building Code Assistance Project and Optimal Energy.
- Wardsboro Central School completed their project, funded with \$50,000.00 in EECBG funds and a \$10,024.00 match. Their weatherization project in the 1957 building reaps an annual savings of 1,350 gals in fuel oil and \$4,400.00. The final invoice of \$7,410.00 was paid.
- Newfane Elementary School completed their project, funded with \$50,000.00 in EECBG funds and a \$6,900.00 match. Their weatherization project in the 1960 building provides an annual savings of 3,000 gals in fuel oil and \$9,800.00. Their final invoice of \$31,834.00 was paid.
- Paid Middlebury Union Middle School their final payment of \$26,625.00. Their \$50,000.00 EECBG award funded weatherization in the attic, gym, and cafeteria. Their annual fuel oil savings is 600 gallons and cost savings is \$2,000.00.
- Calais Elementary received their final payment of \$8,187.52. Their \$49,200.00 EECBG award funded replacement of all windows, sealing window and door trim, attics insulation, and replacement of antiquated kitchen equipment with energy efficient appliances. Their scope was changed to substitute replacing one of three freezers, which

was retired, with a refrigerator and dishwasher. The school's cook of 20 years, who purchased several of the appliances used over 15 years ago, mentioned that she, her hungry teachers, and students are noticeably inspired by the new shiny appliances. The school staff appreciate the level of savings achieved - 4,300 kWh in electricity, 3,300 in fuel oil, and \$4,300.00 annually.

- Staff prepared press materials for Governor Shumlin's press conference held on July 27th. The press release included a sample of some EECBG success stories, and representatives from the Towns of Peacham and East Montpelier were present to share how the EECBG program benefited their communities and how the energy savings they will realize would not have been possible without their grant awards. In addition, a local Vermont building energy contractor who has worked on at least two EECBG projects was happy to share via quote his positive business experience that was a direct result of EECBG funding. Corey Trimmer, General Manager of Hand Energy Services said "The influx of ARRA-EECBG funds has definitely been a benefit to our business. The spring is typically a slow time for us, but the grant funds made it possible to keep working through the spring – making our business less 'seasonal'." Trimmer went on to say that "Because of the grant funds, we've been able to bring on a lot of additional workers and have helped people who were desperately looking for work to learn new 'green' job skills."
- Staff created a Vermont map illustrating EECBG-Municipal projects awarded in each Vermont County, using icons to represent the 79 projects that are 100% complete, and the 41 projects still in progress (which includes those projects that reported being 99% complete as of June 30, 2011). This was the first time the public was able to see the visual magnitude of EECBG-Municipal grants awarded, spread across all of Vermont's 14 counties.

State Energy Program (SEP):

- In July staff approved and drew down federal funds totaling of \$ 425,051.00 for SEP.
- Approved interim & final invoices for North Country Hospital in the total amount of \$6,423.22 for PSI project in Newport, VT for extending the existing biomass CHP system to a newly constructed, on-campus clinical office building. Project is 100% complete.
- Paid \$7,000.00 toward the Town of Burlington's biomass district heating feasibility study.

Clean Energy Development Fund:

- Paid \$680.00 for the Northwood's Micro-Hydro project in East Charleston – unfortunately the project was cancelled upon learning that the hydro resource was a brown trout spawning area.
- Processed payment for the Town of Rutland's study re installing micro-hydro and/or solar at their WWTF.

Sustainable Energy for Homes & Business Project (Sanders DOE Earmark):

- Paid invoice to Vermont Technical College for pellet boiler project (\$41,994.11)

- Completed final quarterly report sections for submission to DOE.

Energy Efficiency Utility Activities:

Evaluation:

- Staff participated in a day training Seminar run by American Energy Engineers (AEE) which allows the exam for Certification as an Energy Manager to be taken.
- Forward Capacity Market Evaluation: Third party certification has been issued by the DPS for the results of the Forward Capacity Evaluation. Final report is pending.
- Savings Verification: Staff held its weekly internal SV Evaluation meeting to discuss project progress and new issues.
 - More issues identified with lack of documentation and invoices supplied with the EVT project files. Corrective action is being undertaken by EVT.
 - Possible issue identified with incentive payments being paid to fully funded projects – This issue is still being investigated. With the help of the ARRA team a list of projects is being assembled to investigate if EVT incentive money resulted in ARRA projects coming in under budget.
- Business & Residential Sector Market Assessments:
 - Staff met with Navigant and NMR to develop the approach for collecting on-site data for residential multifamily buildings four stories or more. Technically, these buildings are commercial but include residential dwelling units. Consultants agree that Navigant will collect building characteristics, code data, common equipment and common area data for these buildings. Dwelling data will also be collected by Navigant using NMR's survey instrument. Dwelling data will be sent to NMR for analysis and reporting.
 - Staff reviewed EEU comments on NMR's residential sector on-site survey data collection instrument and met with NMR to incorporate comments within the scope of the project.
- The Department chose and vetted the 11 organizations to Benchmark VEIC and BED's against relative to their performance delivering DSM services.

Other Items:

- Finance, legal and energy efficiency staff met with GMP, CV and VEIC to make additional changes to the AMI M&V Plan and Reporting Template. A status report to the Board will be filed this week outlining progress made to date and next steps. A meeting will be held on September 8th to finalize the Reporting Template and final AMI M&V Plans will be filed with the Board in October. Quarterly reporting of AMI costs and benefits (operational, energy and societal) of smart grid will begin in December 2011.
- DOE Solar Rooftop Challenge Proposal - DPS staff met to brainstorm project goals, objectives, partners, and budget. Drafted a Letter of Intent and budget. The final will be submitted this Friday.
- Net metering database was updated - received 8 applications in the past week.

Finance and Management:

Significant Events/Meetings: Fin and Econ met with GMP to discuss their base rate filing due on August 1st. Agreement was reached on three significant adjustments that will enable the Department to support the filing.

Status of Major Issues: GMP acquisition of CVPS—Fin and econ met with GMP financial staff to discuss the GMP approach for consolidating CVPS financials into GMP financials including base rate filings. A report is being drafted outlining the results of the meeting. We have completed a “draft” RFP for expert witness services for this case that is being circulated for review and comments.

There are potential regulatory risks that may arise with the transaction related to:

- a. the recovery of acquisition costs
- b. the recovery, if any, of the premium above net book value
- c. initial and longer term rate impacts related to proposed savings
- d. transition costs
- e. integration and consolidation plans

Legislative Related Activity: Consolidation--We learned this week that Tony Klein’s request for an analysis of various utility consolidation scenarios has, in effect, been withdrawn. Chairmen Klein acknowledged that with the GMP acquisition of CVPS there was no longer any need to examine consolidation of muni’s and coops. The meeting scheduled for August 1st to review our plans with VPPSA, BED, Stowe and the Coops has been cancelled.

Regulatory and Administrative Policy Related Activity:

Rate Cases and Tariff Filings: Solar Net Metering Credits Tariff - We have reviewed 13 VPPSA member tariffs and a Stowe tariff and each utility has agreed to amend these tariffs at the request of the Department stating that customers should pay for meter installation; should not be charged a recurring customer charge; and, should retain ownership of REC’s.

WEC-(No change from last week) The Commissioner has approved the recommended settlement and WEC is now drafting the settlement agreement.

CVPS LED Street Lighting Tariff— The PSB has opened an investigation into this tariff filing due to (a) the number of complaints received and (b) the lack of a tariff offering a lease option for LED street lights.

We have held internal meetings to prepare for a prehearing conference next week and to discuss possible options that would address the Board’s concerns. Completed our review of the CVPS’s proposed new LED street light tariff and recommended it for approval without a hearing or an investigation. The rates have been discounted to stimulate the sale and installation of more efficient street lighting in towns and municipalities throughout CVPS service territory.

We have received complaints regarding the CVPS proposed rates. At this point, CV’s bundled LED rates are reasonable and the town’s analysis and complaints have focused on unbundled non-fixture rates.

Docket 7535, AARP Low Income - Action items related to this docket will be the review of CVPS and GMP's proposed compliance plan.

Okemo Water— We are still going back and forth on the issue of taxes and return. We should be able to stipulate to the rates and the issuance of a CPG.

GMP Base Rate Filing - GMP has filed for a 4% rate increase. Our review is in process. Adjustments have been identified and are being worked out but no substantive issues have been identified.

Financings: We are currently reviewing a petition received last week from Stowe requesting PSB approval to finance the purchase of a bucket truck for \$185,000.00.

Mergers, Acquisitions, Change of Control: CVPS Sale to GazMetro
We have completed a draft RFP that has been circulated for review and comments for consulting services to thoroughly review the acquisition petition when it is filed by CVPS/GazMetro.

Emerging and Developing Docket/Settlement Activity:

Alternative Regulation Plans: Vermont Gas Systems Alternative Regulation Plan-expires September 30, 2011— VGS plans to file for a one year extension and soon thereafter file for a new Alt Reg Plan that would include resolution of any issues. At this stage we are planning to draft a term sheet for circulation and review that will outline possible changes for a new alternative regulation plan.

Smart Grid Activity: CVPS Smart Grid Plan- Developing an M and V process (measurement & verification). This effort is progressing very well. Draft reports have been developed and were reviewed and comments provided this week.

We attended a Smart Grid conference workshop where three topics were covered-opt-out tariffs, privacy issues and standards. The most important aspect of the conference was that most of the companies came together to discuss topics of interest that have broad implications across the state.

Washington Electric Cooperative (WEC) Smart Grid Construction Plan—they have submitted their construction work plan but now also have stated they plan to file a formal Smart Grid Plan. We are currently in the process of reviewing the construction plan.

Stowe Electric Department (SED) Smart Grid RFP— no new activity this week.

Other: Budget planning and preparation continues for FY 13. We are looking to establish division budgets for controllable expenses. Processed payroll, accounts receivable, accounts payable and substantial Grant activity.

Engineering:

Vermont Yankee Operation: The Vermont Yankee nuclear station continues to operate at 100% power with no operational issues. Currently, the INPO index for the Vermont Yankee operation is 95.86% which is close to the industry top docile rating of 96.2%. If present performance continues Vermont Yankee predicts they will be in the top docile by the end of the year with an index of 97.6%.

Fourth Dry Cask to be Loaded on Schedule: Vermont Yankee announced on Monday, July 25, 2011 that they will load the fourth dry cask as originally scheduled. Loading of the fourth cask was originally thought not to be possible because it would interfere with delivery and inspection of new fuel for the outage. However, VY was informed by GE (the fuel fabricator) that the new fuel delivery will be further delayed thus the refueling floor is free to load the fourth cask. Because the fuel will be arriving at a later date, inspection of the new fuel upon receipt may require around the clock (three shifts) to meet the schedule for the outage. The fourth cask is scheduled to be loaded on Monday, August 1st and set on the concrete pad on Saturday, August 6, 2011. The third cask was set on the pad on Saturday, July 23rd. The loading of the fourth cask will bring Vermont Yankee back to their original cask loading schedule that they provided to the PSB.

Gas Pipeline Safety Program: The Engineering Division is in the process of inspecting Vermont Gas Systems' Integrity Management Program (IMP). The company is required by federal code and PSB rules to implement specific continuing risk management assessment(s) of the natural gas transmission system. The program must also include explicit procedures to perform and analyze the assessments and execute preventative measures related to gas pipeline safety risks. The Division is utilizing federal inspection method protocols and has scheduled further technical review of the company's written IMP and related compliance records.

Copper Theft (update from last week): More thefts have been discovered since last week's report with one at VEC's East Charleston Substation, one at WEC's South Walden Substation, and one at Stowe's Wilkins Substation. VEC has offered to put together a press release for the utilities warning people of the dangers of attempting to steal copper from a substation. We anticipate that release by the end of this week. VELCO has filed reports of their thefts with the State Police, ISO-NE, and DOE, and has notified NERC and the NPCC. The Department is also working with the VT State Police and they have issued a bulletin to Vermont law enforcement agencies.

Smart Metering Workshop: Engineering participated in a PSB workshop in Docket 7307 (Smart Meters and Time-Based Rates) for the purpose of discussing issues related to cyber security, data privacy, and opt-out provisions for advanced meters. The utilities and the Department will work together and report back to the PSB within 30 days regarding plans for proceeding further on these three issues, and the PSB will schedule a public hearing for mid September to gather public comment on these three issues.

Telecommunications:

Petition of Otelco for the Purchase of Shoreham – Docket No. 7735 – A public hearing was held in Shoreham on July 27, 2011, and approximately 50 members of the public were in attendance.

The vast majority of the people who spoke at the public hearing were in support of the transaction. The Department anticipates that it will enter into a Memorandum of Understanding with Otelco supporting the transaction.

Target Communities RFP – While the RFP issued by AoA for GIS analysis to identify areas of the state without broadband service (TCs) did not generate questions by the question period, the DPS has learned that some contractors plan to submit bids by the August 1st deadline.

BMI Data confidentiality – The Broadband Mapping Initiative (BMI) has inquired with the NTIA whether aggregated address-level broadband availability data collected for the NTIA may be released publicly. If the NTIA affirms this request, then the AoA GIS contractor will be given the address-level data as described in the present RFP. If the NTIA declines, then the contractor may only be provided census-block granularity data. This is a significant reduction in precision, and the result will be data of less quality than is desired or expected by the various parties that hope to use this data: The PSB for docket 7725/6, the VTA, and the AoA for a statutorily required report.

SmartGrid Cybersecurity standards – FERC issued an order in which it declined to adopt a set of standards that NIST had previously suggested were “ready for consideration by regulators”. NIST, through an open collaborative process referred to as the SGIP (Smart Grid Interoperability Program) had identified five foundational standards that are already formally adopted by international standards organizations and widely deployed internationally. These standards describe the protocols that are employed in distribution and transmission systems, substation automation, and importantly the cybersecurity considerations for all of these protocols. FERC cited its direction in federal legislation to adopt standards when consensus is achieved; it indicated that comments suggested that there was universal opposition to adopting the standards and thus could find no consensus. It appears however that there are widely diverging reasons for this opposition. Vendors appear to oppose the standards because this would counter their competitive advantages of their proprietary approaches. On the other hand, various state regulators contend that the standards identified by NIST are antiquated and suggest that more current standards should be imposed instead, likely by states themselves.

Broadband Coalition – The Marketing Team met to discuss collateral pieces to publicize the broadbandvt.org website. The design of the pieces was discussed and requests for further refinement were communicated. There was some discussion of doing a contest over the course of the rest of the year and the events list was further distilled to those feasible based on personnel and available cash. Further, a discussion was held regarding the radio outreach as to paid airtime and requests for donated airtime from broadcasters.

Broadband Mapping Team – The data collection (for 6/30/11 data) for the Broadband Mapping Initiative continues. At this time, approximately 25 have given information about their networks to the Team. 12 More have promised data by the deadline and 2 others have requested alternative methods of reporting. All companies have provided some form of positive contact about their status at this time with only one outright refusal to provide data.

FCC Tracking – The FCC’s Emergency Access Advisory Committee has conducted a nationwide survey of persons with disabilities, the results of which are posted on the FCC website. Of particular interest are the responses to the question of how important it was for that group to contact 911 directly (as opposed to through a Telecommunications Relay Service (TRS). 77.1% of those polled stated that it was very important to have direct access. Another statistic of note is that 88.8% of those polled have broadband service at home and that 44.2% have a cell phone with a data plan.

Confidential and Privileged

To: Honorable Governor Peter Shumlin
From: Annie Noonan, VDOL Commissioner
Re: Weekly Report for week ending July 29, 2011

VDOL Budget, Fiscal Notes

I requested from all division heads and our fiscal unit a draw-down for federal money as instructed by Jim Reardon as a precaution against federal budget stalemate. Charlie Teske, VDOL's Fiscal Chief is preparing our end of the year fiscal memo for Jim Reardon which we can forward with next week's report. The Workforce Development Division (WDD) continues to struggle with an ability to effectively manage its programs and money. Just this week I was notified that the WOTC program overspent by \$6k and yet was continuing to have a staff person charging her time there despite a negative balance, and that they WDD overspent its Wagner-Peyser funding by \$90K, which we will now have to cover with WIA monies, but that will leave a short-fall in an already stressed WIA program funding. I met with the WDD Director Beth Kuhn last night and went over these fiscal problems, program-measurement shortfalls, staffing changes that she implemented that appear to be problematic, etc. In short, I have advised her she needs to demonstrate immediate improvement in her management of WDD since the fiscal issues outlined herein are not the result of any federal cutbacks but rather overspending by the division; the staffing changes are coming under criticism from a variety of her WDD employees and managers; and her program measurement plans don't appear to me to be any more stringent than last year's which all fell short of goals. We have applied for a grant modification on the \$1.2M in disaster relief grant to be able to include Caledonia county. We should know in a week or two if that has been approved. UI and IT divisions are very involved in the SRB discussions in the federal UI system that may allow us to draw down money for technology and programming improvements. If we apply, the deadline is August 17th. We went before LCAR yesterday with our Employment Security Board Rules which LCAR unanimously approved. This will allow VDOL to draw down \$9M which can be used for both UI system improvements and UI Trust Fund reductions. We are on target for UI Fund solvency by the mid-2015 target estimated by the prior Administration, and perhaps the fact that we have not borrowed from the Feds for two months (which we hope will continue to be the case) will allow that solvency date to be rolled back slightly. On the ESB Rules, I was really pleased that Legal Aid (Chris Curtis) and Building Trades Unions (Michael Sirotkin) both testified in support of the final rules and noted their appreciation for being invited to fully participate in the ESB rule discussion and drafting.

Unemployment:

Total borrowing remains unchanged – no borrowing for the fund this month.

Vermont's Unemployment number of 5.5% (with 400 more people added to the UI system) means that our regional office staff and the REA's will be asked to step up efforts for outreach to claimants and employers. We are set to advise MachineTool in Springfield and Dubois and King in Randolph that they are no longer eligible for the STC program, and I suspect that will result in a call to the Governor's office. As stated in prior weekly report, the STC guidelines need serious review and overhaul, as they are not being utilized as intended (short term program to assist employers through unanticipated business downturn), but rather as part of their 'business plan' by which the State is long-term subsidizing their payroll. VDOL IT had a conference call with Maine about a software program that provides data for UI decision making and data validating.

Workforce Development division continues to present a host of challenges as noted above. I met with ACCD on the joint performance measures and I asked to take over the survey tool work since the draft would not be acceptable to VDOL for our use. We have been asked by CVCAC to sign onto a grant proposal draft; if they receive the grant, they would have to fund VDOL activities for enhanced employment services. We will begin the VTC grant negotiations with Apprenticeship program. WDD

is preparing posters to advertise the \$1.2M grant for temporary jobs on public and non-profit flood clean up, restoration, rebuilding. WDD has been working with Vermont State Parks to set up at least 3 or 4 work teams to assign to the Parks. The Old Labor Hall in Barre has also requested teams.

Notification of business closings: Garmont, Williston (-11); US Postal Department closings (-#s not yet determined). Kimbell, Sherman and Ellis has notified VDOL that Google is interested in providing some financial assistance to help unemployed veterans with the Career Readiness Certificate program; and we presume that means they will provide the funding.

Workers Comp: The MOU on misclassification is still pending. I don't think the other agencies and departments are quite understanding the scope of the issue. As noted, I plan to request a joint meeting that includes Tax, Bishca, BGS, AOT, Labor to discuss; otherwise, we will face serious problems with Vermont labor and some key legislators. It might also be important to have Alex M at the meeting to ensure that the other departments understand the Administration's interest/commitment to the issue.

LMI has finalized the new Prevailing Wage info. This is another policy conversation that has to have some assistance from the 5th floor with other agencies and departments that may not understand or support the policy.

Meetings:

Meeting to discuss needed changes in the collective bargaining agreement.

Grants working group with Sue Zeller

Tramway Board members

Rep. Lippert on Vermont's Fairs/Amusement liabilities

Employment Security Board hearings

WEEKLY REPORTS

Checklist
8/1 /2011

Bill Lofy

_____ Agency of Commerce and Community Development – Lawrence Miller

_____ Agency of Agriculture – Chuck Ross

Amendment
_____ Agency of Transportation – Brian Searles

_____ Department of Labor – Annie Noonan

Alex MacLean

✓ _____ Agency of Natural Resources – Deb Markowitz

_____ Department of Public Safety – Keith Flynn

_____ Public Service Department – Liz Miller* (shared with Beth)

Susan Bartlett

_____ Agency of Human Services – Doug Racine

Beth Robinson

✓ _____ BISHCA – Steve Kimbell* (shared with Anya)

Jeb Spaulding

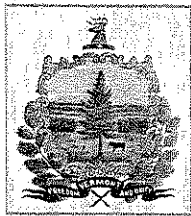
_____ Agency of Administration – Jeb Spaulding

Special Reports

_____ Additional Report: Education

_____ Additional Report: GIRO

_____ Additional Report: _____



State of Vermont...

Department of Banking, Insurance, Securities & Health Care Administration (BISHCA)

89 Main St. Drawer 20 Montpelier, VT 05620-3101 Main Number: 802-828-3301

Divisions: Banking, Insurance, Captive Insurance, Securities, and Health Care Administration

www.bishca.state.vt.us

Memo from Commissioner Steve Kimbell

CONFIDENTIAL AND PRIVILEGED – NO SHARING Report to the Governor for Week Ending July 29, 2011

Governor's Priorities

Commissioner participated in the Green Mountain Care Board interview process.

Staff is working with then health care reform team preparing exchange establishment and rate review grants for submission to HHS. These submissions will reflect Vermont's unique reform goals.

Evolving Issues

Completed preparations for August 4 hospital budget hearings

The Department is preparing to subpoena Blue Cross/Blue Shield of Massachusetts to obtain claim data; submission is required by Vermont law. One of BS/BCMA's customers has instructed BC/BSMA not to comply with Vermont law.

Outreach

Legislative

General Information

Appleby, Leigh

From: Maguire, Jo Ann
Sent: Friday, July 29, 2011 4:59 PM
To: Appleby, Leigh
Cc: Searles, Brian
Subject: Amendment to the Governor's Weekly

Importance: High

Hi Leigh,

Brian just pointed out a mistake in his weekly report on the Newark Bridge (it's the last item in the weekly). In the first paragraph, it says "...the towns of Newark and West Burke are pleased with the plan to close the bridge thereby reducing the project length to three months (rather than two years)..." and the final paragraph says "We are cautiously optimistic that this 25-30 day project..."

Brian wanted to be sure that the Governor knows that that actual closure of the bridge will be 25-30 days within the confines of the month of August.

Thanks,

Jo

Jo Maguire
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Deborah L. Markowitz
Agency Secretary

Christopher Recchia
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: July 29, 2011
Subject: ANR Weekly Report

Status of Governor's Priorities:

1) Brighter Economic Future/Growing Jobs/Quality of Life:

- **Green Mountain Coffee Roasters:** We worked this week in facilitating permit processing associated with Green Mountain Coffee Roaster's expansion and move to new facilities in Essex Junction, affecting multiple sites in Essex, Williston and Milton. Details on the Air and Water permits are below. All permits are expected to be granted and are proceeding expeditiously.

2) Climate Change/Renewable Energy:

- **CEP:** Much work was accomplished on goal setting and drafting sections of the Comprehensive Energy Plan. We continue to marvel at the close working relationship ANR has established with DPS, ACCD, AOT and other agencies.
- **Lowell Wind:** We expended a great deal of time and energy this week re-visiting issues on the Kingdom Community Wind project as a result of the landowner's unauthorized activities on lands that were to be encumbered by easements protecting habitat and water resources. The landowner's actions (filling in wetlands, tree cutting and building roads on about 14 acres of land) has delayed GMP's process and endangered the project.

3) Effective Government:

- Working with the Natural Resources Board Chair, we are continuing our series of focus groups discussing issues about permit processing that will help us formulate options for improvement.

Next week we will be meeting with three groups: Environmental, Municipal and Housing. We have completed meetings with Project Owners/Developers, Attorneys and Consultants.

4) Children's Future:

- Our Region II coordinator has been doing a fabulous job this summer working with Rutland Tapestry program to give kids the opportunity to fish. Before the season we identified locations where kids can easily fish away from swim areas (and be assured of a real good chance they're going to catch something). We've purchased 8 fishing poles and some other equipment that day camps can either 'check out' or use when we give a short presentation and instruction session. Kids from K-5th have been cycling through these presentations in groups of 8 with a counselor. Camp groups are either 40 or 80 kids depending on their camp location. At least 50% of the kids have never held a rod before.

Legislative Issues/Contacts:

- None to report this week

Press Issues/Releases/Contacts:

- **Loons:** Staff conducted an interview with the Times Argus regarding loon status and life history.
- **Hunter Education:** We issued a press release regarding summer/fall hunter education courses.
- **Sturgeon Violation:** A press release was issued regarding the July 2nd arrest of a Winooski angler charged with taking an endangered Sturgeon. The fish was caught on Otter Creek in Ferrisburgh, and acting on a tip the alleged violator was found with the fish and rods in his car.

Significant Events/Meetings:

- **Brookside MHP:** At the request of Representative Fisher, staff met with the Addison County Community Trust Board Thursday evening to discuss the status of the Brookside MHP radium treatment and distribution replacement construction project. The purpose of the meeting was to discuss the status of the projects and seek assurance from the Board that all improvements will be completed by the December 30, 2011 deadline.
- **Food Scrap Collection Meeting:** Staff met with staff from Highfields Center for Composting, Department of Health Food and Lodging Program and Chittenden Solid Waste District to discuss issues related to the collection of food scraps for composting at businesses and schools. There is a perception by some business owners that the source separation of food scraps is illegal. Department of Health staff assures us that it is not illegal under the Health Regulations to collect food scraps. ANR and Dept of Health will put out a joint "Information Sheet" which makes it clear that collection of food scraps for composting is not required by law but if you choose to do it, you must follow certain requirements and recommended guidelines.

- **Moretown Landfill Variance denial:** We met with representatives of Moretown Landfill to discuss possible options for future operation after the currently authorized landfill cells are filled. They asked whether there are any good options for a landfill in the area where cell 4 is proposed (this is the area which required the variance that was denied last week). We explained that cell 4 is not a good option to pursue for future landfill area. They then presented the concept of using a different portion of the site that would have much smaller capacity, to help them get a couple to perhaps 5 years of capacity. This area being considered has one part that would not require any variances and another portion that has wetlands that will need to be addressed.
- **Teacher Education:** Many Department staff spent time teaching or leading field workshops at the week-long course for teachers: "*Fish and Wildlife Management for Educators*" at the Buck Lake Conservation Camp. Presentations/workshops ranged from the Origins and Principles of Fish & Wildlife Management, the Diversity of Aquatic Habitats, Threats to Aquatic Habitats, a hands-on electrofishing lab in a nearby stream, Furbearer Management and Trapping, Moose and Black Bear Management, a wetlands field lab, and an early morning birding/botany walk. Feedback from teachers was, as usual, very positive.
- **Vermont Wood Pellet:** We appreciate your visiting the VWP processing facility as an important example of a Vermont scaled business that is contributing to and can serve as a model for how we can help Vermonters get off oil and have more security regarding the heating source and costs.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation

- **Green Mountain Coffee Roasters – Air Permit:** Green Mountain Coffee Roasters is proposing to build another coffee roasting facility in Essex off Susie Wilson Road to supplement the Waterbury facility. This facility is expected to be dedicated to k-cup manufacturing. The plant will include six large new roasters, each to be equipped with a catalytic oxidizer followed by a thermal oxidizer. Most roasters today are equipped with catalytic oxidizers only such as the Waterbury facility. We are aware of one facility in Washington that has a thermal oxidizer due to stringent visible and other emission limits in the Puget Sound region. This may be the first facility equipped with both. Part of the reason is their very tight time frame and the need to ensure all permits proceed quickly. They need to begin production by March of 2012. Two of the needed buildings currently exist and they would be building a new building between the two in order to connect them into one larger facility. A coffee roasting facility of this size will have significant emissions but is expected to remain a minor source. Emissions of formaldehyde and acrolein are driving the emission controls.
- **Green Mountain Power:** GMP is looking to replace the existing fuel oil fired peaking gas turbine at the Gorge site in Colchester. We have been working with their consultant on preapplication issues. They indicated this week that GMP is looking to file with the PSB under Act 248 before filing with us. Typically these projects obtain our permit before going to PSB but that is not the case here.

- **West Windsor Feasibility Study:** West Windsor held its second Public Meeting on its water and wastewater feasibility study to present the findings from the first phase of the study, which assessed current conditions and needs. Nine citizens and four town officials attended. The principal finding was that the many small lots in the village center cannot support replacement septic systems, let alone any expansion of sewage flows, and that the individual wells, both bedrock and shallow are not isolated from the sewage systems. The next phase of the study will develop possible water supply and sewage treatment alternatives and evaluate them.
- **Dufresne Pond Dam, Manchester:** This dam is owned by DFW and is proposed for removal. The dam, which is on the Batten Kill and currently not serving a useful purpose, is in need of significant repairs. The Department is proposing to remove it for both financial and ecological reasons. This has been a project in-the-works since 2005. On July 13 a public information session was held to collect comments on “whether the project serves the public good and provides adequately for the public safety” (10 VSA §1085). Most of the attendees were opposed to removal, a few supported, but most expressed they understood why the dam was being proposed for removal. As a result of the meeting, some key issues were raised which will need to be addressed during the findings portion of the application process. These include loss of the current recreation resource (it is heavily used by the local residents), the concern that the area will become a catch and release fishery (it is now put and take), and the loss of its use as a fire pond. In addition, several residents are now claiming their shallow drinking water wells have been affected by the drawdown the pond (which started about one year ago). These immediate concerns are being addressed by staff and the design engineer, who has been studying the drinking water wells in the vicinity of the dam as part of the removal project.
- **Sweet Pond Dam, Guilford:** Dam Safety continues to work with FPR. Currently, FPR has contracted with an engineering firm to evaluate alternatives for repair, replacement, or removal. The pond will remain drained until a final solution is reached.
- **Groundwater Naturally-Occurring Radionuclides:** The Clarendon Springs formation in Highgate will be visited the week of July 25 and initial samples from water wells will be taken. The Vermont Geological Survey and Middlebury College are cooperating on the project. This project continues research in this formation with a focus on Highgate due to a letter to Middlebury Prof Peter Ryan concerning a citizen’s cataloguing of cancer cases in the area. The Health Department is aware of the citizen concern and is looking into the claims while also supportive of the mapping project.
- **OMYA Tailings:** The Solid Waste Management Program has reviewed and approved of the Workplan for removing tailings from the Omya Tailings Management Facility for beneficial use. While the plan was submitted to allow tailings usage at the Moretown Landfill, it can be referenced in any future reuse requests.
- **Solid Waste District Managers:** We met with the Solid Waste district Managers Association and gave a brief summary of the recent Moretown variance denial. Most of the meeting was spent discussing potential statutory changes; feedback from the managers was generally positive, but they did express some areas of concern.

Fish and Wildlife

- **Sea Lamprey Control:** Staff drafted responses to comments from the Endangered Species Committee regarding the Department's Endangered and Threatened Species Taking permit application for this fall's proposed Poultney River sea lamprey control treatment.
- **VY:** Staff are responding to a FOIA request from the Connecticut River Watershed Commission/Vermont law School for documents and communications pertaining to Entergy Vermont Yankee.
- **Timber Creek Development** submitted a Forest and Wildlife Habitat Management Plan for review by staff. It was returned with a request that it be re-written to include a description of the wildlife habitat improvement strategies.
- **Wind Energy – General:** Staff participated in a Wind Turbine FAC conference call to discuss language in USFWS wind turbine guidelines.
- **Bats and Transmission Lines:** Staff conducted a training session with VELCO line management staff on Indiana bat roost tree identification and management along transmission lines.
- **Rare Lily Sighting:** Staff monitored a find of White Camas Lily (*Anticlea glauca*) which was last observed in Vermont in 1912. It was presumed to be extirpated until it was observed last summer. The camas doesn't occur anywhere else in New England and is rare in N.Y. The population, which is on state land, consisted of over 100 flowering clumps and an equal number of smaller, vegetative individuals.
- **Summer webinar series:** The third session of the summer webinar series on Town Plan Review has been completed: *Wildlife Considerations in Local Planning*. It was exceptionally well attended and both the PPTs and a windows media player movie is available on <ftp.anr.state.vt.us/jens/RPCs>
- **Eagles and Eaglets:** A new full-sized eagles' nest was discovered on the Army Corp of Engineers property on the West River in West Townshend. Although there had been branches added this year there were no eaglets in the nest. This nest represents the southernmost eagle nest in the state. The eaglet at the New Haven site was inspected and will likely fledge in 1.5-2 weeks and confirmed 2 fledged eaglets at each of the Northeast Kingdom nests.
- **Bear Feedings:** The N.W District is dealing with bear damage complaints. A lady from Enosburg is allegedly feeding bear after warnings not to. Staff conducted surveillance on residence for a few hours and observed nothing. Will continue to watch. There are Central District bear issues as well. A Chelsea bear is not going away; houndsmen will try to run it off when the weather breaks. Finally, in Woodstock, a bear broke a porch window and went inside to get at fresh baked pie. The same bear is getting into garages just over the hill. This problem bear is being sought out by houndsmen as well to run it off.
- **Drowning Victim:** Wardens assisted VSP with the search for a drowning victim in Ferrisburgh.

Forest, Parks and Recreation

- **Attendance:** The weekend weather and promotions are continuing to contribute to a stellar park operation season. Attendance to date is 2% ahead of the average of the last two seasons. Although we lagging 8% behind 2010, attendance is 14% ahead of 2009. Parks have been very busy, especially Sand Bar and Lake Carmi, given the excellent summer weather. In general, Day Use areas have been booming and weekend camping has been near capacity. The visitor comment cards coming into the central office during this busy time have been extremely positive.
- **Marketing:** The Where's Whipple? promotional contest is still getting lots of attention. Craig is scheduled for a Chittenden County radio station talk show to promote the program this Friday. The potential partnership developing with Blue Cross Blue Shield of Vermont to sponsor a new "parks prescription" program continues on a very positive track. Craig met with their marketing and community relations staff this week.
- **Nature Center at Coolidge:** The Nature Center was built by the Park Ranger with young adults from the NCCC program and other volunteers after a significant fund raising campaign. The building was dedicated this week to Janey Schreiber who passed away in 2005. About 50 people attended the event including Senator Alice Nytko. You may recall signing a gift book for her and for this event at the Elmore Lake Beach House dedication last month. It was much appreciated by the staff working with the Park Ranger.
- **Water Carnival:** Camp Ta-Kum-Ta is using Sand Bar State Park this week for waterfront activities including a Thursday Water Carnival for around 200 people.
- **The Burton Island Marina** continues to get busier as folk begin to make their way down from Canada.
- **Franklin County Airport in Highgate:** We are working with VTrans Aviation staff on a timber sale and land clearing project that will make way for the expansion of a hanger and taxiway, and a second runway for ultra-light aircraft. The sale will be offered as a whole-tree harvest.
- **National Report on Sustainable Forests.** This month, the USFS released its 2010 report, which uses the Montreal Process Criteria & Indicators (C&I) for measuring progress toward forest sustainability. Vermont used this process in preparing its own Forest Action Plan last year. This report is valuable in that it provides the national context--data and analysis--across ecological, social, and economic dimensions. **2010 Report on Sustainable Forests:** <http://www.fs.fed.us/research/sustain/> How Vermont used C&I can be viewed in the **2010 Vermont Forest Resources Plan (Forest Action Plan):** http://www.vtfor.org/html/for_resourcesplan.cfm

Among the Key Findings from the report's Executive Summary:

- At 751 million acres, forest area in the United States remains stable.
- Fragmentation and loss of forest land are occurring in many regions and localities, owing mostly to human development.
- Levels of forest disturbance are rising, including a three-fold increase in insect-induced mortality relative to the previous report.
- The number and complexity of values and demands society places on forests are increasing.

- Wood products production is declining relative to growing consumption, with increasing imports filling the gap.
- Forest management activity is declining in many areas as forest products firms divest themselves of timber lands.
- Sustained capacity and willingness to manage forests sustainably are evidenced by a growing number of public-private collaborations on projects devoted to landscape-scale conservation (in Vermont these include Forest Legacy Projects).
- **State and Private Forestry USFS Grant:** We submitted applications totaling over \$1.2 million last week. One-half of these funds were awarded to Vermont through a twenty state competitive grant process. In addition, we are negotiating an agreement with USDA Natural Resource Conservation Service to hire two limited service foresters to assist county foresters and NRCS in landowner cost-share programs. NRCS is covering eighty percent of the salaries.
- **Okemo Mountain – VELCO:** met with the Mt. Holly Selectboard and Planning Commission on July 18 to discuss their proposed communication facility at Okemo Mountain. The meeting went well and the project was supported by the Town. VELCO now plans to submit their 248(a) filing for this project to the Public Service Board by August 1.
- **Fiber Optic Lines:** We are continuing to work with Verizon Wireless at Okemo and Fairpoint Communications at Jay Peak on licenses for the installation of buried fiber optic line within the ski area leaseholds and expect to execute these licenses in the near future. We are also working with Stowe Electric regarding a license for a buried power line and fiber optic line that is on state land at Stowe ski area.
- **Ski Areas:** Major development projects are underway at Killington, Jay Peak, Burke, Stowe, and Bromley. Timber Creek is planning a major development project on land directly adjacent to Okemo ski area. This project will include new lifts and trails that will connect the proposed new residential development to the ski area. ANR staff have been working closely with the developer on wildlife mitigation and other needs associated with this project. An Act 250 application for this project will likely be submitted in August.
- **GMC** recently acquired the Smith parcel in Bolton which is a key component of GMC's Winooski River crossing and Long Trail relocation effort. GMC plans to convey the parcel to FPR, subject to a conservation easement and other conditions. GMC will be seeking reimbursement of their purchase of this property with the Department's legislative appropriation for Long Trail protection. This is acceptable to the Department with the understanding that these funds would be turned back to the Department in the event the Smith parcel is not used for Long Trail purposes.
- **Green River Reservoir State Park:** We will be closing in the near future with Morrisville Water and Light on a small addition to the park, and are actively negotiating with a nearby landowner on another possible addition that would provide needed access to the park.
- **Champion lands (West Mountain WMA and the Plum Creek timber lands) plan updates:** These are due in 2012. We have submitted a funding request to the Vermont Housing and Conservation Board to assist with these plan updates. This project will necessarily involve many of the "hot button" issues

associated with the Champion Lands project including Core area management strategies, planned road closures, phasing out of camp leases, motorized access and other issues that have the potential to become controversial.

Administrative Services

- **State Auditor:** We received a call from the State Auditor's Office this week giving us a heads up that they will be contacting DEC to begin planning the FY11 Single Audit (A-133) for the Clean Water and Drinking Water State Revolving Funds.
- **NRB:** The NRB Move to Waterbury is scheduled for the week of September 22nd.