

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

Sent: Saturday, September 26, 2015 11:03 AM

To: GPS

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

Subject: Weekly Reports - Executive Privilege 09 25 15.pdf

Attachments: Weekly Reports - Executive Privilege 09 25 15.pdf; ATT00001.txt

Highlighted Weekly Attached.

Gov - ACCD section continues to look like possible good news on BHS, and we might get that ahead of scheduled trip to Montreal.

Public Service indicates they had mtg with Vermont Gas. I spoke with Rendall this morning. Department and VGS still do not have agreement to put new "hard cap" on project costs into docket. VGS is offering to cut expected project cost recovery by roughly 10% at minimum. I will follow-up with Recchia.

More Public Service, RFP from Mass, CT, and RI for regional transmission scheduled to be issued mid-Oct. We expect TDI, Northern Pass, Anbaric to all bid.

Also Public Service it looks like RUS said initial yes to the Efficiency Vermont \$45 million loan fund application. More to do on state end, but we should consider when we are ready how to announce this. It will be significant news.

Scott - lots of items I flagged for you to be aware of on press side.

Sue - ANR section it looks like NY pushing to avoid any additional obligations on TMDL, which would make VT obligation harder to meet. Sounds like delegation engaged, but we should follow up with Deb and make sure we are doing everything we can on this.

Justin - see another note from Rebecca in Ed section about retirements.....

Lawrence - please reply all if you want to add update on VHC or the liquor control modernization study.

Thanks,
Darren

WEEKLY REPORTS

Checklist
9/25/15

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

- ☐ Boards and Commissions – Jessica Gingras
- ☒ Department of Liquor Control – Jim Giffin

TBD

- ☒ Department of Labor – Annie Noonan
- ☒ VT Commission on Lottery – Greg Smith

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: September 25, 2015
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

GOVERNOR'S PRIORITIES:

- **EB5:** The pressure continues from other projects who are concerned there is another shoe to drop on Jay Peak. The questions continue as to "what is our plan for positioning the regional center in a better light, how are you going to help recover from the current crisis and any future crisis," things of that nature. Gene is doing a good job managing and messaging. It is getting harder to dance!

Jay Peak has now defaulted on the repayment of an investment or who was not approved by USCIS. Unapproved investors are supposed to be repaid within 90 days, this payment is now well overdue. Stenger is indicating he can't repay this investor until the "state releases funding." The attorney for this investor has filed an official complaint.

I continue to receive emails from Peak CM asking for a meeting to discuss why the state is slowing down payment.

- **Manufactured in Vermont:** Joan and I spent extra time at the show and did some great networking. As you heard, most manufacturers are very concerned about the availability of labor. The stories are similar to what we heard from Kaman; can't pass a drug test, lack the skills, don't seem to be interested in full-time work.
- **BHS:** We are making progress with this prospect and are very hopeful we will hear good news before the trip to Montreal. The company is interested in VEF.
- **Vermont Training Program:** Joan did a response to Doug Hoffer's critique of the program and sent to the same legislators. That did not go over well with Hoffer and Tim Ashe. Jane Kitchel called and I need to call her back. Joan is reaching out to get from Hoffer actual ideas on how to "audit" as he suggests. We will be instituting a more robust monitoring program. But we simply lack the staff to "audit" every grant.
- **Peer to Peer lending study:** Joan Goldstien reports we held peer to peer lending study group outreach focus group with DFR. Had great attendance from Merritt Merritt Moulton, bankers association, VSECU, Flex Cap Fund, Community Cap of Vermont and VEDA.
 - Next steps are to coordinate input from tech assistance providers and to begin to develop the report to the Legislature for December timeframe.
 - Some takeaways are that there are many early investors in GMCR and Dealer.com that have some wealth to invest and it will be deployed to deals that are known around the angel community. Question posed to Ken Merritt is what can the state do to encourage or help facilitate directing new deal flow to the Angels or can we 'celebrate' the Angels akin to the way Silicon Valley makes rock stars of these important contributors to the entrepreneurial ecosystem. Ken appreciates our interest and also the invite to this session and would like to continue the discussion and brainstorming.
- **Northern Power Systems:** Joan met with Northern Power Systems. They have been experiencing cash flow crunch since the ExIm bank has not been reauthorized. We will put our heads together with VEDA, etc. to provide some possible solutions. They assemble the 'brains' of the wind turbines. Because of siting issues in the east a lot of their business is for projects out west and abroad in Italy and UK. They are usually waiting to get paid because the projects sometimes have to wait 6 months before being connected to the grid. Additionally, they have too much space in their facility in the Barre Industrial Park. They think Chittenden County holds more promise in terms of built available space and workforce quantity and capability. While on this topic he mentioned the offers they are getting from NY and MA. They want to know what we have in the way of retention incentives. Since we cannot really offer retention incentives we will be working with them on VTP grant. We also will introduce them to Dan Smith of VTC in order to help create workforce solutions utilizing students/apprentices.

- **Solarflect**, a PV tracker business met with Joan. They are waiting for PSB CPG in order to get the VEDA financing portion of the total financing for their project. They are doing 6 community solar sites in NMTC areas so are using new markets tax credits and the solar tax credits. They have 18 employees and are waiting for the green light on all of this so they could start this fall. If they lose any more time they may not meet the deadlines for the credits due to the short construction period in VT and may have to lay off people. Kiersten B helped connect the dots on this by reaching out to PSD. VEDA will be deciding on the credit at this Friday's board meeting.
- **Safford Commons:** Governor Shumlin cut the ribbon at a neighborhood of 28 new affordable homes in ten new buildings and a former grange hall in Woodstock. All but one apartment is filled and there is a waiting list of 40. The project took more than 10 years to develop as neighboring landowners mounted legal challenges that went all the way to the Vermont Supreme Court. One new resident, a single mother of three, lost her home in Tropical Storm Irene and has since been living in New Hampshire (in what the Governor described as one tragedy after another). She had not been able to return to Woodstock until now. The project includes \$1 million in VCDP funds and was developed by the Woodstock Community Trust, Twin Pines Housing Trust and Housing Vermont. Represented ACCD along with Shaun Gilpin.



LUCY LERICHE, DEPUTY SECRETARY

- **UMV/Legislature Conference:** Lucy met with Corine Farewell of the UVM Office of Technology Commercialization to prepare the joint presentation they will be doing at this upcoming conference. Secretary Moulton and Commissioner Goldstein will also be presenters.
- **Vermont Climate Change Business Incubation & Entrepreneurship Workgroup:** This subgroup of the Climate Change Economy Council will bring recommendations to the full Council for consideration in the final report. Some common themes in the discussion included: mentors for entrepreneurs; access to capital; technical assistance; business environment; and land use. One idea that members wanted to further explore was a permitting overhaul. The concept is that we beef up regulation, provide clear guidance and rules around what can be done where, and then let people go forth and develop but levy huge fines and penalties for violation of rules. This idea is fraught with issues, but the conversation continues . . .
- **Statewide Parcel Data:** This has widespread uses and value from transportation, planning, taxes and administering the current use program, to agriculture, water quality, public safety and on and on. ACCD is coordinating with VTrans to see if we can get contributions from across state government to help fund this important project.
- **Peer to Peer Insight Forum:** As part of the Peer to Peer Legislative study, DFR and ACCD held an insight forum with a representative group of people working in the lending space in Vermont. Overall, the group was in agreement that more tools and opportunities for Capital is good, so long as the regulation side is covered and that

it is coordinated and compliments what is already happening. Many good and helpful comments to incorporate into our report.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Economic Development Marketing Plan:** A high level of interest in the Economic Development Marketing Plan RFP continues. Answers to written questions were posted this week and support continues to be provided to firms applying to become prequalified marketing vendors.
- **Branding:** Heather has been working with both the State Curator's office and the Department of Human Resources this week to develop consistent visual communications that complement the state's established brand standards. Both organizations have sought to create their own identities, and looked to the CMO for guidance on how to accomplish a level of differentiation in recognition of their unique missions and target audiences, in a way that does not compete with or dilute the overall Vermont brand.

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ Steve Sharp, Interim Director

- **GIS Data**
 - **New/Update Data and Web Services:** VCGI recently received a GIS dataset from Green Mountain Power (GMP) containing 294,828 pole locations. The fully documented dataset has been posted to VT's Open GeoData Portal (which is managed by VCGI). This data release represents an important milestone given that utilities have historically been unwilling to release their data (for a variety of reasons). This GMP data release comes at the heels of a release of utility distribution line data by VT Electric Coop (VEC). It seems that we may be entering into a "new normal" where utilities in VT will begin to release some of their infrastructure data. Such datasets are critical in a wide range of uses cases such as planning for and building-out additional broadband coverage or siting new renewable energy facilities.
- **VCGI Imagery Program**
 - **LIDAR:** In pursuit of the state match portion of the 2016 USGS Broad Agency Announcement (BAA) grant opportunity, VCGI is coordinating with the Agency of Natural Resources to pursue possible funding through the Clean Water fund. We are hopeful that the details will become more definitive prior to the October 23 final proposal deadline in order to significantly strengthen the proposal.
- **GIS Governance & Coordination:** Esri (GIS vendor) was onsite last week (Tue, Wed, Thur) conducting one-on-one interviews with State agencies regarding their GIS uses, needs, and how VT could move to fully leverage its investment in geospatial technology and data. Esri will be following up with some additional interviews (virtually), and will then work to compile a set of recommended action that the state could take to improve its use of GIS.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Travel Recreation Council:** Our monthly TRC was very productive. The group continues to be engaged and very good about sharing information. The big news this month was that the northern resorts are seeing a big lag in advance reservations and season pass purchases from the Canadian market. Advertising \$\$ may be redirected and we suggested the Charlotte and Atlanta markets to compliment what we are going to be doing with the airport to support the direct flights into BTV.
- **Killington Spartan Race:** Megan attended the Killington Spartan Race to cheer on husband Greg who is foolish enough to do such a thing. The race brings more than 10,000 participants over a two day period to the region and is a wonderful kick off to the fall season. Restaurants and lodging properties for a 30 mile radius were booked and the traffic felt like a winter holiday weekend without the plow trucks. This race originated in Killington but is now a worldwide brand. The Killington race is called "the beast" for a reason and is held up to be the most challenging in the series. P.S. Greg did complete and PROMISES it was his last one. We'll see when the healing is complete.
- **The Big E:** The Big E is finally here after months of preparation. Megan and Lucy went down to cover some shifts over the weekend and check in on the Vermont building. There were several new vendors including Vermont Association of Snow Travelers who joined VDTM in our booth. Two new vendors outside in the back of the building were the Burlington Farmers Market and Gringo Jacks. Both were very pleased with their results although happy for the cooler weather after a very hot weekend. Everyone misses Christiane Skinner as the "face" of the Vermont building but we were blessed with so many people in state government stepping up to fill the void.

Steve Cook, Deputy Commissioner

- **Vermont Tourism/Yonder partnership:** VDTM is expanding an existing partnership with Yonder App to include consumer trade shows, event sponsorships and paid advertising. Yonder is expanding outside of the outdoor goods/product marketing to include consumer travel marketing. VDTM will meet with Yonder's executive staff to finalize the next year of coop opportunities.
- **Summer ad performance:** The table below reflects this past summer's advertising performance measures. With some new elements to this year's media plan VDTM is very pleased with the results.

SUMMER 2015						
Vendor/Platform	Total Impressions	Total Clicks	Average CTR	Total Bookings	Total Revenue	ROI
OTAs	17,818,265	28,234	0.17%			
Adara	6,366,157	19,913	0.31%	540	\$ 87,999.45	2.20
Priceline	3,308,380	1,568	0.05%			
TripAdvisor	275,009	452	0.16%	N/A	N/A	N/A
Orbitz	7,100,108	5,687	0.08%	3,371	\$ 593,634.00	
Expedia	768,611	614	0.08%	N/A	N/A	N/A
Online	15,615,323	36,708	0.57%			
Pandora	3,080,152	9,515	0.31%	N/A	N/A	N/A
Pandora - Boston	1,540,055	4,471	0.29%	N/A	N/A	N/A
ESPN - Boston	582,112	1,063	0.18%	N/A	N/A	N/A
Google Search	317,906	8,206	3.20%	N/A	N/A	N/A
Google Display	3,144,549	5,348	0.17%	N/A	N/A	N/A
YouTube	474,743	396	0.08%	N/A	N/A	N/A
Accordant	4,253,560	2,693	0.06%	N/A	N/A	N/A
RadiumOne	2,222,246	5,016	0.23%	N/A	N/A	N/A
OOH	64,731,433					
Clear Channel (6/15-7/12)	11,890,431	N/A	N/A	N/A	N/A	N/A
RSA (6/15-7/12; 7/6-7/31)	19,699,822	N/A	N/A	N/A	N/A	N/A
Liquid Outdoor (6/15-7/26)	1,774,236	N/A	N/A	N/A	N/A	N/A
Titan - Commuter (6/15-7/12)	6,565,615	N/A	N/A	N/A	N/A	N/A
Titan - MBTA (6/15-7/12)	24,801,329	N/A	N/A	N/A	N/A	N/A
	Impressions	Clicks	Average CTR			
TOTALS	98,165,021	64,942	0.37%			

- **Vermont Law School:** As a follow up to a discussion between ACCD administration and the Vermont Law School, Steven Cook and Mary Nowlan have scheduled a meeting with VLS president Marc Mihaly and the VLS marketing team on Sept 29th. This discussion will focus on collaborations in both marketing and publishing.

COMMUNICATIONS ♦ Laura Peterson, Director of Communications

- **World's Best Foliage Campaign:** With unusually warm weather in early September, the fall foliage media narrative appears to be "fall will be late in arriving." We are balancing that message with "And the colors are going to be great." Foliage stories appeared this week in the Associated Press, CBS MoneyWatch, WBUR, TTG (a UK outlet) and others. A Ch. 22/44 interview with Commissioner Snyder was scheduled for Thursday.
- **Social Media:** Our World's Best Foliage press release was picked up by Modern Maturity and the resulting Facebook post reached 4,300 people.

CULTURAL HERITAGE TOURISM ♦ Catherine Brooks, Cultural Heritage Tourism Coordinator **Support for Businesses and Organizations**

- **Ambassador Program:** As a result of the special edition of the Commissioner's Newsletter focusing on the Vermont Ambassador Program, we had 19 new registrations in just one day. Representatives from a variety of businesses that are tourism-related organizations registered, and all have received a confirmation email offering assistance and/or more information.

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

- **Winter 2015-16 Issue:** Ad deadline is here for the Winter 2015-16 issue and we are cranking. Jay Peak reserved a full page, and their CMO sent along a very complimentary note about the look and feel of the magazine. "From the layout and design work to the copy and paper-texture, it's a very thoughtful piece and there isn't enough of this out there. You should be proud of your work."

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Attended community visit to Craftsbury with VCRD. Overarching takeaway from community is that they desperately need broadband and cell coverage. I volunteered to be a point person to help facilitate. There is a private investor who is interested in the dark fiber that runs through the area but needs funding. Perhaps the town can bond for this important piece of infrastructure and they seem open to ideas on how to approach. They are an engaged and thoughtful community. Very impressive. Perhaps a Northern Borders Regional Commission/ USDA grant opportunity for next year.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **South Carolina Captive Insurance Conference:** Dan Towle, Director of Financial Services attended this conference. The conference had one of the largest turnouts in recent years topping nearly 250 registrants. South Carolina has traditionally been one of Vermont's biggest domestic competitors. Dan is currently in conversations with multiple South Carolina Captives on potential redomestication to Vermont. Most of the prospects are Risk Retention Groups. The conference also gave Dan a tremendous opportunity to network with multiple key referring sources to Vermont, which is important as the end of year activity begins to heat up.
- **Willis Holdings Licenses Vermont Captive:** Dan reports that Willis, the world's third largest insurance broker, has licensed a Vermont sponsored captive. Dan has worked closely with their Global Captive CEO, Paul Owens, on this project. This is big news as they are one of the leading insurance brokers and had many options on where to domicile their captive. The insurance broker is the primary consultant that is used to recommend domicile selection. It is always great news when the consults choose to form their captives in Vermont. Dan plans to put out a press release in coordination with Willis in the near future.
- **South Carolina Captive Insurance Association (SCCIA) Legislative Meeting:** Dan met with Tom Bomgardt, the legislative chair of the SCCIA. Dan briefed Tom on the issues surrounding the negative impacts of the Non-Admitted Reinsurance Reform Act and how the industry needs the help of South Carolina's Congressional delegation. Tom agreed to reach out to his delegation and to hopefully have them co-sponsor legislation that is being led by Vermont Senator Patrick Leahy, Lindsey Graham of South Carolina and Congressman Peter Welch. Dan is optimistic that they will be successful in getting more bill sponsors.
- **Anderson Kill (Law Firm):** Dan met with Phil England, Managing Partner of the Insurance Practice, to discuss a large energy captive insurance prospect. This company is in the early stages of considering a captive and is represented by Anderson Kill. They are based on the west coast, but Dan hopes to get an opportunity to compete for the business.
- **Arizona Risk Retention Group Prospect:** A prospect that Dan has been working on for a redomestication to Vermont had a Board of Director vote this week and approved a redomestication to Vermont. The process is to be completed this year. The captive ironically, is run by the former President of the Arizona Captive Insurance Association. This Risk Retention Group will be writing medical malpractice coverage for a group of Indiana based hospitals.
- **National Risk Retention Association Annual (NRRRA) Conference:** Dan will be in Chicago next week attending the NRRRA Conference. Vermont is the leading domicile for Risk Retention Groups (RRG's). Vermont has over 60% of all gross written premium and the most RRG's of any domicile.

INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT ♦ Krista Conley, Director

- Met with Megan Sullivan of Rep. Welch's office on OPIC and the possibility of some funding for technologies to be deployed overseas, as well as briefing her on the recent HKTDC meeting.
- Met with Corine Farewell of UVM Technology Commercialization to learn more about the IP portfolio and the potential for international financing. Met with Mark Oettinger, a lawyer and member of VITA on India financing.
- Spent several hours at Logic Supply to learn more about their global supply chain story for our International marketing.
- Also spent time with Phil Susmann of NUARI in advance of a visit from the United Arab Emirates on Sept 29th, as well as President Obama's announced national priority on cybersecurity and the Chinese.
- Lastly, I'm working with Adam Grinold and RT Brown to produce an initial report on the Brattleboro FTZ, which has made it clear that we need to schedule a further meeting on operation of FTZs and how companies can benefit. To be continued.

VERMONT EB-5 REGIONAL CENTER ♦ Eugene Fullam, Director

- **Finalizing MOU and PPM for Quechee Lakes project with DFR via conference call with client on 9/24/2015.**
- Initiated invoicing and billing of current programs as well as roll-out of new fee structure for new deals such as SouthFace Village/Okemo and Quechee Lakes.
- Nearing finalization of optimal MOU and PPM with collaboration from DFR.

- Visited SouthFace Village/Okemo to meet with Ted Rossi, General Partner, to discuss marketing strategy and upcoming China trip (Nov).
- Organizing VT EB-5 programs for upcoming iiUSA conference in Dallas, TX (Oct 21-23).
- Actively responded to several RFI's from investors via our website.
- Responded to Stowe Aviation, Russell Barr, and request to comment on FEMA letter request for "National Interest Situation" designation.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Discussed filing Final VEGI Application with Precyse.
- Processed NAHANCO Final VEGI Application for consideration by Board on Sept. 24.
- Worked with BHS on starting Initial Application.
- Spoke with Ken Smith at Orvis regarding potential VEGI application.

Windham County ED Program

- Finalized BDCC grant agreement for GSP development project.
- Finalized VEDA loan to STIX.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Commissioner MacKay

Vermont Economic Resiliency Initiative (VERI)

- **Community Meetings:** Met with Brandon, Brattleboro and Barre. Barre and Brandon are excited and already started working on project implementation. AOT and ANR are interested in helping communities fund these projects in a coordinated fashion to ensure that multiple goals (i.e. water quality improvements, flood resilience and keeping businesses open).
- **Press:** Working on a PR plan for the release of the final report with localized contacts of stories of how communities are already implementing projects and state agencies working together to coordinate and compliment program goals. Will reach out to the Governor's Office on timing and drafting in the next week or so.

Deputy Commissioner Hollar

- **CDBG and HOME Funding:** As the end of the federal fiscal year approaches without passage of an appropriations bill for HUD, continued to monitor deliberations over a short or long term continuing resolution for its impact on CDBG and HOME funding. The funding in question is for federal fiscal year 2016 and will determine the level of funding for our VCDP and VHCB's HOME program years beginning in July 2016.
- **VCDP and CDBG Disaster Recovery Programs:** With Josh Hanford, briefed Noelle and Pat on the status of these two programs and presented a recommendation from the Vermont Community Development Board to fund three new disaster recovery projects. All but approximately \$1.5 of the \$40 million in CDBG DR has been allocated. Applications for municipal infrastructure projects continue to arrive and we will easily use the remaining funds for these projects and adjustments to projects already underway as their final costs and budgets evolve. According our regional office, HUD's response to our request to extend the completion deadline for several DR projects is "looking positive."
- **St. Johnsbury Zoning Bylaw:** The selectboard has voted to remove an illegal restriction on the number of affordable units allowed in new developments after gentle but persistent guidance from DHCD. The provision would have precluded the town from receiving HUD funds, including VCDP. Unless subject to a resident petition, the change will go into effect on November 16, 2015.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partners

- **PSD - Regional Energy Plans:** Chris attended a stakeholders meeting to provide input on a Public Service Department project that is funding three Regional Planning Commission's regional energy plans (Bennington, Two Rivers-Ottawaquechee, and Northwest RPCs). The regional plans all highlight the link between transportation energy and land use development patterns and are required to include targets and specific strategies to meet the state's energy goals of 90% renewable by 2050. Paths to achieve this state's energy goal (based on models developed by Vermont Energy Investment Corporation - VEIC) assume radically fewer single occupancy vehicles and more opportunities for Vermonter to walk, bike or take transit to meet their travel needs. Stakeholders noted that achieving this goal will require better integrated state, regional and local development incentives and regulations to encourage development in compact centers. Increased funding and incentives for the state

designation programs (Downtowns, Villages, Growth Centers, etc.) was identified as a key implementation strategy.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

CDBG Disaster Recovery Program

- We are still pending a decision from HUD Headquarters on our requests for Amendments, Extensions, and release of the balance of the funds under the second allocation, CDBG-DR2.

Federal Grant Peer Group Meeting

- Maria and Cassie as the department representatives attended a kick off meeting Tuesday September 22nd in Montpelier for the State's Subrecipient Monitoring Contacts to discuss grant management and federal grant issues. The intent of the Peer Group, coordinated by Karen Jaquish, Statewide Grants Administrator at Department of Finance & Management, is to create an opportunity for grant monitoring staff to network with their peers across the State and to provide a format for discussing grant management/monitoring issues. The specific topic for discussion at this first meeting was single audit review and coordination where a lively discussion ensued with further clarification about the State's process and Bulletin. Highlighted was the lack of information that is shared regarding single audits at the State level. Karen Jaquish indicated that sometime in January 2016 there will be an enhancement regarding the detailed expenditure roles reported in the VISION Grant Tracking Module (GTM). Subrecipient Annual Reports will also be uploaded as a pdf in the GTM.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Tribal Historic Preservation Officer:** Laura, Dale, and Ann had a call with Sherry White of the Stockbridge-Munsee Band, representing the Tribal Historic Preservation Officer for the areas of ancestral interest in Vermont. Although there are no federally recognized tribes in Vermont, there are regions of the state that have traditional and cultural significance for Native Americans. Their involvement within the various Programmatic Agreements, like the CDBG program, is now being explored and addressed.
- **Cultural Resource Survey App:** Laura and Melissa have been working with the National Park Service (NPS), the National Alliance for Preservation Commissions, and the City of Alexandria, Virginia, on the deployment of the Survey App. This digital survey form is being promoted by the NPS and Federal Emergency Management Agency (FEMA) for consistency of data collection for historic resources. It will be a great tool when faced with disasters, because we can transfer the data to NPS and FEMA that will be familiar to them and the same for all states. Deployment of the data is challenging as Vermont is the pilot for this program, but Melissa is our hero, guiding us how best to do this. Thank you so much Melissa.

State Archaeologist

- **Vermont Archaeology Month** once again hosted a series of exciting events over the past week, including a presentation and tour of the archaeological collections at Bixby Library in Vergennes on Thursday, an atlatl construction workshop on Friday, the 20th annual Atlatl championship at Chimney Point State Historic Site on Saturday, among others. Thank you Scott for judging! On Wednesday and Thursday night (the 23rd and 24th), Vermont Archaeology Month and the University of Vermont are co-hosting two prominent archaeologists, Michael Heckenberger, PhD, and Eduardo Neves, PhD, to speak about the latest insights into Amazonian archaeology. Jess and Kate have been very pleased with the turnout and response to the events thus far.

Historic Sites Section Chief

- Tracy travelled to Plymouth Notch on the morning of Friday, September 18 to meet Vermont State House volunteers who had chosen to visit the President Calvin Coolidge State Historic Site for their annual field trip.



As it happened, that same morning, the folks from Wood & Wood were on-site installing the new sign. After overcoming challenges posed by the existing footings and posts, the sign was successfully installed. It looks beautiful and Bill is very pleased!

In the afternoon, Tracy, Bill and Andrew Crossman conducted a walk-through of the Jean Hoskinson's house as the first step in planning for the future of that property.

New manhole covers are being installed on the grounds of the Coolidge Site. These concrete and iron covers will replace fiberglass covers have proven unable to withstand weather and lawn maintenance activity.

State-Owned Historic Sites

- **Chester Arthur:** Planning continues for the President Chester Arthur Birthday Party scheduled for October 3rd from 11 AM to 3 PM at the Presidential Historic Site in Fairfield. Partygoers be invited to step into a presidential portrait, play “Pin the mutton chops on Chester Arthur” or participate in a “Presidential Pants Three-legged Race” This is shaping up to be the event of the season -- you don’t want to miss it!
- **Kent Museum:** The show **Verve: Art & Energy** continues at the Kent Tavern Historic Site in Calais through October 4.
 - On Tuesday, September 22, a class from the Yestermorrow Design/Build School were welcomed to the site by David Schutz, State Curator and an organizer of the current show. Thus the students’ lesson on the historic vernacular architecture of Vermont (with HP’s own Jamie Duggan) was supplemented with a little exposure to contemporary art.
- **Coolidge Site:** The first annual Plymouth Notch Antique Apple Fest was a hit! The new theme for our harvest festival and the perfect weather really brought out the crowds: 450 (vs. 296 in 2014). The stores also did very well. The site was humming with activities – apple pressing, apple tasting, apple quests, craftspeople, wagon rides, etc. Highlights included Eric Johnsen’s tours of the new heirloom apple orchard and the “Anything Apple” Recipe Contest - the winner was an apple pie made by Eleanor Farr of Windsor - high praise, as one of the judges was Anne Collins, author of “Vintage Pies.”
- **Bennington Battle Monument:** The fall visitors are starting to arrive, we have been seeing 2- 3 buses a day, sales and ticket numbers are moving ahead of last year. We are waiting for the leaves to change.
- **Chimney Point:** On Thursday 70+ students from Brown’s River Middle School visited the site. Friday, six people from ages 6 on up and two supervising parents took the atlatl workshop with Bob and Cheryl Berg of Thunderbird Atlatl. Two were education specialists from Harvard University’s Peabody Museum of Archaeology and Ethnology; they wanted to learn how we did our event to prepare for their own event in a few weeks (October is Massachusetts’s Archaeology Month). They were very pleased with their weekend at Chimney Point. They commented that Chimney Point, for being a small museum, is very fine and high quality. WCAX came to film for this week’s Destination Recreation segment, airing at least 4 times over the weekend.

<http://www.wcax.com/story/30066466/destination-recreation-atlatl-throwing#.Vf3jcNOU6W4.facebook>

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

- Last year the Legislature reinstated the “Vermont Housing Budget and Investment Report” and this is now due annually on January 15. This is State and Federal Funds for housing development and housing assistance programs. In preparation for the 2016 report, Arthur reviewed last year’s report and contacted the statewide housing agencies included in the “housing budget”. Last year’s report can be accessed on the Legislature’s website:
<http://legislature.vermont.gov/assets/Legislative-Reports/2015-Housing-Budget-and-Investments-Report-Final-1-9-15.pdf>
- On Wednesday and Thursday Shaun presented at trainings for Town Health Officers provided by the Vermont League of Cities and Towns. Shaun’s portion of the training focused on the condemnation authority in the case of a declared disaster. The trainings also covered the basics of Town Health Officer authorities and landlord tenant law.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Recovery Work

- **Disaster Recovery Board Meeting and Tour:** The project tour included stops in Warren, Waitsfield, Moretown, and Waterbury. Many projects are underway and the Community Development Board was impressed!



Scott

- **New Grant Awards:** Josh, Jen and Noelle reviewed the Sept 17th VCDP Board's funding recommendations with Sec. Moulton. She concurred with the Board recommendations below.

Organization	Board Recommendations	Brief Description
Town of Stockbridge	\$326,900	A grant to the town of Stockbridge to complete the relocation of Taggart Hill Road in order to widen the Taggart Brook stream bed, resulting in larger hydraulic capacity for the stream and a more flood resistant road.
Town of Northfield	\$295,500	As 13 properties were damaged during Tropical Storm Irene along the Dog River, the town intends to enhance the natural flood plan function there, establish a substantial vegetative buffer, and provide recreations amenities for the neighborhood.
Town of Waitsfield	\$54,000	Grant to assist the Joslin Memorial Library with planning, architectural, and engineering services to determine how to 1) make the entire building compliant with the ADA requirements for accessibility, 2) convert the lower level into library program space and 3) improve flood resiliency of the building.
Total \$676,400		

Regular VCDP Applications

- **Town of Brattleboro:** The town submitted a \$30,000 planning grant to subgrant to Groundworks, an organization that was formed when the Brattleboro Drop in Center and the Morningside Shelter merged. The planning grant would fund a feasibility study of a potential site to relocate the combined services of the two organizations (homeless shelter and food shelf) into one location.
- **Town of Brattleboro:** The Town has submitted a \$1,000,000 implementation grant to subgrant to BDCC to support the GS Precision expansion in the Exit 1 industrial park. The potential funding will allow BDCC to purchase and add on to an existing building, allowing GSP to expand and create up to 100 new jobs. Staff is currently completing the threshold review for this application.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: September 25, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VGS: Meeting with them this afternoon to discuss whether/how to present a reduced cost to the Board. I will follow up with a note to Darren directly with a summary of the discussion.

VEIC/RUS Loan Fund – VEIC came in to provide an update regarding ongoing conversation with RUS. News is positive – RUS has basically said yes with conditions. VEIC has been fully engaged regarding the nature of those conditions. Expectation is that RUS will issue a Form 10, or an offer. They need to do this by September 30, end of the federal fiscal year. PSD will then evaluate conditions and ideally come up with a coordinated plan to engage with Treasurers Office and Speakers Office, along with the Board. From a process standpoint there will be three major steps moving forward:

1. Issuance of a PSB Order in sync with the conditions included with RUS Form 10
2. RUS issues loan documents
3. PSB approves loan document

2015 Comprehensive Energy Plan - The Public Review Draft of the 2015 Comprehensive Energy Plan was released on Wednesday, September 23. This opens up a comment period that lasts

until November 9 and includes 5 public meetings around the state in October. A final version of the plan will be released in late December.

VY 30-Day Notice License Amendment Request – NRC 50-271-LA-3 – Entergy filed a notice of withdrawal of the LAR with the ASLB. The ASLB may impose conditions on the withdrawal of the LAR, although the NRC's standard for imposing conditions is prevention of legal injury to a public or private interest. Entergy consulted with the State prior to filing its motion, and the State made clear that it would oppose a withdrawal of the LAR without conditions. The State is considering what conditions may be appropriate to ask the ASLB to impose on withdrawal, including withdrawal of the LAR with prejudice, not allowing Entergy to seek to vacate the underlying ASLB order granting a hearing on the LAR, and/or ordering Entergy to provide details of expenditures from the VY decommissioning trust in the past and future. A reply to Entergy's motion is due to the ASLB by October 2.

The ASLB issued a scheduling order in the merits hearing on the LAR that Entergy now seeks to withdraw. Included in the order is a November 2 deadline for the parties to release initial disclosures of information leading up to a hearing (that will almost certainly not take place as a result of Entergy's motion to withdraw), which would include Entergy providing the State with details regarding NDT expenditures. The State is exploring ways to delay an ASLB decision on the motion to withdraw until after receipt of initial disclosures on November 2.

Ranger Solar – Adam Cohen and Aaron Svedlow of Ranger Solar, along with their attorney, Kim Hayden, came in to meet with the Commissioner, Deputy Commissioner, Tim Duggan and Anne Margolis. They described their site selection and review process. They also made the case for fewer larger projects vs. more smaller projects as a way to reduce impact. They have been meeting with municipal governments and neighbors. They are proposing 6 sites for 20mw projects. As of now 3 sites have filed 45 day notices, (Sheldon, Ludlow, Highgate), 5 sites have filed PPA's, (original 3 plus Barton and Florence) and the sixth, Randolph, needs further development. They made the case for quick consideration of their PPA before the CPG process as this enables certain financing and advance purchase.

On September 15, Ranger Solar moved to amend its currently pending Rule 4.100 contracts to specifically request waiver of a strict reading of 4.104(H) and to allow them to demonstrate the 248(b) criteria after contract approval. These PPAs have yet to be docketed, and the Department is currently reviewing the revised request.

Sheffield Wind – Docket 7156 – The Department continues to work with its sound consultant to arrive at a final draft of the sound attenuation at the Brouha residence report. The Department expects to have a final report in hand by the end of this week. The Department received a letter of inquiry from a Caledonia legislator regarding the status of the attenuation report. The Department is drafting a reply in response.

VIT Successor Proposal - Staff is compiling data for a comparative analysis of VIT/Vermont State Colleges/Career Tech Centers videoconferencing systems and proposals. DPS and Agency of Ed staff are meeting with the directors of the Career Tech Centers (CTEs) on September 24th to further explore/define a state-wide videoconferencing plan as a successor to VIT. In addition to

offering daytime courses for high school youth, Vermont's 16 CTEs offer Adult and Continuing Education Programs in the evenings and on weekends. Over the past week staff has learned that Vermont State Colleges' new videoconferencing plan includes utilizing a dedicated VC room at three CTEs and one high school location: Stafford Technical Center in Rutland, Hannaford Career Center in Middlebury, North Country Career Center in Newport, and Bellows Free Academy – St. Albans in St. Albans City. Staff expects to learn definitively at the September 24th meeting which CTE sites have entered into an MOU with VSC/Vermont Tech and how that impacts the conceptual post-VIT proposal.

VIT Report to the Legislature - At its September 16 meeting, the VIT working group determined that it would not be possible to submit the report to the General Assembly by October 1st, as required by Act 58. The working group agreed upon the new date of December 1st to submit the report, allowing for additional time to obtain detailed information on a feasible successor plan.

VGS Appointment as Vermont's Natural Gas EEU – EEU 2015-02 – On September 22, the Department filed comments on the Transition Period Plan proposed by Vermont Gas Systems and responded to issues raised by the Board during a recent workshop to discuss the proposal. The Department supported recommendations by VGS not to impose an energy efficiency charge on wholesale sales of Compressed Natural Gas and to give low income customers a discount on their energy efficiency charge. Such a rate is not currently included when calculating the electric EEC. DPS will propose the Board consider a similar measure on the electric side to be further explored in the next DRP.

Next steps are Reply Comments, due October 2 and a Board Order determining a Budget is anticipated in mid-October. Following that order, on November 10 parties will propose Quantitative Performance Indicators and Savings targets, which in effect specify precisely how much energy efficiency VGS will need to obtain over the course of the next two years.

Solar Siting – Deputy Commissioner Copans connected separately with representatives from AllEarth Renewables (Andrew Savage), Encore Redevelopment (Derek Moretz), and Renewable Energy Vermont (Gabrielle Stebbins) to discuss siting issues generally and possible scenarios/proposals for the upcoming session.

Swanton Wind Records Request – The records request for internal/external communications pertaining to Swanton Wind was made by Brian Dubie on Sept 14. A coordinated response from ANR, AHS, Gov's office and PSD will now happen next Wednesday, Sept. 30.

Meetings/Calls this Week:

Sep 21 – Governor's Cabinet meeting, G.Stebbins from REV

Sep 22 – Entergy VY monthly meeting

Sep 23 – VCRD Board meeting, VT Joint Utilities/State Agencies Emergency Prep. Program, Derek from Encore Redev., A. Savage from AllEarth, Rep. Kesha Ram

Sep 24 – Ranger Solar coming to PSD to discuss projects; NDCAP Mtg., Vermont's Energy Future

– Bennington Public Meeting with Sen. Campion (Asa there for PSD)
Sep 25 – VEDA Board Meeting, VEIC regarding RUS, Swanton Wind (Belisle/Zimmerman)

Meetings next Week:

Sep 28 –

Sep 29 – EAN Meeting, Rule 4.100 meeting

Sep 30 – Joint Energy Committee meeting, Bennington RPC Regional Energy Plan Public Meeting

Oct 1 – ISO-NE 101 Orientation, Renewables Mtg, telecom meeting with Botzow, Carr, and Maria Royale

Oct 2 –

Media: Series of stories on Entergy's withdrawal of their License Amendment Request, VPR story on the Fairpoint settlement, Randolph Herald story on Elizabeth Mine solar project.

Public Official Contacts: Met with Kesha Ram to talk about energy agenda for 2016 legislative session.

Everything Else:

PERD

Energy Efficiency Utility Activities

- *TEPF Clearinghouse (EEU-2013-10)* –
 - Filed revised cost allocation with Board (69/31 cost share between unregulated and regulated fuels funds) and requested one week comment deadline extension from 9/17/15 to 9/24/15, to allow stakeholders additional time to review Department's revised recommendation. Contract development in process, however commencement of work will be delayed until Board determines cost allocation between regulated and unregulated fuels funds.

EEU Related - Public Service Board Dockets

- EEU 2015-01: Staff received proposed OOA edits from EEU's as it relates to the proposal for establishing controls and a process for transferring an EEU's RA and NRA funds. Staff coordinated with EVT, BED, and VGS to be sure all proposed edits conformed to the joint proposal concept proposed jointly earlier in the proceeding.

AESC 2015

- PSD convened working group to discuss updating non-power supply avoided cost values. Consensus was that avoided loss values from last year do not need to be updated. Avoided T&D is thought by GMP and VPPSA to be too high but the time and expertise required to derive new accurate values is significant. EVT plans to present research on non-energy benefits at next working group meeting. Board is looking for initial recommendations by Oct. 1st with possible workshop to follow.
- Cost and Value of Energy Efficiency

- PSD received bulk data from EVT necessary to complete analysis

VSPC Geotargeting

- Subcommittee has circulated a draft recommendation to the board that a reliability plan be developed for the Hinesburg area, the only one that screened in for further analysis under the docket 7873/7874 screening framework. Group is editing and expects to finalize draft by September 30.

Thermal Energy Finance Pilot – Heat Saver Loan

- Processed invoice for OCU (\$52,245.72)
- Organized final pre-launch conference call with implementation partners to prepare for the HeatSaveLoan.com website roll out next week. Conducted final walk through of the site and made last updates. DII is prepared to launch the site upon receiving a ticket from PSD to that effect.
- Drafted press release announcing the launch of the website.
- Drafted letter to be sent to the fuel dealers and building contractors in the Efficiency Excellence Network announcing the launch of the new website; letter and press release will be issued after the website goes live and final testing is conducted next week.

Clean Energy Development Fund

- Reviewed and approved \$17,856 in incentive payments for the SSREIP. \$14,856 was for an 11.8kW PV system at the Sharon Elementary School and \$3,000 was for a residential pellet heating system.
- Had a meeting with CESA to further develop the scope of a study (to be funded with some of our remaining DOE Sun-shot Solar Roofs Challenge Grant funds) of the incremental \$/kWh costs and critical issues of siting PV on roofs and on newly built parking lot structures vs. installing them in green fields.
- VT Community Solar Finance Program
 - Met with VSECU representatives to walk through and refine the program design.
 - CEDF proposed a change in the program design for the community solar portion of the Windham County Solar Finance Program, which VSECU is also implementing. The proposal is to combine the community portion of the Windham program into the statewide Community Solar Finance program, thus eliminating dual program materials and potential conflicts. The proposal was received favorably by the credit union representatives. Staff will proceed with program material creation and revision aiming for an October 1st roll out of the statewide Community Solar Loan.

Scott

Renewable Energy Items

- Staff convened a meeting of the Rule 5.500 interconnection update working group, where the discussion focused on GMP's proposed language for Fast Track criteria and the challenge of overlapping analysis timelines for electrically-interacting projects. The next step is for the DPS to prepare a new "strawman" integrating all of the group's ideas and proposed solutions to identified problems.

Net Metering

Net Metering Activity 9/5/15 – 9/18/15

	Registrations	Applications	45 Day Notice	CPGs Granted
Count	48	10	0	56
kWAC	373.52	832.20	0	1948
Ave Size kW	7.782	92.467	0	34.78

Cumulative Capacity of ALL Formal Notices Submitted**

Year Total to Date		Total Since 1999	
2014 kW	2015 kW	1999 – 2015 kW	% of 15% NM Cap
23799.54	42125.41	119764.48	~ 79.8%

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

Heating Fuel

- Since last reporting Crude Oil prices continue trending down now a \$45.48 v. \$46.55 two weeks ago. The natural gas market prices are up, now at \$2.692 v. \$2.656 two weeks ago.

Other items

- *Drive Electric Vermont* – Attended stakeholder meeting. Discussion regarding how best to utilize (potential) state EV purchase incentives (i.e. CEDF's CEED incentive proposal & DEV VLITE incentives). One idea discussed would be to target the DEV incentive in non-legacy CVPS territory in the event that CEDF is awarded the CEED funds. Although not final, sounds like VLITE may provide DEV with a comparable amount of funding as was provided in 2014 for EV purchase incentives. DEV stated, they are considering an incentive level in the \$1000 range for EVs and \$800 range for PHEVs, along with a ~\$200 dealer incentive. Also, discussion with utilities (VEC, GMP, Burlington Electric) about their Act 56 Tier 30 considerations with respect to electric vehicles in 2016 and questions regarding what entity would get the "credit" (and double counting issues) in the event there are multiple entities partnering to deploy EV projects (i.e. BED funneling money to VEIC to deploy EVSE). In this conversation, BED & GMP discussed plans to deploy charging stations, while VEC said they'd be looking for "low hanging fruit" in 2016 to meet their Tier 3 requirements and will consider EV strategies.

- *4.100 avoided costs* – Staff emailed power supply analysts at 5 utilities to ask for their projections of Vermont market energy prices, for use in updating the avoided costs used in Rule 4.100.

Engineering

NRC Completes On-Site SAFSTOR Inspection

An on-site inspection of VY decommissioning / SAFSTOR activities conducted by Steve Hamman, NRC Region 1 Senior Health Physicist & Lead VY Decommissioning Inspector, concluded during the reporting period. There were no reportable findings. VY remains on-track to complete abandonment of major systems unrelated to Spent Fuel Pool integrity by mid-2016. Steve is continuing to compile information from both VY and VDH regarding Strontium-90 readings first identified onsite in November 2014. Steve recommends that both sides continue testing subsequent groundwater samples to develop a larger dataset of readings. Steve also noted that VY has hired GEL Laboratories to conduct a second set of independent tests on the collected water samples (in addition to Teledyne Labs). In retesting the November 2014 samples, GEL has detected a 2.28 picocurie/liter (pCi/l) Strontium-90 concentration in the GZ-16 well sample, which is similar to the 2.18 pCi/l concentration reported for this sample by ALS Laboratories, VDH's independent testing lab. Steve has recommended to VY that GEL continue to test groundwater well samples collected throughout 2015.

VY Withdraws Licensing Amendment Request to Eliminate 30-Day Notification for DTF Withdrawals

VY has formally requested the NRC to withdraw a License Amendment Request (LAR) to eliminate the required 30-day notifications prior to VY Decommissioning Trust Fund (DTF) withdrawals. The LAR, filed in September 2014, sought to substitute NRC regulations enacted subsequent to the VY requirement being imposed as an Operating License condition. These newer regulations only require 30-Day Notification only for the first DTF withdrawal. In April 2015, Vermont filed a Petition to Intervene on this LAR before the NRC's Atomic Safety Licensing Board (ASLB). The ASLB ruled on August 31 that two of the Petition contentions had merit and granted a Hearing for the Petition (which had yet to be scheduled). VY notes in its withdrawal request that maintaining the notification requirement is a manageable administrative burden permitted by current NRC regulations provided that VY's current license conditions for the notifications are not amended. Withdrawal of the LAR requires Federal Register publication to become official, which will not occur until after the ASLB rules on an accompanying motion to withdraw the LAR.

Vermont Gas Systems Addison Transmission Pipeline Project Construction

Approximately 0.43 miles of pipeline were installed under the Colchester Sandplains last week by horizontal directional drill (HDD). Contract crews are currently drilling an additional one-third mile in this area and have encountered solid rock. Other crews installed approximately 0.35 miles of pipe by conventional open-trench method last week. Approximately 9.34 miles of "Segment One" (the 10.65 mile long pipeline segment between the existing VGS transmission line in Colchester and the newly constructed pressure reduction station in Williston) have been installed. The Department continued to utilize a contract Gas Pipeline Inspector for inspections

of this project, during this report period.

Annual Joint Utility/State Agency Emergency Preparedness Meeting

Engineering helped organize and participated in this meeting, which was attended by representatives from electric, natural gas, and telecommunications utilities, as well as DEMHS, AOT, and VTANG. PSD Commissioner Chris Recchia delivered the opening remarks. Agenda items included: lessons learned from December 2014 winter storm Damon, post event financial impact tracking, mutual assistance best practices, Vermont Weather Analytics Center project update, weather outlook from Roger Hill, enhancing domain awareness in the SEOC, vegetation management, leveraging technology, and feedback on conference calls and vtoutages.com.

Regional

Regional Infrastructure

- On September 16, the New England Power Generators Association released a report by the Analysis Group that examines Massachusetts Bill 1965. The MA bill would allow for 15-25 year contracts for 19 TWh of large-scale hydro and Class I renewable resources. The report concludes that the cost of power and transmission would be significantly above market, with incremental costs for MA ratepayer of \$777 million per year. The report further states that the introduction of such a large amount of power with zero fuel costs (which could essentially be a price taker in the wholesale energy markets) would cause early retirement of plants within New England, particularly nuclear units. The report uses the retirement of Vermont Yankee and the resulting reduction of zero-carbon generation from VY to illustrate the point that the MA bill would impact jobs and increase carbon emissions.
- On August 19, GDF Suez (a multinational corporation that owns the Everett LNG facility) released a report by Energyzt Advisors that looks at the need for new gas pipeline infrastructure. The report concludes that, over the short- and medium-term, there is sufficient infrastructure to cost effectively meet the needs of gas-fired generators. The report notes that LNG contracts during the winter of 2014/2105 significantly moderated winter prices compared to the 2013/2014 prices, when utilities did not contract for LNG deliveries. Additionally, the report states that there is significantly more dual-fired capability at natural gas plants, due to the ISO-NE winter reliability program, and that state policies are encouraging increased non-gas-fired generation that will help alleviate gas pipeline constraints.
- On September 15, New Hampshire PUC staff issued a “Report on Investigation into Potential Approaches to Mitigate Wholesale Electricity Prices,” which focuses on the impact of new gas infrastructure. The report concludes that increased gas infrastructure is not needed for grid reliability due to the increase in dual-fuel generators and the ISO-NE Forward Capacity Market Performance Incentive program. The report states that

two proposed new gas pipelines, Access Northeast and Northeast Energy Direct, will provide benefits to NH ratepayers and the could be supported by a distribution surcharge on electric ratepayers' bills. The report does not fully analyze a proposal by Conservation Law Foundation, but notes that CLF significantly understates the number of days per year that gas demand exceeds supply. Finally, the report "strongly recommends" that procurement of new gas capacity only be done through a competitive process such as an RFP, rather than through a typical open season approach used to fund pipelines.

- On September 22, the Rhode Island Public Utilities Commission approved the Clean Energy RFP that has been prepared by RI, CT, and MA. Prior to issuance, the RFP must be approved by the MA Department of Public Utilities, and Connecticut Department of Energy and Environmental Protection must finish its review. The RFP is tentatively scheduled to be issued in mid-October.

- TDI, Anbaric etc.

Public Advocacy

Summary of Key Public Advocacy Activity:

VT v. NRC – D.C. Cir. 15-1279 – Entergy has reached out to the State to seek a 45-day extension of an October 1 deadline to file dispositive motions in response to the State's petition for review. The State is evaluating its response, but is generally fine with the request.

WE 90 Tech Drive Solar – Docket 8111 – The Department submitted comments to the Board in response to a motion to amend the CPG to allow for additional clearing of trees at the edges of the Project site. The Department noted that the additional clearing may have an impact on the § 248(b)(5) aesthetics criterion, but that it would not likely rise to an undue adverse impact. The Department offered to conduct a follow up aesthetic review if the Board found it appropriate.

Rule 4.100 Proposed Contracts – Dockets 8569, 8570 and 8571 and Others – A number of QFs filed contracts with the Board pursuant to the current Rule 4.100 structure. The first such filing was made by Swanton Wind on August 12. The proposed contract asked for an either 10- or 30-year levelized rate for an up to 20 MW wind facility. Two others were made by existing hydro facilities (Great Bay and North Hartland) seeking long-term non-levelized rates. The Board issued notices in these cases and gave interested persons until September 4 to request a hearing. On September 4, the Department moved to dismiss the contracts as premature given that the requests do contain sufficient information to determine whether they meet the substantive criteria of section 248(b), as required by Rule 4.104(H). On September 21, the Board issued a procedural order seeking comment on the Department's motion by September 25.

On September 15, Ranger Solar moved to amend its currently pending Rule 4.100 contracts to specifically request waiver of a strict reading of 4.104(H) and to allow them to demonstrate the 248(b) criteria after contract approval. These PPAs have yet to be docketed, and the

Department is currently reviewing the revised request. A meeting with Ranger is scheduled for this week.

Rule 4.100 Rulemaking – No Docket – The Department has learned that a revised Rule 4.100 is likely to be proposed by the Board within the next few weeks.

GMP Base Rates Filing – Tariff 8580 – On September 16, the Department filed a recommendation that the Board approve GMP's 2016 base rates filing. The recommendation notes that the process worked well this year. As far as issues to watch, the Department's recommendation highlights the exogenous (major storm) adjustment as an area where some improvements could be made to the review process and notes ongoing discussions between GMP and the Department on improving GMP's vegetation management so as to hopefully mitigate storm damage. A workshop was held on Sept 21. It was relatively uneventful. GMP, the Department and AARP attended. On Sept 23, AARP asked to enter into a stipulation that would require GMP and the Department to produce a table/chart that would set forth all the proposed changes as compared to the finally accepted ones. This is a late ask given that a Board order is due Sept 24. Nonetheless, the Department expressed that it is receptive to the idea and looks forward to working with AARP and GMP to incorporate such a summary sheet in next year's process.

VEPPI Wheeling Docket – Docket 8492 – On September 23, the DUs filed a settlement agreement that resolves the dispute between VEC and the other utilities over the manner in which VEC charges VEPPI for wheeling standard offer facilities power. The MOU provides a reasonable resolution to the past billing dispute. It also sets forth an interim resolution for the next 18 months or so regarding the manner in which standard offer wheeling costs are charged and allocated among the DUs. Finally, it establishes a forward-looking processes pertaining to the location of standard offer projects and dispute resolution. The Department was involved in the discussions from time to time and therefore did not sign the MOU, but instead wrote in support.

Investigation re: Renewable Energy Standard – Docket 8550 – The hearing officers issued a memorandum setting forth the major goals for the two September 24 workshops and detailing the times and the location.

GMPSolar Hartford – Docket 8580 – The prehearing conference has been scheduled for September 29. The Department has contacted Petitioner with recommendations regarding the proposed schedule.

TDI New England Clean Power Link Project – Docket 8400 – In a letter to the PSB, TDI-NE requested the PSB share a list of the TDI-NE witnesses required to attend the technical hearings scheduled for October 20-22. The Department continues to work towards a better understanding of the informal and formal agreements regarding the fiber before proposing edits to the PSD/AOT MOU.

Swanton Met Tower Penalty Investigation – Docket 8561 – Discovery on Travis Belisle’s testimony must be filed by October 12. Mr. Belisle filed a response to the Langs’ motion to intervene on September 21, opposing intervention. The Department previously responded to the Lang’s motion, stating it did not oppose the Langs’ participation.

VTel Wireless Designation as an Eligible Telecommunications Carrier for Offering Wireless Lifeline Service to Low Income Households – Docket 8391 – The Board issued a procedural order on September 1 requiring that the Department and VTel file, no later than September 16, a status update on the state of VTel’s network and a suggestion as to how to proceed in the docket. VTel requested, and was granted, an extension until September 17. On September 17, VTel reported it is in the process of finalizing software updates and paperwork to provide voice telephony service, and that it will work with the Department to develop a schedule for the docket.

Apple Hill Solar 2.0 MW Standard Offer Solar Project in Bennington – Docket 8454 – The Department is reviewing Reply Briefs filed by the parties. Of interest is the brief of the Town of Bennington, a late intervenor in the proceedings, raising Orderly Development issues based on language in the Town Plan. The Department will be reviewing the arguments with our aesthetics expert later this week to determine if there is a need for us to file comments on the issue.

Vermont AllSun Solar XII 500 kW Group Net Metered Solar in Charlotte – NMP-6314 – A prehearing will be held on September 23. The PSD has circulated a proposed litigation schedule including a site visit, testimony, discovery, and a technical hearing.

SSE New Haven Solar II 350 kW Group Net Metered Solar in New Haven – NMP-5978 – A site visit will be conducted on September 28.

GMPSolar Williston – Docket 8562 – The Department attended a site visit and public hearing on September 16. The public hearing was attended by approximately four members of the public, however no member of the public offered comments. The Department is preparing discovery on Petitioner. The Board has requested further information from Petitioner regarding Global Foundries’ output consumption as part of the Board’s inquiry into whether the proposed facility qualifies for net metering treatment under 30 V.S.A. § 219a(m)(3) – Petitioner will file a response by September 25.

GMPSolar Richmond – Docket 8564 – The Department attended a site visit on September 22. A public hearing will be held on September 24. The Department is preparing discovery on the Petitioner.

Next Generation Solar Farm 2.2 MW Solar in New Haven – Docket 8523 – The Department is engaged in discussions with Petitioner about possible aesthetic mitigation – it is not yet certain whether the Department will be in a position to reach a MOU by the deadline of September 25. We understand that the Town of New Haven and intervening adjoining property owners have

unresolved issues, including aesthetic issues, and are unlikely to enter into MOUs with Petitioner.

Telecommunications

Comcast CPG Renewal (Docket 8301) – Comcast intends to file its petition and prefiled testimony in support of the petition on September 23, 2015. The Board has already scheduled a public hearing for October 21, 2015 at 7:00 pm. The public hearing will be held over VIT at thirteen different sites. Telecom and CAPI Division staff have already held four focus group meetings in southern Vermont (Windham, Windsor, Rutland, and Bennington Counties) as part of the Department's Community Needs Assessment. The focus group meetings are designed to discuss PEG and public access programming with civic and educational leaders throughout Comcast's service territory. The majority of attendees at the meetings have been employees or representatives of various PEG channels. However, state lawmakers and some members of the public have also attended. Representatives of both Comcast and the PEG and AMO organizations have raised complaints with Department staff about scheduling and invitee lists for the meetings. Both sides have expressed concerns that the meetings are skewed in favor of the other side. The Department has slightly revised the scope of the focus group meetings in response to comments from the PEG/AMOs and Comcast, but is ensuring that the meetings remain objective and independent.

FirstNet – PSD staff prepared GIS data for FirstNet depicting the 2013 cellular roadtest data and the resulting propagation map. PSD staff recommended that these be used to help identify areas of the state that should be prioritized for FirstNet coverage.

VUSF (Vermont Universal Service Fund) Performance Report – Staff discussed the first VUSF performance report with Solix, the new fund administrator. The fund received \$495,000.00 in assessments. The fund disbursed \$331,000.00 to various programs. **Currently, the fund balance is \$3,154,820.00.** The balance is based on the best available information Solix has about the fund. Staff and Solix discussed transition issues that still need to be resolved. One issue is that E-911 needs to be paid. Staff has reached out to the Agency of Administration to determine which agency is responsible for invoicing the fund. Until issues are resolved with the prior fiscal agent, Solix will be unable to determine how much money is available for the Connectivity Initiative.

VUSF Audit – Due to delays by RolkaLoubé, the former fiscal agent, the auditor will be unable to complete the VUSF audit by September 30. Staff discussed the issue with Treasury's office and learned that the audit must be complete by October 20 at the absolute latest.

VTA Audit – The VTA auditors are almost finished. A draft audit report should be available on September 25. The audit should be finalized by September 30.

Cavendish & Comcast Meeting – Cavendish met with Comcast on Tuesday to discuss broadband options. Department staff provided the Cavendish Broadband Committee a map of existing cable plant within Cavendish in advance of the meeting. It appears that Comcast staff spent

most of her time discussing the state's broadband grant program and radio frequency engineering matters. It is unclear whether the town and Comcast staff discussed line extensions. The Connectivity Division has scheduled to meet with Cavendish on September 30, 2015.

CoverageCo Meeting – Staff met with CoverageCo to discuss the EDA funded project. CoverageCo intimated that it plans to keep 75 of the 165 EDA funded sites. It plans to move, ever so slightly, 28 sites (these will remain in the same corridor) and find new corridors for 48 sites. CoverageCo has promised to put together a complete plan of where it wants to move the 48 sites. CoverageCo staff says that the company plans to exchange some “incentive” corridor sites with EDA sites as a way to expedite the alternative proposal. The EDA has informed the Department that a change in the project would require additional review by its Investment Review Committee. Although CoverageCo asserted that work is continuing on the EDA funded sites, there still appears to be a work stoppage on the project. So far, 4 resiliency points are operational and 0 telephone pole sites are operational. CoverageCo claims to have reduced the cost of 911 compliance by renegotiating the contract with Intrado. The per-site cost now lies at \$188.75 (which excludes maintenance), but the operational expenses still exceed revenues.

VEC Fiber Discussion – Northern Enterprises is negotiating with VEC for the transfer of the Northlink to the power company. VEC is interested, but only if they can convey the remainder of the fiber to the Department. Staff told VEC's attorney that it would discuss the possibility with Department leadership.

GAW Settlement Negotiation – AG Staff informed Division staff that Great Auk Wireless has made a settlement offer. GAW offered the state \$13,500 in three monthly installments to settle the dispute over \$18,000 the company took from the VTA in grant funds. Staff has responded with a counter offer for the whole amount spread over a longer repayment period. The assistant AG will make the counter-offer tomorrow.

ECFiber Additional Strand Request – ECFiber claims that the VTA and ECFiber had a “handshake” agreement whereby the VTA would give ECFiber 12 additional strands on the Orange County Fiber Connector. Unfortunately there is no documentation supporting this assertion. Staff has asked ECFiber to contact the former VTA executive director and ask him to explain to the Department the particulars of this handshake agreement. If ECFiber cannot corroborate this agreement, the Department may want to consider revising the standard offer pricing, especially given that demand for dark fiber in Orange County is not what proponents of the fiber build anticipated at the outset.

VTel Calais 248a Petition (Docket 8535) – The parties have agreed to a stipulated extension of the docket schedule which will hopefully allow the parties to resolve pending disputes over discovery. The technical hearing, as proposed, will be held during the week of November 9. The neighbors' coalition has also filed a motion for a site visit and motion for summary judgment. VTel has opposed the request for a site visit and the motion for summary judgment. DPS staff

are currently reviewing the discovery responses provided by VTel and will submit additional prefiled testimony regarding RF propagation and collocation at the site.

VTel Cabot 248a Petition (Docket 8549) – The parties are currently in the midst of discovery and have agreed to extend the date for the hearing until the week of October 19.

VTel Rochester 248a Petition (Docket 8548) – The Board will hold a technical hearing on the petition on Thursday, September 24. The Board granted intervenor status to a neighbor, but the Town is not participating in the docket.

Comcast Line Extension Complaint – Comcast and a home builder have fully resolved a complaint relating to a line extension in Waterbury through a settlement. The Department had previously recommended that the Board open an investigation into the complaint. The Department withdrew its request for an investigation with the Board in light of the parties' settlement.

FairPoint Pole Attachment Complaint against Comcast (Docket 8470) – The Board issued a procedural order that extends the 180 deadline for ruling on pole attachment complaints due to the factual and procedural complexities of the docket. Comcast's motion to dismiss the case is still pending, and the parties have yet to commence discovery in the docket.

FairPoint VETC Designation (Docket 8542) – Comcast has moved to intervene in the docket, and FairPoint has opposed their intervention. The Board has already issued an order that allowed Comcast to intervene in a similar pending docket that relates to petitions from several RLECs for VETC designation.

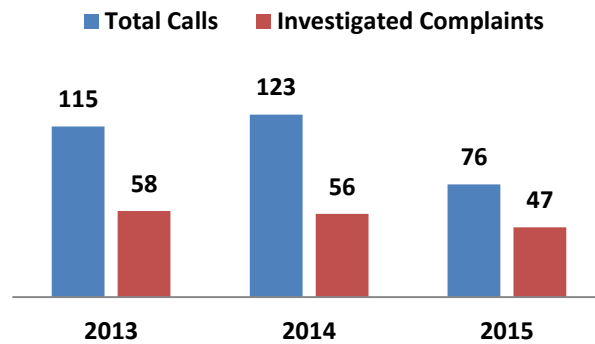
Regional Planning Commissions

The Division Director reached out to Jim Sullivan of Bennington County Regional Commission with the twofold objective to increase awareness of the Division's expanded mission to provide technical assistance on broadband deployment and funding opportunities, and to discuss the process by which the RPCs will provide input on the broadband action plan per 30 V.S.A. § 202e(b)(6). The hope is for staff to get onto the agenda of an upcoming VAPDA or other RPC group-meeting to discuss these topics. Sullivan is the Chair of the RPC Directors.

CAPI

CALL DATA

Calls to CAPI Same 7 days each year



EVT Privacy Information- CAPI has received several calls from consumers with concerns about usage data shared with EVT since the company began sending Home Energy Reports to GMP customers last year. CAPI is working on a letter to send to consumers with information about the obligations of distribution utilities to provide usage information to EVT, how EVT uses the information and how to limit the information shared by opting out.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: September 25, 2015

Secretary's Message

The Tri-Branch Task Force on Mental Health/Co-occurring & Justice Collaboration met late last week for a regular meeting. The task force has three co-chairs from the Judicial, Executive and Legislative branches, the Chief Justice, Paul Reiber, Rep. Alice Emmons, and myself. At the meeting, Rep. Emmons, who is also the co-chair for the Justice Oversight Committee, articulated that she recently had a tour of the Springfield facility. The tour focused on inmates who are suffering from mental illness and dementia. The Justice Oversight Committee was very moved by what they witnessed, and most felt that the correctional facility was an inappropriate placement for inmates with severe mental illness and dementia. Rep. Emmons was so moved by the experience, she wept at the Tri-Branch meeting, stating that these individuals do not belong in prison, and we have to do something about this. I have also felt this is an arising issue, and this is an area of concern for us at the Agency and is something that Frank Reed, Monica Hutt, Lisa Menard and I are currently exploring for a solution. We are very aware that we need additional secure beds in the state, and as you know, by 2019, we have to replace the Middlesex secure facility. We are exploring options for an alternative to this problem; one option we are considering is utilizing the closed wing of the veteran's home.

I recently attended a presentation from a group called "Results First" which is supported by the PEW and MacArthur foundation. The Results First Initiatives is a project that works with states to implement an innovative cost-benefit analysis approach to help states invest in policies and programs that are proven to work. They have done extensive research in the area of evidence based programming. They have researched over 1000 different programs and have rated them according to their effectiveness. This foundation offers tools to states that more accurately assess the true costs and benefits of public programs. This allows policymakers to identify options that yield the greatest return on investment for taxpayers. They do not charge for their services, and we are looking at ways to utilize their research to identify what programs we support that can benefit an evidence based approach. This is an additional tool for our efforts in Results Based Accountability.

My team met this week to discuss the Reach Up Integration Initiative (RUII). This Agency program integrates the work of three AHS service systems (DMH, ADAP and DCF) along with designated agencies and preferred providers statewide. This program is helping to break down existing silos by integrating and streamlining services and maximizing resources to assist Reach Up families gain self-sufficiency. The program implementation has focused on overcoming challenges in three areas: Funding, Program Administration, and Structure and Operations. RUII provides mental health and substance abuse services to address barriers to employment for Reach Up participants as research shows that mental health and substance abuse remain significant barriers to self-sufficiency for Reach Up recipients. A clinician and case manager from the local Community Mental Health Agency or Preferred Provider is embedded in the local Reach Up team to provide screening, assessment and individual and group therapy for Reach Up families along with case consultation, training and technical assistance to the Reach Up team. The objectives include increased access to an array of substance abuse and mental services in order to get families stabilized with the goal of getting people

employed and self-sufficient as soon as possible and within the average time on Reach Up for all families of two years.

AHS Highlights:

AHS-CO:

Field Services – Burlington – Warming Shelter

The Burlington Warming Shelter will establish an Advisory Committee that will include representation from state, local community, service partners, clients, business and city. The warming shelter continues on track for an opening date of Nov. 1. It will provide for at least 40 beds and will follow the same rules established with the winter shelter last year – low barrier and trauma informed. We are working out details for intake, referral, donation and volunteer need, policy and procedures. The building is being updated with showers and smaller sleep areas. The staff at COTS is working on how the space will be used for both day and night services. With the cold weather this past week, we have received multiple requests already from folks wanting to get on the list for the new shelter.

General Accounting Office to Conduct VHC Audit

The General Accounting Office (GAO) contacted Vermont Health Connect (VHC) to conduct an audit in early February. At that juncture we explained that we were transitioning hosting services from CGI to a new hosting service, OptumInsight, for our Patient Protection and Affordable Care Act (PPACA) application. We explained that the timeline for GAO's published audit results would not reflect the new operating environment. The GAO needed to proceed with the audit on the environment upon which VHC no longer runs. As a consequence, many of the results provided by the audit were already remediated at publication time.

Two of the security findings were confirmed to be of low risk, one was a moderate risk, and 2 high risk findings (contingency planning and windows server auditing) are scheduled to be completed by early 4th quarter 2015. VHC disputed the GAO's findings related to security awareness training, configuration management, and web filtering. VHC found that configuration management and web filtering was currently in place. VHC responded to the GAO's concerns that privacy & security awareness was diversified by roles; VHC believes the current comprehensive and broad-based approach to privacy and security training applied equally to all staff and contractors is the most appropriate and efficient means necessary to train personal on protected consumer personally identifiable information. In a previous conversation with the GAO on their findings related to State of Vermont staff not required to complete background checks due to grandfathering; VHC accepted this risk as any changes would need to be negotiated as a challenge to current employee labor agreements. All other security findings were related to VHC's previous development and hosting vendor CGI and were remedied or were not deficiencies detected in its current vendor OptumInsight.

Related to privacy policy findings; the GAO report indicated that VHC followed most but not all of the National Institute of Standards and Technology (NIST) Publication 800-53 best practice privacy controls. The GAO report acknowledged that the Minimum Acceptable Risk Standards for Exchanges (MARS-E) version 1.0 did not include the NIST 800-53 controls as requirements and that the subsequent (and yet to be released MARS-E version 2.0 and guidance) would include them. On September 3, 2015 (following the release of the GAO report) CMS held a webinar officially releasing MARS-E v.2.0 to the state exchanges indicating that new privacy controls consistent with NIST 800-53 were now included and would requires state-based exchanges to adhere to MARS-E v.2.0 with all privacy documents submitted after September 30, 2015 and completely by June 30, 2016. VHC anticipates full compliance with MARS-E version 2.0 by June 30, 2016.

In summary, we always expect findings as a result of an audit and view these results and others as an opportunity to improve our privacy and security program.

VDH:

Blue Cross/Blue Shield Vermont Partners with VDH for SBIRT Initiative

As part of BCBSVT's commitment to supporting outcomes based practice transformation initiatives, SBIRT (Screening, Brief Intervention and Referral to Addiction Treatment) will be one of two initial initiatives chosen by their clinical advisory committees for implementation in 2016. The goal is to support the training for and implementation of SBIRT of at least five additional practice sites with an eventual goal of statewide spread. They will partner with VDH and are exploring opportunities for partnership with VT ACOs as well. This will be coupled with outcomes measures encompassing the triple aim goals of improving the patient experience of care, improving the health of populations, and reducing the per capita cost of health care. SBIRT helps to identify and address alcohol misuse and drug abuse issues in the state as well as further the move towards the integration of medical and mental health services in order to improve the health of Vermonters.

DMH:

Vermont Psychiatric Care Hospital

The hospital census remains at 19. VPCH had an initial job fair in Burlington last week and is hopeful that perhaps as many as 3-5 nurses will come aboard as permanent employees from this event and position advertisements to date. A second job fair at VPCH in Berlin will occur this Friday. The hospital staffing office is also dealing with what may be early influenza as there have been more illness related absences which impact nursing staff, as well as, mental health specialists.

VPCH continues to move forward with two key clinical projects: Reducing seclusion and restraint in the hospital and Improving discharge planning and coordination with outside providers. Toward this end, the hospital staff have met with both Designated Agency Crisis Services and Crisis Bed Program staff respectively in efforts to explore discharge placements for patients who are ready for discharge. The hospital continues to have a number of patients who could potentially be discharged and served elsewhere if alternative placement options were available. This is particularly true of individuals who need either ongoing traumatic brain injury support services or who qualify for long term care services, but are unable to access facility beds given potential management concerns for the long term care environment.

DAIL:

Rate Setting for Vermont Nursing Homes

Over the last few weeks, DAIL staff have been discussing with the Division of Rate Setting some of the issues related to setting rates for nursing homes. One such issue, raised in the context of a discussion about a specific nursing home, is related to the rates for nursing. Starr Farm Nursing home has been spending exponentially increasing amounts on contracted nursing rather than hired staff nursing. In 2012 the amount was \$95k, in 2013 it increased to \$660k, in 2014 the amount went to \$1.2 million and projections for 2015 put them on track to spend \$2.4 million. Because rates are set every two years as part of a nursing rebase, these expenditures will significantly impact our rates and, consequently, our budget. Starr Farm has indicated that their contracted usage has increased significantly due to an inability to secure staff nurses but we have not seen the same contracted increase in other nursing homes in the immediate vicinity. Of note is the industry correlation between lower quality of care and contracted staffing. The rules related to nursing home rates offer us little to

no control to manage how these costs will impact the state budget. DAIL is considering how we could use the rules to limit our exposure to the financial impact related to the decision to utilize contracted nurses. This would need to be a public process and we can expect dissention from the Nursing Home Association but it seems crucial to at least explore the issue.

DOC:

Special Plate Created for Trooper Young's Family



Vermont Correctional Industries Plate Shop was contacted by the Vermont State Police after the death of Trooper Kyle Young with a request for a replica of his patrol car's plate as a memento for the family. The VCI Plate Shop Coordinator noticed that the VSP had an emblem with a black band on their Facebook site and inquired if the VSP would like that decal put on the sign. The Sign Shop in Newport produced the decal, the sign was constructed and delivered to the State Police Headquarters.

Population

The Department's incarcerated population averaged 1835 for the previous week. The Department's incarcerated male population averaged 1680 for the previous week. The out of state population is currently at 290. The female population averaged 155 for the previous week

DCF:

SSCF Pipe Project

Assuming all things stay on track the pipe project at SSCF is scheduled to begin in January 2016. We'll need to empty out one unit at a time to complete all of them. The estimated duration of the project is between 9 to 10 months. The plan is to move 50 inmates out to begin the project. Those same inmates will stay at other facilities until the project is entirely completed. We'll be relocating the remaining inmates at SSCF into the unit where the work was just completed.

Possibly Delay of SNAP Benefits

The federal government issued an email directing all states to hold their SNAP Electronic Benefit Transfer (EBT) benefits for October until further notice citing contingency planning around federal appropriations for FFY16. This morning, another email was sent declaring that states are allowed to issue SNAP EBT benefits however should there be a government shutdown, benefits would need to be stopped. This will affect approximately 88,000 Vermonters. In the past when this has occurred, Vermont has opted to pay the benefits from state general funds and seek federal reimbursement when appropriations have been issued. It is our understanding that this option is not available with the current EBT vendor. It may be possible to issue the direct deposit benefits to the elderly and disabled; however the families that receive 3SquaresVT benefits on EBT cards would not receive their October benefits if the federal government shuts down.

DVHA:

Vermont Health Connect Operations Update

Backlog Processing – VHC continue to make great progress! The total number of Change of Circumstances (CoC) Service Requests (not households) in the backlog (submitted pre 9/1) is 1,176.

Operations Readiness – The VHC Operations unit is focused on preparing for the launch of renewal functionality and they are working with the project team to identify business processes that require updating and creating training materials for staff. In addition the operations team is working on the development of materials to assist customers navigating the CoC Self Service portal as well as talking points for the Maximus Call Center to assist customers who may be struggling with the new functionality.

Agency of Human Services Secretary's Office

AHS Change Readiness Workshops

In recognition of the constant nature of change throughout the Agency of Human Services (AHS), and in anticipation of the changes that will come about as a result of the Health & Human Services Enterprise (HSE) and also in preparation for the move of large groups of staff to Waterbury, the Organizational Change Management (OCM) group developed two workshops to provide AHS staff with tools to identify their response to change, recognize the stages of the change cycle, apply positive coping strategies, build resiliency and lead others through change.

To date, 609 AHS staff moving to the new Waterbury State Office Complex (WSOC) participated in the first series of 41 change readiness and 13 leading change workshops, led by OCM group and a network of facilitators from across AHS. Of those participants completing the evaluation, 376 staff recommended the workshop and 504 found the content relevant. A plan for launching the workshops across the rest of the AHS is in development.

AHS Legislative Initiatives

✓ Sue

All AHS Departments will present their draft legislative initiatives to the AHS Secretary for review and discussion on October 19. The proposals will then be ready for review with the Governor's office. Also, we are scheduling a meeting with Sen. Ayer and Rep. Pugh before Thanksgiving to discuss topics and initiatives for the upcoming session.

Vermont's Universal Recycling Law Feeds Hungry Vermonters

AHS leadership joined other state officials and community partners at the Chittenden Emergency Food Shelf to recognize the contribution of food rescue to hunger relief. Since July, 2015 when requirements for food diversion took effect for medium-sized institutions under Vermont's Universal Recycling Law, the Vermont Foodbank has seen a 24% increase in food donations from retailers over the last year.

People Living with Disabilities Employment Goal

AHS including DAIL along with DHR have begun meeting to consider how the State might increase the number of people living with a disability in the state workforce. There is a much higher rate of poverty among people living with a disability than the general population and employment is not only proven to be therapeutic, but will help move people out of poverty.

Field Services – Brattleboro and Bennington - GA emergency housing plans continue to develop

In both the Brattleboro and Bennington districts, committees of the Continua of Care are meeting to explore options for alternate uses of GA emergency housing funds. The Brattleboro team is investigating several options including some of the buildings on the Austine campus. Members of the

DCF Housing Team came to meet with the group this week to talk through ideas. The committee in Brattleboro hopes to have a Letter of Intent to the DCF team in October.

Learning Management System

The Agency completed a long-term project of collecting needs requirements from all departments to use to consider options for a Learning Management System that will meet the needs of all departments. The collected needs are currently at DII who will determine next steps. We remain hopeful that a single RFP can be issued to meet the needs of AHS, AOT and DHR for this critical function.

Budget Development – FY16 BAA and FY17

The AHS central fiscal office is actively engaged in reviewing and assessing each department's proposals related to the FY16 BAA. Meetings with Finance and Management on the FY16 BAA begin next week. These meetings will include a preliminary review of pressures facing AHS in the FY17 budget.

Vermont Department of Health (VDH)

Outbreak Investigation

The Health Department is continuing to investigate a STEC cluster with state and federal partners (USDA/CDC) associated with meals at the Worthy Burger restaurant. Food and environmental sample results are pending. The restaurant was provided conditions to be implemented if they chose to reopen, and the establishment reopened on September 22.

Hungry anyone?

Immunizations

The Immunization Registry has been expanding into Vermont's long term care facilities. Staff are now using the Immunization Registry to help track important adult immunizations for their patients. For example, vaccines which prevent pneumonia, the flu and shingles are especially important in persons over age 65. There are now ten Vermont nursing homes and long term care facilities using the Immunization Registry.

On the Map!

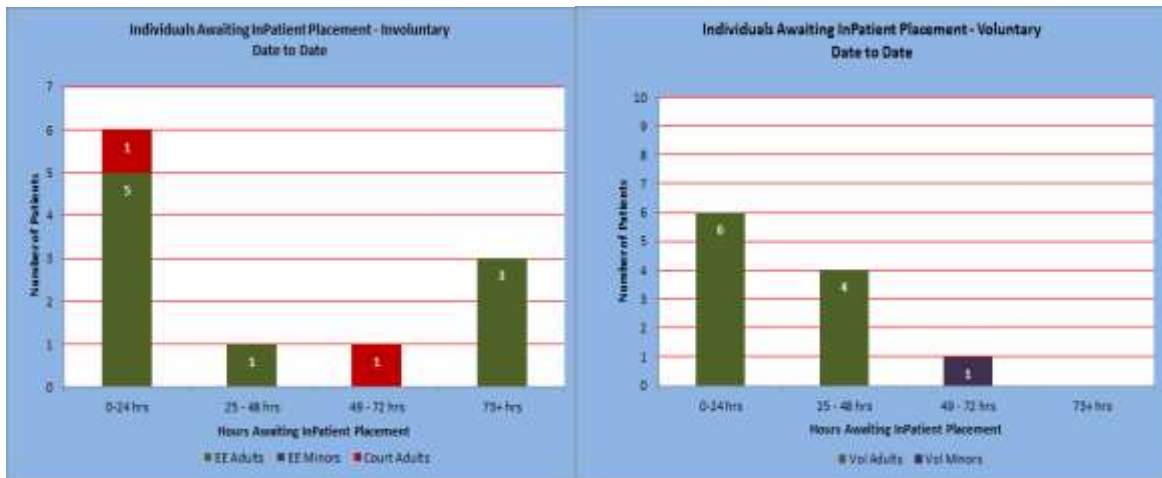
The first Health Impact Assessment done in Vermont (North Avenue Corridor Redesign: Potential Health Impacts) was recently added to the [Pew Charitable Trusts HIA National Map](#). This map is part of the Health Impact Project, the national go-to resource for all things HIA in the United States. Being a part of this resource increases the Department of Health's visibility as a HIA practitioner and allows the report and findings to be searched and referenced by other practitioners across the country.

Department of Mental Health (DMH)

Emergency Departments

During the week of September 17th to September 24th there were 31 people who were in need of inpatient psychiatric hospitalization and 22 were placed during this time. Information below identifies voluntary and involuntary ED waits and continues to reflect an elevated number of voluntary patients waiting for hospital beds. There were three lengthy wait times for involuntary adult beds for people with complex presentations/circumstances; however the majority of people were placed in less than 24 hours. The level 1 unit beds around the state continue to be running at full capacity while there is still one unit closed at VPCH due to staffing. The general inpatient psychiatric unit beds continue to be running at high censuses this week, however not all units are in the 90%-100% occupancy as was the

case last week; this week two units were in the 80-90% occupancy. There remain 4 adults waiting for involuntary psychiatric beds, 2 court ordered people waiting (one in DOC and one at a DS crisis bed), 1 involuntary minor and 2 voluntary adults.



Department of Disabilities, Aging and Independent Living (DAIL)

Workforce Innovation and Opportunities Act (WIOA)

Vocational Rehabilitation is looking forward to a meeting on September 28th with DOL and AOE to plan for a unified state plan related to the new WIOA federal regulations. The Act calls for new and common performance measures across the three state entities and establishes new and significantly different federal reporting requirements to maintain funding for the state. Although DOL is in the lead on this initiative, VR recognizes the important opportunity to link the work and efforts related to job training, placement and employment support across the three state agencies.

DAIL Connects with Deaf Students from New York

DAIL was invited to meet with Deaf students from the Lexington School for the Deaf in Queens, NYC engaged in a cultural and work exchange with the US Forestry Service in Rochester, VT. Our Senior Counselor for the Deaf and Hard of Hearing in Vocational Rehabilitation went to meet with the students to talk about Vermont and to forge a connection for future exchanges between these students, the Lexington School and Vermont's deaf and hard of hearing students. A note from Bill:

My visit to the US Forestry Service in Rochester in the beautiful Green Mountains to meet the students from the Lexington School for the Deaf went very well. The Lexington school is in Queens, NYC. For these students, visiting Vermont was a big thing, a cultural experience as you can imagine. The students were great, they asked a lot of questions, were very cooperative and we had a good time. They all want to re-visit Vermont again someday and travel the state.

Here is a picture of us all on the porch of the farm house where the students stayed, Liberty Hill Farm and Inn. Fantastic place, highly recommended for a visit. I started conversations with the Forest Ranger service for possible arrangements in the future that would involve getting Vermont students to join the out of state students even if it is just for a day. Thanks- Bill



Direct Service Professional Appreciation Day

Both the AHS Secretary and the DAIL Commissioner were invited to speak at the Direct Service Professional Appreciation Day held on September 18th on the State House Lawn. The ceremony was designed to honor the work that direct service professionals do to support individuals with disabilities and our larger system of care. Secretary Cohen read the Governor's proclamation which was very much appreciated by all the attendees.

Statewide Independent Living Council (SILC)

The SILC, a non-profit, governor appointed council established under Title VII of the Federal Rehabilitation Act of 1973 meets regularly to develop and support our statewide plan for independent living and to advocate, educate and inform the public about issues relating to the disability community. They have developed a unique resource "Accessible Adventures" in which they offer accessibility information on public places across the state. To-date, they have reviewed approximately 1100 businesses across the state and are eager to explore links to the VT Department of Tourism to promote Vermont as an accessible and welcoming place to visit for individuals with disabilities.

Department of Corrections (DOC)

Possible change in OOS population

Depending on our instate population, we may see an increase in OOS bed utilization. BGS has earmarked \$700,000 for inmate beds (if they are needed OOS) and added security for the duration of the project.

We are bringing 20 inmates back from Michigan next week, with none going out. If our current population holds, then we may not see much, if any, increase in OOS utilization. We will be closely monitoring our population and planning as we near the start of this project.

Department for Children and Families (DCF)

Vermont Team attends BUILD Meeting in Pittsburgh

Vermont was one of five states invited to bring a team to the "Building Bridges: Connecting State and Community Early Childhood Efforts" meeting in Pittsburgh from September 16 – 18. The meeting was sponsored and supported by the BUILD Initiative. BUILD is a national organization founded and

funded by the Early Childhood Funders Collaborative to support state leaders in developing early childhood systems.

A team of 17 leaders in Early Care and Education in Vermont represented state agencies (the Early Learning Challenge Grant, DCF/AHS, AOE), private funders, the Building Bright Futures State and Regional Councils and local Promise Community teams and coaches from St. Johnsbury and Brattleboro. We engaged in thoughtfully intense conversations about how to improve state to local connections in the Early Childhood Education systems work in Vermont; also many Vermont activities were highlighted in breakout sessions.

The team came to consensus over this vision:

The infrastructure for successful partnership between the state and community level in the early childhood system in Vermont is our Building Bright Futures state and regional council system. The infrastructure can be strengthened to live up to its full potential through clear, regular and reciprocal channels of communication between the state, regional, and local communities through authentic engagement with families at every level.

Statewide Hearings Held for Proposed Child Care Licensing Regulations

The DCF Child Development Division (CDD) recently held hearings on proposed child care regulation revisions for centers and family child care homes. A CDD host was on site at 13 Vermont Interactive Television (VIT) locations allowing all regions of the state to be heard. A short presentation was aired by the Deputy Commissioner reviewing the process to date, major changes in the rules, and what happens next; comments were then taken from participants. Translation support for non-English speaking new American providers and families was available at the Williston site. Approximately 150 child care providers and other stakeholders attended across all sites. Approximately 120 written comments have been received through an on-line survey and mail. The comment period closes on September 28th. CDD staff will then review all comments and respond. The current plan is to present the proposed regulations to the Legislative Committee on Administrative Rules in January 2016 with a projected implementation date of September 2016.

DCF Commissioner Away

Ken Schatz will be away from the office beginning Friday September 25th through October 4th.

Principal Assistant Karen Vastine will be Acting Commissioner in his stead with signature authority.

Should you have questions or concerns please reach out to Executive Assistant Luciana DiRuocco 802-871-3385. Thank you.

Scott, Sue,
Sarah

Department of Vermont Health Access (DVHA)

ICD10 Readiness

DVHA has been working extensively on ICD-10 readiness and is confident that the MMIS claim processing adjudication system is fully remediated, tested and ICD-10 ready. The DVHA ICD-10 Project team has worked extremely hard to ensure that all Vermont Medicaid ICD-10 identified impacts were addressed and remediated, which included; an extensive amount of internal code reviews and code mapping, policy remediation, internal process adjustments, MMIS system testing, and other internal system workflow adjustments for readiness. The team also conducted a substantial amount of external ICD-10 readiness outreach, which included; sister department readiness, established a robust ICD-10 website, staff ICD-10 training, extensive communication and outreach to Vermont Medicaid providers, specialized communications to providers that are considered high risk (e.g. small or single

owned providers and Vermont Medicaid only providers) which included creating provider specific desktop resource guides.

The team also worked with enrolled providers who wanted to test their readiness and had a debriefing on the ICD-10 DRG Test Pilot (Phase I & Phase II) with Vermont hospitals and Dartmouth Hitchcock. The team is in the process of instituting a Post-deployment Claims Processing Indicator/Metric Tracking plan which will activate if external issues are detected.

Vermont Health Connect Project Update

The end to end test team continues to work with the carriers and Benaissance testing the functionality to be delivered with Renewals. There are currently 12 critical and 24 high defects that Optum is triaging and working on remediating. These issues have caused a delay in the end to end testing schedule. VHC expect to execute the originally planned set of tests and have not reduced the scope of testing. Any significant defects found now will require a change in the test scope or a change to the delivery schedule. If a critical defect is found during these last few days of testing that cannot be fixed, a work-around will need to be established and tested. Training materials would also need to be created and the associated training will also need to be completed.



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CONFIDENTIAL AND PRIVILEGED MEMORANDUM

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: September 25, 2015

Media Contacts:

- Dave Gram, **AP**, interviewed Jill Remick on the AOE/VDH work related to the removal of the philosophical exemption for vaccinations, which goes into effect for next school year. He was also directed to speak with Christine Finley of VDH.
- Zach Despart, **Burlington Free Press**, interviewed Jill Remick on the decline in Vermont high school graduates attending UVM. Jill also provided a great deal of the data to UVM's communications office regarding this issue.
- Lola Duffort, **Rutland Herald**, interviewed Jill Remick and Brad James about Act 46 and the Rutland South SU work towards a RED.
- Lola Duffort, **Rutland Herald**, interviewed Jill Remick and Greg Glennon about the HHB Council model policies and the concern in Rutland City SU that it was contradictory to existing statute.
- April Burbank, **Burlington Free Press**, requested information on the State Board motion to clarify Act 46 and existing statutory language regarding operating and tuitioning and if that impacted current proposals.
- Keith McGilvery, **WCAX**, requested information on statewide absenteeism in the context of a story about high absenteeism at Winooski High School.
- Natalie Gagnon-Joseph, The **Barton Chronicle**, interviewed Jill Remick, Melissa Riegel-Garrett and Karin Edwards about Act 166 requirements and implementation.
- Katie Savage, **Vermont Standard**, interviewed Jill Remick and Brad James regarding Act 46 and the State Board motion.
- Katie Savage, **Vermont Standard**, interviewed Jill Remick and Michael Hock about SBAC assessments, and what federal money we receive to implement them.
- Howard Weiss-Tisman, **VPR**, interviewed Jill Remick regarding the State Board Act 46 motion.
- Lisa Rathke, **AP**, interviewed Jill Remick about school choice and tuitioning in the state.
- Tiffany Pache, **VTDigger**, interviewed Jill Remick regarding Act 46 and the State Board motion.
- Paul Heintz of Seven Days interviewed Rebecca about Matt Dunne and Act 46.

- Jeff Buell, **Efficiency Vermont**, is doing a press release on the fact that Vermont schools are the most energy efficient in the country. He will include a quote from Secretary Holcombe in his release, pending approval.

Updates for Gov:

GOOD news: Education Quality Reviews

We have begun the first of three rounds of pilots. These are going very well. One of the best parts has been having students as part of the process. They call out the difference between what teachers and administrators say our systems are doing, and how students experience what systems are doing. It is creating some terrific conversations.

Act 46:

Communities are talking now. This is creating a lot of volatility. It is also exposing places where boards are weak or myopic. Any time a pond thaws, junk rises to the surface and big fish come out to feed. We are seeing a big uptick in site problems and in political action. This is going to get a lot harder before it gets better. Thanks for bringing Emerson Lynn to the rescue. I assume that was you.

VT Watchdog

✓ Scott

VT Watchdog has given us a very broad FOIA on everything related to choice and tuitioning. Thanks to Sarah London who is helping on this. This followed an inaccurate story that implied the State Board is eliminating choice. Unfortunately, the Burlington FP and VTDigger basically repeated the meme, seemingly at the behest of lobby groups. What really happened is the State Board passed a resolution that said business is as usual—Act 46 does not change the tuition laws that are already on the books. Districts get to decide by a vote of the electorate whether they want to tuition or want to operate, and existing laws apply to how that is done once they make that choice. I am sure something embarrassing will come out of this FOIA—we pass too many emails for there not to be an incautious remark, and probably by me because I have a big mouth. I am truly sorry about that.

Tuitioning and Choice and Watchdog

On the other side, in the field, this issue is beginning to get a little ugly. Act 46 is forcing local conversations about cost and about ways of doing business. This is long overdue. In all places, this is forcing boards to look at the relationship between scale and cost, particularly in the high schools. In some places, like Rivendell, the boards are considering closing a small high school and beginning to tuition to TA. This could put 140+ more kids into Thetford Academy, would save that school. In others, like Tunbridge and Chelsea, boards are considering merging and operating, to have affordable systems of sufficient scale. In this case, this would pull something like 12 kids out of Sharon Academy. This is making the independent schools quite restive, and the independent school community is agitating quite a bit. Really all I can say is that what independent schools need to do is just try and be the best schools they can be, so that they can compete for students. The decision about whether to operate is not ours, nor is it the independent schools' choice except to deny some students access, and public dollars are not something to which they are entitled if they can't attract takers. It is the decision of each district's electorate.

I went to an elite private boarding school myself for three years, and my daughter is asking to go abroad for a year on a program run by private schools, and I understand what they can offer and the role they can play, but this situation is not healthy for the state. Schools like Sharon are not schools

like Putney, because they really are completely dependent on publicly funded kids. They do not have a diversified revenue base. When they are small and can't attract students, they are subject to the same pressures as small public schools. If they are trying to compete in a market, they are subject to market forces. That is how markets ensure either quality or cost, to the extent they do that. They do not have an entitlement to public dollars. They are stirring up Watchdog and working hard and spreading misinformation to interfere with or block Act 46 in some locations.

Similarly, North Bennington created a FOIA request and is whipping up the legislators in the South because it can't participate as Community Eligibility Program School LUNCH program, and is blaming the public SU. In truth, North Bennington is in this situation by its own choice. When it became an independent school, it also insisted on becoming its own independent food authority. If it had stayed as part of the SU food authority, which another private school did, it would be able to participate, because the SU food authority has over 40% kids in poverty. However, North Bennington chose to leave and operate on its own, and on its own is ineligible because its poverty rate is too low. This is just time out the door.

The independent school lobby groups represent 4 percent of our children statewide, and tie up what feels like 40% of my cognitive space. The lobbying and misinformation from these groups is taxing our ability to get basic tasks done and is unproductive. We had hoped to work with Burr and Burton and St. J to develop and map out some new, better ways to handle special ed payments in independent schools, in service of a jointly supported and much needed legislative change, and have scheduled a series of meetings to discuss. However, politically, I am getting to the point where I don't think we have capacity to support this and take this risk. Every favor is rewarded with a kick. We can't afford to dedicate more time to being a default whack-a-mole when we need to be focused on Act 46.

We also can't protect some independent schools from market realities or their own poor choices. Because it is a well-heeled and highly ideological group, it has disproportionate voice. In some parts of the state, tuitioning to independent schools is working pretty well to provide quality and efficiency. Ironically, those tend to be places like the Burr and Burton and St. J's catchment areas, where there really is limited choice, so the independent school has scale. However, in some parts of the state, the best way for some districts to reduce costs and ensure equity and quality would be to operate, not tuition. **We need to let voters make the choice. I am a believer in local control on this one.**

GISU:

It is starting to look like we may need to resuspend federal funds to GISU. We had released them after some commitments to get their house in order and institute good business practices. They are backsliding. We are actually worrying about whether they will be able to make payroll. If this was Massachusetts, we would have taken them over and put them in receivership. They are a mess. I don't think they have the capacity to fix themselves, and we don't have the capacity to take them over. I really am struggling to think of an end game, unless they ask for help and we can go in with broad authority including mandating a turnaround team that takes over from the current leadership. We have only one fiscal monitor right now, who also manages institutional approvals, so we are really tapped out on this front.

Warren:

This school board is engaging in poor practices that expose the district to risk on FERPA grounds, and potentially create a physically unsafe environment for kids. The VISBT audit of facilities is very concerning. They are also pretty openly insubordinate to the Superintendent. Again, we have limited

capacity to intervene, but may turn over some the documents to other authorities to see if inspections by fire marshalls or OSHA, for example, get some response.

Meetings:

- **PK-16 council**
- Spoke at **Vermont Council on Rural Development/Paul Costello**
- Spoke at **VSBA regional school board meeting in Brattleboro about Education Quality Reviews / Act 46.**
- Spoke at **VSBA regional school board meeting in Otter Valley (Brandon) about Education Quality Reviews and Act 46.**
- **Met with CTE Directors and VT Virtual learning collaborative and Jim Porter about VIT** and more efficient options moving forward to use public resources to enhance statewide access. I am sorry the state colleges decided to go on their own and not consider collaboration. Seems like a waste of dollars.
- Kickoff Speech at the **Vermont Sexual Health Conference.**
- **Sandra Leonard of CDC** regarding our Sexual Health Grant
- Met with **VSBA and VSA and VPA** to discuss and work on the legislative request in A. 46 for clarification around roles and responsibilities of superintendents and principals
- **Julie Hansen of the Council of Independent Schools** regarding proposed changes to the application process.
- **Spoke with Act 264 advisory committee** at the Howard Center on mental health and schools.

Emerging issues:

Justin

Heads up to Justin:

I am laying off until the 30th, but intend to pitch you hard for the return of some positions. We have been able to secure foundation funding to support Education Quality Reviews for a few years. However, we are in a pretty critical place in our finance division. We disperse \$1.6 billion to the field a year. We have two people now available for monitoring and oversight. People are so tapped out they are starting to make mistakes. And critically, we don't do any monitoring, really, related to state funds. We don't have staff for that, but our recent experiences with federal funds and federal monitoring at a few sites have made us extremely uneasy about some of what we are seeing in the field. We are not the only ones who are sniffing this—OIG is also showing interest.

In addition, we realize that the higher capacity systems are the ones that are moving quickly through the mergers. Ones that should be able to move quickly but aren't are sometimes not doing so because they lack the capacity to do so. The districts we will have to sweep up and put into a plan in three years include a number that are likely to be a mess and unable to implement anything well. We have to be positioned to provide a higher level of support.

We are trying to cut. We have identified a few places we can cut and free up resources, but can't cut much more without jeopardizing federal funds or running afoul of state statute.

Managerial Consulting:

I am still pitching hard for a half million to support contracting for managerial consulting services to provide support to districts pursuing accelerated mergers. They would provide guidance on what works, what doesn't work, and then analyze and share strategies with the subsequent round of consolidations. My intent is to direct these resources to 2 Prospect, which can accept, manage and disperse these dollars more efficiently. Also, we don't have capacity to manage a lot of new grants.

OFFICE OF THE SECRETARY

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, September 25, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Highway Safety

Vermont Road User Rally will be held on the State House lawn Friday night at 5:30. Although this came together as a response to the bicycle fatalities, it has been a call to all users of the highways to be safe, making safe decisions because they affect everyone. Take the Road User Pledge at: <http://highwaysafety.vermont.gov/TakeThePledge>

Brattleboro IM 091-1(65)

The Traffic Congestion Strategy for Exit 3 was not implemented on Sunday, September 20, 2015. The next targeted dates for implementation are Sunday, September 27; Sunday, October 4; Monday, October 12; and Sunday, October 18, 2015. The first of fifty-six Segment was cast on Pier 1 last week and represents a significant step forward. We are now anticipating the contractor establishing a predictable pattern for production of the remaining segments. The Project Schedule has slipped due to the elapsed time erecting the form traveler; the schedule now is totally dependent on the production rates for casting segments. The next couple of months will be very telling.

Hartford IM 091-2(79)

The second bridge was slid into place over the weekend and completed almost 6 hours ahead of schedule. The team used time-lapsed video of the first slide to find inefficiencies and problems in preparation for the second slide. Overall the project is considered a tremendous success; it truly demonstrates the value of the CMGC procurement process. It also validates that VTrans has the talent and innovation to accomplish complex projects. It is important to note that a Vermont subcontractor, Bazin Brothers Trucking, out of Westminster, played a critical role in the success of this project. This will be the last report for this project.

Report from Brian Searles on *The Vermonter* Project

This week was spent in meetings with VTrans Planning and Rail staff, along with Amtrak officials in Albany, NY and preparation for several meetings in Washington, DC early in

October.

Amtrak remains very committed to the project and thinks the train can be back in Montreal in three years. They are encouraged by the initiative of Gov. Shumlin and Premier Couillard in bringing renewed focus to the effort. They identify barriers to return of service as construction of the preclearance facility in Montreal, track upgrades on the CN line in Canada, slotting additional traffic into Central Station, passage of the Criminal Extradition and Jurisdiction Act (CEJA) in the U.S. Congress, and additional staffing for CBP and CBSA in the new facility. None of these barriers are considered out of reach, however, US CBP is still sitting on plan approval for the preclearance facility out of fear, Amtrak believes, that they will be committed to something that Congress will not fund.

Amtrak believes that the Union issues that required crew changes at the border can be resolved due to changes in CN labor contracts over the last few years. The remaining track improvement project in the US, in Connecticut, is underway and expected to be completed within the three-year timeline assuming activities can be accomplished concurrently. Quebec consultant Raymond Chretien agrees with the position that Amtrak and Vermont have adopted that moving on construction of the Montreal facility does not have to wait until all decisions are made about the deployment of preclearance in the US.

Legislation Federal

Both the House and Senate indicate that a new Continuing Resolution (CR) for transportation will be necessary. Funding continues to be the major hurdle with murmurs of a shorter-term, 3-year bill being put forward - longest term version with funding sources to date. A general appropriation bill or CR must be passed before October 1 to avoid a government shutdown.

Positive Train Control (PTC)

This issue is receiving more attention by Governors and you may receive correspondence from other Governors and your association. Positive Train Control is a high tech system that knits together satellites, sophisticated signaling systems and databases to improve the safety of freight and passenger railroads. Congress established a deadline in 2008 of December 31, 2015 for all railroads to implement PTC. Railroads will not meet this deadline and thus far Congress has been unwilling to remove the deadline. This has the potential to halt national freight traffic and disrupt the national economy significantly if Congress doesn't extend the deadline.

Williston Stormwater Lawsuit

Commissioner Schuren and I met with the Town Manager and his staff to discuss settling their lawsuit with VTTrans over our non-compliance in paying their municipal stormwater fee. We offered to pay half of the fee in exchange for a settlement agreement that preserved both sides' future legal rights. We will hear the towns counter offer at the

end of the first week of October. The AG has indicated we have a strong case that the Town is exceeding their authority by imposing a fee without providing services in exchange. Meanwhile, DEC and VTrans legal staff are preparing legislation strengthening the municipal stormwater utility program and aligning it with our emerging regulatory program.

NOTES FOR STAFF

DMV Mainframe Computer Issues

All DMV offices were unable to produce Driver's Licenses or perform many other services on Tuesday afternoon, September 22nd due to mainframe computer issues. DMV IT worked diligently with DII to identify and correct the computer issue(s). As of Wednesday morning, the system was running and allowing the resumption of all counter services. Late in the day on Wednesday, the system slowed and continued to demonstrate an underlying problem. DMV IT continues to explore the causes at this time.

Middlebury Airport Runway/Taxiway 700' Extension

A community meeting to further discuss Middlebury Airport Neighborhood Association's (MANA) concerns regarding noise and future development at the airport issues was held on September 16. About 50 people attended, with a cross section of neighbors, MANA members and aviation enthusiasts. VTrans reiterated that there was still additional input to be obtained from the Middlebury Selectboard and the Federal Aviation Administration. The next meeting related to this project will be held at 6:00 p.m. on Tuesday, October 6 at the Middlebury Municipal offices, in coordination with the Selectboard meeting. The purpose of the meeting will be to review the 25% design plans for the safety project including the 700' runway extension and taxiway improvements. VTrans Secretary and Policy Director will be meeting with representatives of the Selectboard on October 23rd to discuss the Selectboard's interests in the project and future activities at the Airport. The Aviation Director received a request for a lease to construct a 14,400 sq. ft. hangar along with self-serve fueling station and is drafting the lease and will circulate for execution.

Northeast Kingdom International Airport (NKIA)

An email communication was sent to Bill Stenger of QResorts on September 22 asking for clarification regarding the planned funding for the terminal building at the NKIA. The QResorts plan was to use traditional financing for the airport terminal, projected costs \$20 million but know Bill Stenger has indicated he wants to use EB5 funds as well. We are still waiting for a response from our inquiry. The next Airport Committee meeting is scheduled for October 2 at 3:30 at the Airport.

Northwest RPC & Franklin County State Airport

Aviation Director met with J. Harrison and discussed the proposal to construct an industrial park which will abut the Airport. Will have follow up meetings with the RPC

↙ Sarah

and EDC to pull together a plan that may include next day air cargo from the park and to the region.

NWRPC staff attended a meeting with VTrans aviation staff, Border Air (airport FBO) and an adjacent landowner to discuss mid and long-term projects at the Franklin County State Airport and the potential to expand economic opportunities. NWRPC also forwarded aviation staff the Swanton Wind LLC's pre-filing notice for proposed wind turbines in Swanton. NWRPC has asked if the turbines could interfere with the approach to the airport or have any other aviation impacts.

Lamoille Valley Rail Trail Trailhead Project

VTrans is awaiting the results of the Environmental Assessment (EA) undertaken at the Cambridge trailhead site earlier in September and will be undertaking the EA for the Hyde Park site within the next week following the recent endorsement of the Hyde Park Selectboard. A private party inquired with VTrans on September 23 regarding a potential property claim at the Hyde Park trailhead site – Property Management and Legal are following up on the inquiry.

Champlain Parkway

The project continues to advance with an anticipated construction start date of Fall 2018. The City is clearing their soils investigation plan with DEC. ROW and Legal are working on the Legal Settlement with VRS; a meeting was held on September 21 with FHWA and VTrans staff to discuss the details of the proposed settlement areas and the ROW settlement process. The Jurisdictional Opinion documentation, needed due to minor design changes at the request of the City, is being developed by the City for review by VTrans prior to submission to the District Commission. The City requested follow-up information from VTrans regarding the potential for a re-alignment of the current Queen City Parkway/Shelburne Road intersection. Staff are following up on the implications for a City-lead project related to this – with the caveat that the project not create any delays for the Parkway project.

Comprehensive Energy Plan (CEP)

DPS asked the state agencies to complete their drafting of the various sections by Wednesday of last week with agency sign-offs on the entire document by last Friday and the final public draft to be available as of the 22nd. The VTrans section was submitted and the Transportation/Land Use Chapter as a whole, as well as other chapters, were reviewed earlier this week.

Act 145 and the Railroad Square/Main Street Intersection in Newport

Joe Segale is meeting next week with the new Newport City Manager along with Doug Morton and Dave Snedeker from NVDA to provide an overview of Act 145, and whether or not the City will want to add the project to VTrans SFY 2017 Capital Program. Before VTrans decides whether or not to include the intersection on the capital program, the City needs to make the request, and needs to understand that an Act 145 fee will

eventually be established. The purpose of this meeting is to provide background for the new City Manager, not to make any decisions. There is an internal meeting scheduled for October 12 to discuss the general process for adding Act 145 projects to the capital program. The RR Square project can help inform how the process could/should work.

Derby Line – US Route 5 Port of Entry (POE)

VTrans received a call from CBP to ask for assistance in traffic control/guidance to stop left turns onto Route 5 by travelers crossing at this POE, as they drive uphill into Derby Village from Stanstead, QC. Apparently they have been experiencing almost daily incidents, predominantly with non-resident travelers using GPS which directs them to make an illegal left turn onto Route 5 to go over to I-91, thereby running the actual Customs plaza and security clearance. Requested assistance from MOB and DTA who are engaging the TSMO to meet with CBP/GSA to see what can be done to address the problem.

Public Outreach

VTrans won two AASHTO Transcomm Skills Awards: Best Video for our explanation of [how to navigate a roundabout](#), and [Best Video Channel for VTransTV](#) on You Tube. Also of note, the time lapse video of the [Hartford Bridge Slide](#).

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: September 25, 2015

Secretary's Top Issues

NASDA Annual Meeting

Sec. Ross attended the Annual meeting of NASDA. At the meeting he worked with his colleagues, USDA Under Secretary Scuse and Bob Wellington of Agrimark to initiate changes in the Margin Protection Program for dairy which included an extension of the sign up period from Sept 30 to the middle of November as well as providing for greater flexibility on paying the premiums for the program. Sec Ross also help lead the conversation of the membership to pass FSMA policy that indicates NASDA will support the implementation of FSMA and help the FDA to do so IF: the FDA's final rules are right and Congress fully funds FSMA to include resources for the states and enables all the rules to be implemented so a level playing field can be created.

Meat samples in response to human illness

Meat inspection section worked cooperatively with the VT Dept of Health to obtain several retail meat samples in the investigation of some human illness cases.

Avian Influenza preparation collaboration throughout New England

State Veterinarian, Kristin Haas, participated in a New England States Animal Agriculture Security Alliance meeting in Maine this week. The meeting was held in order to allow New England state animal health officials and New England USDA-APHIS veterinary colleagues to discuss the attributes of utilizing an Area Command ICS structure during a high path avian influenza outbreak. This structure would be utilized if a disease Control Area involved multiple states, a distinct possibility for Vermont.

Avian Influenza education and outreach throughout the state

The VAAFM Highly Pathogenic Avian Influenza planning team disseminated additional information regarding avian influenza to a broad cross section of stakeholders this week, including municipal officials and poultry producers. The outreach prompted significant feedback, including invitations for VAAFM to provide additional information at Local Emergency Planning Commission meetings and producers contacting VAAFM to register their farms with the Agency.

North Lake Farm Survey Initiative

Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 400 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. Over 180 farms have been fully surveyed to date, data summary is ongoing and summary materials are being developed for presentations.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: September 25, 2015

Status of Governor's Priorities:

Legislative Activities and Issues:

State Veterinarian Kristin Haas submitted a nomination to the Speaker's office for appointment to the Livestock Care Standards Advisory Council to fill the role of "representative of a state run humane society". The appointment is pending at this time.

NASDA / Other National and Federal Issues:

See Secretary's Comments below about his participation in the 2015 NASDA conference in Hawaii.

Press, Marketing and Communications:

State Veterinarian Kristin Haas spoke with a reporter from the Waterbury Record and the Stowe Reporter regarding steps that poultry owners can take to protect their birds from High Path Avian Influenza.

State Veterinarian Kristin Haas spoke with Judy Simpson of WCAX this week regarding preparedness efforts for Avian Influenza

Significant Events/Meetings:

State Veterinarian, Kristin Haas, developed the agenda for and chaired the New England Veterinary Medical Association's Leadership Meeting the afternoon of 9/25. The meeting provides a discussion forum for New England state animal health officials, New England USDA colleagues and presidents/executive directors of New England state veterinary associations to collaborate on topics of mutual interest. Subjects discussed at the meeting include Avian Influenza, raw milk sales, utilization of private veterinary practitioners in state emergency response efforts, and livestock/companion animal interstate movement regulations.

State Veterinarian, Kristin Haas, participated in a New England States Animal Agriculture Security Alliance meeting in Maine this week. The meeting was held in order to allow New England state animal health officials and New England USDA-APHIS veterinary colleagues to discuss the attributes of utilizing an Area Command ICS structure during a high path avian influenza outbreak. This structure would be utilized if a disease Control Area involved multiple states, a distinct possibility for Vermont.

Evolving Issues:

The VAAFM High Path Avian Influenza planning team disseminated additional information regarding avian influenza to a broad cross section of stakeholders this week, including municipal officials and poultry producers. The outreach prompted significant feedback, including invitations for VAAFM to provide additional information at Local Emergency Planning Commission meetings and producers contacting VAAFM to register their farms with the Agency.

Summary of Key agency Department Activity

Administration:

Land Use

The VAAFM and our farmland conservation partners expect to close on six farmland conservation projects before the end of the calendar year. This will result in the conservation of approximately 702 acres of land. This protection is inclusive of prime and statewide agricultural land, woodland, as well as wetlands and buffers and riparian buffers along river corridors. To ensure a smooth process with respect to closing these projects, the Agency met with the co holders of these easements and Natural Resource Conservation Service staff this week to identify any concerns and ensure a smooth closing process.

The VAAFM is interested in coordinating with the Agency of Natural Resources to identify outreach and technical assistance needs, and policy ideas that could support working landscape enterprises in both the forestry and agricultural sectors. The VAAFM met with Deputy Secretary Trey Martin, Forest, Parks and Recreation Commissioner Michael Snyder, and Natural Resource Board Chair Jon Groveman to discuss the next steps in the Forest Health Initiative and explore possible opportunities for working together.

Agricultural Development:

Deputy Secretary Diane Bothfeld and Senior Agricultural Development Coordinator Alex DePillis met with Secretary Justin Johnson and staff from the Agency of Administration to investigate how [private activity bonds](#), which include both private benefit and public good, could help to finance digester projects on Vermont's farms. The public good would be water-quality benefits and GHG destruction.

Presentation on Food Safety Modernization Act (FSMA) Implementation at Farm to Plate Production & Processing Working Group Meeting

- Produce Safety Coordinator Kristina Sweet presented current information on the Federal Food Safety Modernization Act (FSMA) final rule and implementation timeline to the Farm to Plate Production & Processing Working Group, including:
 - o Key changes to the definition of “farm” in the final “Preventive Controls” rules for manufactured human food & animal feed.
 - o The VT Agency of Agriculture’s potential roles in FSMA Produce Safety Rule implementation
 - o When produce operations may need to comply with the rule or be subject to inspection

Participation in USDA Agricultural Marketing Service (AMS) Specialty Crop Multi-State Program Call for State Departments and Agencies of Agriculture

- Produce Safety Coordinator Kristina Sweet participated in a national teleconference held by USDA-AMS to discuss the new Specialty Crop Multi-State Program (SCMP) and the multiple roles state departments and agencies of agriculture may assume.
- The Specialty Crop Multi-State Program (SCMP) will competitively award funds to enhance the competitiveness of specialty crops by funding collaborative, multi-state projects that address the regional or national level specialty crop issues.
- The VT Agency of Agriculture *may* elect to become a “Participating State department of agriculture,” which would involve taking on administrative duties to implement the program and being a point-of-contact for Vermont and regional stakeholders who may apply for funds.

Stakeholder Meeting for Discussion of a Vermont State Produce Safety Program & FSMA Produce Safety Rule Implementation

- Produce Safety Coordinator Kristina Sweet, Local Foods Administrator Abbey Willard & Assistant State Veterinarian Shelley Mehlenbacher hosted a meeting of Vermont produce industry stakeholders, including representatives from service provider organizations, food hubs, and farms, for a meeting at Vermont Technical College in Randolph Center.
- Ellen Kahler of the Vermont Sustainable Jobs Fund facilitated the meeting, which covered the following topics:
 - o How the Food Safety Modernization Act (FSMA) Produce Safety Rule will impact Vermont
 - o Rationale for building a state produce safety program
 - o Process & timeline for state program development
 - o Possible program models
- Feedback provided at the meeting will shape the direction of program development and stakeholder outreach going forward. The program development team will meet with the Vermont Vegetable & Berry Growers Association board this November.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

- Henry Marckres, Chief, Consumer Protection attended a planning meeting for the 2016 Maple Conferences at the UVM Proctor Center in Underhill on Wednesday.
- Henry Marckres, Chief, Consumer Protection attended a meeting for NOFA organic standards for maple in Richmond on Thursday.
- The Regulatory Services Division of the New Hampshire Department of Agriculture will be here on Friday. They are here to discuss: how our programs work for Agricultural Products, maple, feed and fertilizer.
- Marc Paquette, Weights and Measures Specialist and Metrologist, attended laboratory training with the Northeast Measurement Assurance Program in Massachusetts on September 14 – 18. Instructors from NIST (National Institute of Standards and Technology) provided training. A couple of areas covered were: Laboratory proficiency and loss of accreditation when labs lose accredited staff. This has most recently happened in New York.

Meat Inspection:

- Consulted with two out of state meat operations using or wishing to use federally inspected VT slaughter operations (1 covered by the state under the cross-utilization program) to meet the needs of their customers since they have limited resources in MA.
- Section is dealing with several recall issues associated with Ford Fleet vehicles and altering schedules to get the required recall maintenance performed.
- Several seasonal custom operations are gearing up for the fall season and the section is performing pre-start up sanitary inspections.
- Participated in Webinar sponsored by USDA concerning the Co-operative Interstate Shipment (CIS) program in an effort to ascertain the feasibility of Vermont setting up the program.
- Continuing to work on Linc Pass identification processes in order to be in compliance with HSPD12 for access to Federal computer systems required for the cross-utilization and the State Public Health Inspection System (PHIS).
- Working with the Vermont Department of Health lab and FSIS to follow-up on quality assurance procedures in order to maintain “At Least Equal To” standards.
- Continuing to work on Budget request for USDA Federal Fiscal Year 2016 for 50/50 funding of the State Meat Inspection Program.
- Submitting comments to USDA FSIS on the “AT LEAST EQUAL TO” GUIDELINES FOR STATE MEAT AND POULTRY COOPERATIVE INSPECTION PROGRAMS”.
- Working on creating a Limited English Proficiency plan for the Agency to meet compliance with the Dept of Justice and the USDA for addressing discrimination and equal access.

Dairy:

- 5 FDA State Dairy Rating Officers just completed 3 days of training in Syracuse, NY. There were approximately 80 northeast dairy and food sanitarians at this meeting. This meeting is held every two years and is a great opportunity to compare regulatory programs with our neighboring states. Some topics discussed were PMO changes, food borne illness trace back, marketing new products, direct loading of milk trucks, & using digester solids for cattle bedding.
 - We are getting closer to hiring an additional dairy plant inspector.
 - Continue to work on getting USA Food Safety fully implemented and filling in gaps left by Dans retirement.
- Sent from my iPhone

Agricultural Resource Management:

North Lake Farm Survey Initiative:

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 400 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. Over 180 farms have been fully surveyed to date, data summary is ongoing and summary materials are being developed for presentations. The following number of farms were surveyed within the last week as part of the survey initiative:
 - 1 LFO
 - 1 MFO

- 5 SFOs

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

- Staff attended the Phase 2 McKenzie Brook watershed meeting to discuss focused efforts on outreach and water quality education within the watershed. Participants included local farmers, a custom manure applicator, and representatives from the Champlain Valley Farmers Coalition, UVM Extension, NRCS and AAFFM.
- Staff attended a Lake Carmi Watershed meeting to discuss water quality efforts within the watershed.
- Staff conducted joint inspections with ANR-DEC on a MFO and LFO Franklin County. The inspections were to evaluate the farms for compliance with the MFO and LFO programs as well as to determine if the farms would trigger the confined animal feeding operation (CAFO) program.
- Staff conducted a joint follow-up inspection with ANR-DEC on a MFO in Addison County to re-evaluate previously documented water quality concerns. The farm has received an enforcement action from AAFFM due to lack of conservation practices required in the MFO General Permit and this inspection was to document the current status of the farm.
- Staff conducted a joint inspection/compliance check with ANR-DEC on a LFO in Franklin County to evaluate barn construction and barnyard runoff.
- Staff are processing and preparing for Farm Agronomic Practices (FAP) Program grants for fall cover cropping and other FAP Program practices.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to work on and test the FoodSafety Water Quality database.

Conservation Reserve Enhancement Program (CREP):

- Staff visited a SFO in Chittenden County to meet with an excavator contractor to assemble an estimate to bury pipeline and install two frost proof watering tubs as part of a CREP and Best Management Practices (BMP) project.
- Staff evaluated compaction in corn field on a SFO in Chittenden County with a NRCS compaction meter to inform the farm owner acres that may benefit from subsoiling.
- Staff visited a SFO in Chittenden County to meet with a farm owner to decide on best option for a buried pipeline to service frost proof watering system that is approximately 2400' from the barn.
- Staff are continually processing and preparing for CREP and BMP related contracts and site visits.

Entomology:

- A sample of mosquitoes collected on August 14 from a trap site in Swanton has tested positive for Eastern Equine Encephalitis virus (EEE).
- To date 85 batches of mosquitoes have tested positive for WNV.
- The virus has been found in 10 of Vermont's 14 counties: Addison, Bennington, Chittenden, Franklin, Lamoille, Orleans, Rutland, Washington, Windham, and Windsor.
- The goal testing 3500 batches of mosquitoes this season has been surpassed. As of this week the VDOH has tested 3573 batches of mosquitoes collected and identified by VAAFM.
- Trapping will continue into October when heavy frosts reduce mosquito populations and mosquito egg-laying activity ceases.

Secretary's Comments:

NASDA Annual Meeting – Sec. Ross attended the Annual meeting of NASDA. At the meeting he worked with his colleagues, USDA Under Secretary Scuse and Bob Wellington of Agrimark to initiate changes in the Margin Protection Program for dairy which included an extension of the sign up period from Sept 30 to the middle of November as well as providing for greater flexibility on paying the premiums for the program. Sec Ross also help lead the conversation of the membership to pass FSMA policy that indicates NASDA will support the implementation of FSMA and help the FDA to do so IF: the FDA's final rules are right and Congress fully funds FSMA to include resources for the states and enables all the rules to be implemented so a level playing field can be created.

Avian Influenza – Agency will be conducting another Table Top Exercise on Monday 9-28-15 in order to continue preparation for potential AI outbreak. Deputy Sec Bothfeld also briefed extended Cabinet on AI to inform all Agencies about the disease and its consequences.

Budget – VAAFM leadership met work on finalizing budget proposal for the Agency that will enable it to continue to provide the regulation the agricultural industry needs while also supporting work by the Agency to continue to grow the jobs in the agricultural and food system sectors in the future as it has in the recent past.

VNRC Art Gibb Award – spoke at VNRC's annual meeting to help VNRC recognize Ellen Kahler of the Vermont Sustainable Jobs Fund as the 2015 receipient of the Art Gibb Award.

Water Quality – continue to work with staff on water quality implementation: developing calendar of events and preparing content for water quality events to include meetings relating to the CLF settlement, RAP rule making, Phase 1 TMDL plan presentation and comment period as well as strategic outreach to lawmakers and stakeholders.

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Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: September 25, 2015
Subject: ANR Weekly Report

Governor Level Issues:

New York Lake Champlain TMDL Allocations: Pollution allocation budgets to address nutrient impairment in Lake Champlain are currently split equally among New York, Vermont and Quebec. When EPA decided to open only half of the LC TMDL (Vermont's side), they reconsidered those pollution allocations. Given that New York did not open their TMDL and participate in the process, all new allocations were given to Vermont. New York recently requested that Vermont hold some of the allocations in reserve for New York. The result would be an even tougher TMDL in Vermont (i.e. Vermont would have to reduce phosphorus inputs into the lake even further). New York has not offered any concessions to make cleanup faster or to strengthen their LC phosphorus TMDL. We expect NY to file concerned comments during the LC TMDL public comment period. Staff conversations are ongoing. Conversations have also occurred between the New York DEC Commissioner and EPA Region 1. The Congressional delegation is in the loop and ready to push EPA or New York as needed.

Swanton Wind: Staff scientists have just scheduled and made its first site visits for the Swanton Wind project. District wetlands ecologist visited the site on Sept 23 to confirm the delineated boundaries and classifications of wetlands within the project area.

As you know, Brian Dubie lives in the area and our Planning Director, Billy Coster, met with him to discuss his concerns. He will not be rational and insisted it was political and the decision was already made and he threatened that he would be working to assert political pressure on the legislature to stop the project.

Kohls Motion to Alter: Jon Groveman met with the commission chair and the district coordinator to make it clear that the Board would not support the earlier commission decision to

apply a more stringent stormwater requirement than the DEC permit because it did not have evidence in the record to support its decision that the ANR permit was insufficient. For this reason, the District 5 Act 250 Commission granted the motions filed by ANR and Kohls to reverse a condition that required Kohls to bring its stormwater permit up to standards that went beyond the DEC permit. In its ruling, the Commission acknowledged that DEC permits receive deference in Act 250, that there was not sufficient evidence in the record to overrule the stormwater permit, and that the recently passed Vermont Clean Water Act requires grandfathered systems like Kohls to upgrade in accordance with rules DEC will adopt by 2020. We will be working with our stormwater program to identify what went wrong in the hearing process that led the commission to not trust the DEC permit. Jon is working with the commission and coordinator to better train them in how they can only set conditions when there is evidence to support their action.

Foliage: While reports are that fall foliage is late this year - it is actually well within historic variations. The warm fall slowed it down a bit but we can still expect a great season.

EVERYTHING ELSE:

Press Issues/Releases:

Tree Stand Safety Tips for Hunters: Tree stands get hunters out of sight and smell of wary deer, but they can also get hunters into trouble. Here are some tips from the FWD to help stay safe and get the most out of your tree stand hunting experience.

Foliage Season in Vermont: Below are links to recent articles with quotes from Commissioner Snyder:

<http://www.cbsnews.com/news/a-slow-start-to-new-englands-fall-foliage-season/>

<http://www.telegram.com/article/20150922/NEWS/150929707>

<http://www.burlingtonfreepress.com/story/life/green-mountain/2015/09/16/searching-vermont-foliage/32516443/>

VT Travel & Tourism Foliage Forecaster: Click [here](#) to see this week's foliage report, with input from Commissioner Snyder using information provided by FPR County Foresters.

Significant Events/Meetings:

Regional Greenhouse Gas Initiative (RGGI) Auction #29 with great results:
RGGI allowance sold at the highest price yet - the clearing price was set at \$6.02;

With 25,374,294 allowance auctioned there was \$152,753,250 in proceeds, with \$1,156,677 for Vermont!

Jamaica State Park Annual Whitewater Event is Part of National Public Lands Day: The annual whitewater release from Ball Mountain Dam in Jamaica will occur on Saturday this coming weekend. This year, the nationally-known event is featured as a program of National Public Lands Day, a yearly celebration of public lands across the country.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning (OP)

VELCO PV-20: VELCO filed late last week their full CPG petition for the PV-20 project. The project involves installation of two new high-voltage transmissions lines that will cross Lake Champlain from an existing NYPA substation in Beekmantown, NY to a new VELCO substation in Grand Isle, VT. The project also involves the decommissioning of a series of oil-filled transmission lines that date back to the 70's and in the case of at least one line, the 50's, as well as the decommissioning of the existing substation. VELCO has met with the Planning Office and technical staff from DEC and DFW on several occasions to discuss the project, which will employ similar installation techniques at the TDI aquatic cable.

Mount Snow – Corinthia Expansion Stream Buffer Issue: OP staff facilitated a staff meeting with representatives from Mount Snow and their consultant VHB, to discuss the proposed expansion of the Corinthia Base Area. Mount Snow has filed an Act 250 application for the project a project to use a culvert for approximately 200' of a small, perennial stream and cover the culverted section with an expanded parking area. The stream is impaired by high iron levels due to iron seeping out of the fill from the existing, adjacent parking area. The plan to culvert the stream is also intended to resolve the iron impairment by disconnecting the stream from the source of the iron. However, the current proposal will clear the existing naturally vegetated buffer around the stream, and effectively bury the waterway for 200'. Fish and Wildlife staff are concerned with the extant of the buffer impacts, which are not consistent with the Agency's riparian buffer guidance. At the meeting ANR indicated that before we could okay the proposal, the rule requires Mt Snow to show whether any feasible alternatives exist. If the need is justified and no feasible alternatives exist, they can propose mitigation.

PSB Act 56/RES Working Group: The PSB held their first substantive working group meeting related to implementation of the Renewable Energy Standard authorized by Act 56. The workgroup was split into two sessions, the first focused on Tiers 1 and 2, and the second focused on the Energy Innovation Tier, Tier 3. The planning director attended both sessions, along with a broad range of stakeholders including PSB and PSD staff, electric, natural gas and efficiency utilities, merchant generators, VELCO and others.

New Applications for the Week of Sept 14: OPLA received 6 new Act 250 applications and 2 new Section 248 petitions.

Environmental Conservation (DEC)

Sue

Water Violation & Penalty (Addison): Representative Willem Jewett is concerned about an enforcement penalty issued to residents of Fisher Point Road in Addison. This penalty was issued because the residents spliced into a public water supply connection that serves their residence and ran a water line to their neighboring home. This resulted in a cross connection, which is prohibited under the Water Supply Rule, and subjected the public water system to unanticipated risks of contamination. The penalty calculation originally came to nearly \$60K because of the economic gain the residents experienced as a result of renting the second home while violating the law. The Agency used enforcement discretion and halved the penalty to \$29,325. Representative Jewett feels the penalty is too high and that our facts are incorrect. We have reviewed the information he has provided and stand by our decision.

ECO AmeriCorps Update: Nineteen of our twenty Eco AmeriCorps members arrived and participated in a three-day orientation in collaboration with the VT Housing & Conservation Board (VHCB) Sept 14-16. The orientation consisted of program information, welcome sessions and training/workshop opportunities involving several key members/staff from VHCB, ANR and DEC. All members are now off to their respective host sites throughout the state and are embarking on their service roles. The DEC members will be focused on addressing water quality issues.

Commonwealth Dairy (Brattleboro): Environmental Assistance staff continued working with Commonwealth Dairy in an effort to address secondary containment in their chemical storage area. They are working to make sure any accidental spill or release in that area would be contained and could be cleaned up without discharging the chemicals to the wastewater system through their floor drains.

St. Albans City Phosphorus Reduction Pilot: Facilities Engineering staff toured the ongoing phosphorus removal pilot study at the St. Albans Wastewater Treatment Facility on September 16. The pilot is generating significant interest as most municipalities in the “targeted watersheds” within the Lake Champlain Basin have either visited or made plans to visit the site during the study. Our assessment in the early weeks of the pilot, is that the pilot units are performing well with excellent phosphorus removal.

Water Quality Standards Rule Final Approval by EPA: Vermont’s new water quality standards rule, adopted October, 2014, has obtained final EPA approval. Securing approval of Vermont’s innovative and nationally-significant numeric phosphorus limits culminates a long and challenging technical and policy-level discourse with EPA. A press release will be prepared for this important outcome.

Fish & Wildlife (FWD)

Wardens Respond to Trooper in Need: While at firearms training on Tuesday morning, wardens Joyal and Carey responded to dying Trooper Young and performed CPR on him until EMS personnel arrived. While he was not to be saved, it was a valiant effort from both of our wardens.

Deerfield Wind Black Bear Study Continued: Staff worked on and sent out an interim report for the Deerfield Wind Black Bear Study. We are wrapping up the fifth year of pre-development data collection on a project where we originally thought we would have only one year for collecting pre-development data. Staff are working on updating the study design as well as a budget to reflect changes needed. Staff are also working on a proposal to create a Limited Service Position to do most of the field work and data analysis for the project to replace work first done by consultants. There appears to be adequate funds now from Iberdrola, Inc. to fill the budget shortfall created by the added length of the project caused by construction delay.



Wildlife Funding Data Collected: Staff worked with NRCS on four projects in Chittenden County on Friday. These were all good sites that had some very high wildlife and shrub land bird potential. All projects were walked, GPS and notes taken to develop a habitat plan so that they can be considered for wildlife funding. These projects were all visited with NRCS, VTFWD, VTAudubon and FPR. By having all of these interested groups together at the table provides landowners with the best possible management options for their land. This was a long, but productive day and hopefully we will develop a few projects out of these visits.

Forests, Parks and Recreation (FPR)

Survey Section: We have received additional maps and information from Peter Lyon's surveyor (Bill Willis) regarding the west shore access road at Lake Groton. We are reviewing this information with our contract surveyor (Dubois and King) and hope to finalize a new ROW survey along the west shore road this fall. Work continues at several ANR sites including Lafreniere sale parcel, Forest Legacy parcels, Crystal Lake State Park, Victory State Forest, and other ANR sites.

Proposed ATV Connector Trail Rule: A site visit and second public hearing is scheduled for this Thursday (September 24) in Stockbridge and Bethel. The site visit will be at the proposed ATV connector trail at Les Newell WMA and will begin at 2:00 in the afternoon. The hearing is scheduled for later that evening at the Bethel High School.

ANR PILOT: We have calculated the FY'16 Payments in Lieu of Taxes (PILOT) to municipalities with ANR lands which total \$2,255,411. These payments will be sent out to municipalities within the next couple of weeks. The FY'16 PILOT payment was based on an

extension of last year's moratorium which limited PILOT increase to 102% of the amount paid to communities in FY'14. The ANR PILOT study committee continues to explore options for changes to ANR PILOT which would adequately compensate communities for loss of tax base associated with ANR lands and make PILOT easier to understand and administer while limiting the overall growth of ANR PILOT.

EAB Monitoring: Protection Forester Lars Lund collected all 10 pairs of the Emerald Ash Borer traps from 9 sites in Bennington County and 1 site in Rutland County last week. Most of these traps were monitored and had insect collecting done by volunteers or cooperators. All the volunteers and cooperators were enthusiastic, a pleasure to work with and were diligent about the collections. Some of the volunteers were part of the First Detector program and were excited to put their training into practice. The cooperators included the USFS, One World Conservation Center in Bennington, Bennington County NRCS and Williams College/Hopkins Memorial Forest. All the collected insects, traps and trapping supplies will be sent to the Essex district office for inspection and sorting.

Natural Resources Board (NRB)

9L Guidance: The NRB, ACCD and ANR released a draft of the 9L Guidance required by S.138 and scheduled a meeting to receive stakeholder input on the Guidance for October 8.

NRB Outreach: Jon Groveman continued his series of meetings with members of the regulated community. Last week he met with Patrick O'Brien and representatives from Dubois and King. Issues related to the regulation of development in designated centers under Act 250, generally what the NRB can do to improve the Act 250 process for applicants, and his concerns about a particular application for a priority housing (PHP) project located in the Colchester Growth Center. It was a very productive conversation. Mr. O'Brien made several suggestions about ways to improve the processing of Act 250 applications to save the applicants time and money. He also obtained a better understanding of the issues surrounding exempting of PHP's on land that is already subject to Act 250 - the issue being that PHP's may trigger amendments to existing Act 250 permits. The NRB Chair explained that the NRB and ACCD continued to work on the PHP Act 250 amendment issue and would have a legislative proposal to address this issue in 2016.



State of Vermont
Department of Public Safety
103 South Main Street
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To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: September 25, 2015
Subject: Weekly Report

Priorities

Department responded to a FOIA request regarding a freight rail shipment of Bakken Crude. Pan Am Southern Railroad did ship Bakken Crude over approximately 6.3 miles of it's track in southwestern VT near Pownal. On 2/13/15 the railroad did inform the DEMHS Watch Officer who in turn informed the SERC Chairperson. This train was diverted away from it's usual route, into VT, due to heavy snowfall in the region. It is the position of DPS that we should not give any information pertaining to advance notice of any hazardous material, Bakken Crude, Ethanol, Radiological, and Gasoline etc. shipments. These can be soft targets and are vulnerable to anyone with a nefarious intent potentially impacting public safety. While we do not get frequent requests of this type, releasing information after the fact is less concerning.

Meeting with BGS to discuss options for remediation of mold found in the building. The most likely plan of action would have minimal effect on some workers and require minimal relocation of others. The intent is for those functions that can easily relocate (i.e. DEMHS to the Alternate EOC at Camp Johnson) to do so, while other workers would set up in meeting rooms in the building while their areas are impacted. There are more decisions to be made next week to finalize the best way forward and to better identify timelines.

Planning continues to roll out the Violence in the Workplace Training. The target date is the first week of October with them first delivery intended to be held in the EOC in Waterbury.

CJS

Started planning and acquiring equipment needed for Westminster PSAP.

Continued AOT Mobile and portable PMs at garages.

Completed installation of inverters at key sites that will stabilize the radio network throughout any power outage or fluctuations in commercial power stability.

Continued the process of updating VSP mobiles and portables at Rutland/Rockingham for vote scan and digital channel updates for PDs and Sheriff Departments.

Removed dispatch telephones from Rutland and Derby. Provided Rockingham and Williston PSAPs with a quantity of spare telephone sets for dispatch positions

Worked on trouble-shooting various telephone related problems at the Rockingham and Williston PSAPs

Responses to the recent RFI for video camera upgrades were received and ranked. The results of the RFI will be presented to VSP Command Staff on October 6th. One issue that will need to be addressed as part of this project is the video retention policy for Vermont. Today's policy creates a very difficult process for storage and retrieval of video. All new video capture systems utilize digital technology, which will require many terabytes of data for Vermont. A large percentage of the cost of this new system will be incurred in the area of storage.

Barracks Recording Systems

DPS is working in conjunction with DII and BGS on the installation of video recording systems in all VSP barracks. The process has been slow due to issues with DII, BGS and third-party service providers. The next barracks to be installed, in priority order are:

DPS manages the Amber Alert notification System for the state of Vermont. An Amber Alert was issued in early September with a few minor issues. A joint meeting was held with DPS, DII, and the VIC to identify the issues and implement corrective measures. The Amber Alert notification system is tested once every 6 months to ensure that the system is operating successfully.

The retirements of the former VCIC SOR Coordinator and Deputy Director took place last week. Since that time a new SOR Coordinator has been appointed (Courtney Gaboriault) and recruitment has continued for the Deputy Director position.

The Marijuana for Symptom Relief Oversight Committee met and overall the meeting was productive, with representatives from the dispensaries, the medical community, and criminal justice in attendance (minutes are still being reviewed/prepared).

Inquiry sent to BGS re: quote for blood-drug testing renovations – awaiting response

Meeting with Deputy Commissioner Flynn to discuss backlog of DNA database samples (postponed – new date not yet determined)

Fire Safety

The division received \$8.7 million in new construction valuation collecting \$104,500.00 in permit fee revenue.

We will be offering the Hazardous Material Response Team Chief to Todd Cosgrove. Todd is currently an Assistant Fire Marshal in Williston and has been on the Haz Mat Team for many years and has been the Deputy Chief for the Team.

The fire safety trailers have been used extensively over the past month and we have a very busy October.

Meeting with the fire academy staff this week to discuss the challenges we face on delivering some of our training classes. We are at a turning point with the academy due to staffing vacancies. It cannot be emphasized enough that reduction in staffing due to retirements will carry significant programming consequences impacting our ability to provide training to our first responders. Below is a summary of the impact facing the academy:

This year's southern VT FFI certification training programs in Manchester, Castleton and Hartland will not have the level of support needed to produce adequate course deliveries and instructor coordination. The support will need to come from remaining staff which will impact operations further and create overtime hours.

Current work on the Rapid Intervention Crew program, Fire Officer I and II and Fire Instructor I program updates will slow down considerably as these efforts will need to be spread among existing staff which will impact operations further and create overtime hours.

These delays will create a backlog of 3 undeliverable certification programs which affects the customer base, especially when FD's utilize the certifications as promotional requirements.

If the updates are not addressed and documented in an acceptable timeframe our national accreditation for these programs could be put in jeopardy.

VSP

A Troop

FF

Death and service arrangements for Trooper Kyle Young.

Arrest on warrant, fugitive in a stolen vehicle out of NH.

BCI

Investigation into the death of Trooper Kyle Young.

Untimely in South Hero, 72 year old female who went into cardiac arrest, natural.

CSST assist to Colchester PD on OIS.

Untimely in Highgate, 67 year old male, cardiac arrest, witnessed, natural.

NUSI, sex assault involving a 27 year old female who had been drinking with two adult males, sane kit done, more to follow this week.

NUSI, L&L case involving a 5 year old female and 30 year old father (sex offender).

NUSI, sex assault case involving an 11 year old male reporting years of abuse by 60 year old male family friend.

NUSI, L&L involving three juveniles, inappropriate touching.

DLS/Excessive speed, IS 89 Georgia.

NUSI, L&L case involving a 4 year old female and her father's girlfriend, mother was the reporter and has made unfounded reports before.

Fire Investigation of a garage in Alburgh, electrical, DFS took case.

DRE for Williston PD.

10-50 involving CAR 39 Trottier, taken by Det. Sgt. Thomas.

WCSIU, sexting case involving two juveniles.

B Troop

FF

NIU and uniform troopers rounded up six defendants regarding the NJ. Heroin case. They interviewed several people and ended up with good information and located approximately 530 bags of heroin buried in the woods.

Responded to a motor vehicle crash into the Miss Lyndonville Diner in Lyndonville. Trooper located a male who was later identified as Jared Anderson, 24, of Newark, walking away from the scene. Anderson provided false information to Trooper. Investigation revealed that Anderson had driven his vehicle into the diner causing damage. Anderson was also under the influence of intoxicants at the time of operation. Anderson was taken into custody and processed at the St. Johnsbury Barracks for the charges of DUI, False Information to a Law Enforcement Officer, and Leaving the Scene of an Accident.

BCI

Assist provided to Major crimes for officer involved shootings in Fayston and Colchester.

Follow up on Prison embezzlement case.

Follow up on O'Hagan case per SA request.

Completed Special Investigation packet for Burlington PD officer arrested for Assault.

Corinth 74 y/o female, had a cardiac and diabetic history. Natural

Thetford 64 y/o male, who had a drinking problem. Family found him unconscious and not breathing. Rescue 3 called it on scene. Appears to be natural causes; however the body was shipped for autopsy.

New intake involving allegation of sexual abuse by caregiver.

New intake regarding child pornography.

One arrest for reckless endangerment. Incident from July, subject accidentally discharged handgun in backpack, hit his brother in the leg. SA reviewed and approved reckless endangerment charge

C Troop

FF

Fatal Crash investigation, US 7 Pittsford. Vehicle went left of center and collided and killed a motorcyclist. Crash Recon and BCI involved.

Responded to a suicidal person holding a knife to his throat. Units responded and could not make contact with the subject from outside. Subject was eventually observed lying on the floor through a back window bleeding. Entry was made into the residence and the subject was found lying in a large pool of blood with a severe neck wound and unconscious. EMS was on stand by and immediately started working on the subject. Subject survived.

Visited the Woodford Elementary School and present to the Staff and students.

BCI

Assist to DCF with safety escort to residence in Lincoln for a home visit.

Meeting with NIU – Missing person Denise Hart.

Meeting with NYSP, Re; John Schaff.

New Case Assist to FHPD – Armed Robbery.

New case: Arrested Christopher Corrigan for Poss. of Narcotic and Transportation into Places of Detention.

Assisted uniform with preservation letter for cell phone in fatal accident investigation.

New case: Death investigation of a 63 year-old male from Chazy, NY after winning race at Devil's Bowl Speedway. No signs of foul play. Autopsy pending.

Vermont Summit on Sexual Violence.

New Case: Sex Offense. City of Rutland. It was reported a 4 year old boy may have been sexually abused by his father.

Fatal crash follow up in Wilmington VT.

Assist with officer involved shooting in Colchester.

D Troop

FF

Stopped a vehicle on I91 in Springfield on 09/12/15; car was seized; search warrant obtained and executed; felony amount of heroin seized (174 bags, over 5 grams).

Subject dropped 15' of detonation cord and a blasting cap at Putney FD-EOD contacted and handled.

BCI

Pre-Trial Mtg with Windham SA.

New case-Sex Offense- Report of mother allowing 5y/o to watch pornographic movies.

SOR (x5).

Aggravated Assault on Correctional Officer at SSCF.

Follow up interview at jail with inmate claiming he was sexually harassed by corrections staff, unfounded.

Untimely death of 62 year old male in Plymouth, subject was found by wife deceased in bed, no visible injuries, subject had a history of alcoholism and had hepatitis C.

Bomb Dog Training Tuesday thru Thursday (CT).

Follow up on Londonderry Arson cases from SA.

Camera retrieval and set up in Londonderry reference arson cases.

TOPS

Guard of Honor for Trooper Young and escort to New York.

Warrant Sweep, NIU ASST.

COMPUTER CRIMES

Continued forensic examinations on several state and federal child exploitation cases.

Eric assisted VSP Royalton on scene at VT Technical College regarding e-mail threats made to a teacher over the VTC network.

Current Cases: 8

Pending Cases: 4

New Cases This Week: 1

MAJOR CRIMES

Officer involved shooting (Brown)

Greensboro homicide –discovery and follow up.

Discovery in Berlin Homicide.

Discovery in Henry Premont Barre Case (Reckless Endangerment, DC).

Sarah Hunter Homicide, meeting with Bennington County SA's office.

Hemisphere review, Windsor (Helland) Homicide.

Delivered Sobel Homicide discovery to AG, worked on Middlesex OIS case.

DEMHS

For the second year in a row, DEMHS hosted the annual utilities conference. This year's theme was Grid, Electric System Complexity. The conference included a round table tabletop discussion on winter storm lessons learned and best practices. The Director and DEMHS staff attended and presented.

The Director met with FEMA Region I Administrator Paul Ford and other FEMA staff at their office in Boston.

The Director invited Secretary Johnson to present at the DEMHS conference as the Governor's schedule does not allow him to attend.

HS Section Chief completed updated Operation Orders for FY14 and FY15 Operation Stonegarden funding.

HS Section Chief completed after action report for trip to Macedonia.

COS gave presentation at the NDCAP meeting regarding the future of the EPZ and RERP program.

The Director and RERP Staff attended Tri-State Directors' Meeting.

Initial VT Alert presentations have been provided to Addison County Mental Health and the Town of Winhall.

FEMA Region 1 made four hazard mitigation project obligations on 09/22/15 with cumulative federal share of \$331k for the towns of Cabot, Brandon, Londonderry and Fairfield.

Public Assistance for DR4207: with the obligation of VTrans debris removal projects, all PWs have now been entered, and all 49 exit interviews have been conducted.

Public Assistance for DR4232: 9 eligible applicants (plus one which is currently being reviewed by FEMA R1 Legal, see next item) All have had kick-offs completed.

PAO successfully advocated with FEMA to have the Greystone Estates Homeowners Association in Richmond admitted as an applicant despite filing after the 30-day deadline for assistance and FEMA is currently evaluating their eligibility.

The vacant Public Assistance Coordinator position, which has been reclassified as Public Assistance Administrator at pay grade 25, was posted internally on 09/21.

PIO taught basic Public Information Officer course at state Fire Academy in Pittsford. Audience included Emergency Management Directors, Town Officials, Health Department regional office employee, hospital communicators.

Legislative Contacts:

At the prompting of the applicant (Vermont Department of Fish and Wildlife), the Vermont Congressional Delegation co-signed a letter to FEMA Administrator Craig Fugate urging prompt and favorable resolution of the Roxbury Fish Hatchery Second Appeal.

Staff of Senator Leahy's office contacted R+M Chief and Special Projects Analyst to inquire about status of Shrewsbury's Cold River Road project from Irene. Special Project Analyst Mary Andes responded in detail. We are working closely with the applicant to seek a buildable and affordable solution while maximizing PA eligibility.



State of Vermont

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Johnson, Secretary

Justin

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**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: September 25, 2015
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Repeated Announcement – State House Book Launch for Intimate Grandeur – Vermont's State House in Main Lobby, Wednesday, September 30th, from 4 to 6 pm w/ the Governor arriving at 4:30. BE THERE EVERYBODY! Golden Dome cookies will be served! Hardcover and softcover books will be sold and signed by 4 authors/photographers!!!!

WSOC

We are opening the Construction site up for a community tour this Saturday starting at 9:30. We have been reaching out in different ways to broadcast this activity for about a week now. The tour will get folks inside the fence and in close proximity to the buildings. Depending on turn out and site conditions we may even allow folks into the Atrium space of the New Office Building. BGS will have extra staff on hand in order to ensure a controlled and safe activity.

Engineering and Facilities Division:

The Heat Plant – Will start up next Monday 9/28/15 for the season. It will also provide heat to the City of Montpelier on 10/1/15 and our buildings when needed any time after 9/28/15.

Southeast District Maintenance – Salvation Farms – Has begun talking with DOC again about starting up their vegetable processing program. SESCOF is one of the locations being discussed. Salvation Farms moved all of their equipment out of the facility three weeks ago.

BIG E – Staff spent last week at the BIG E in West Springfield, MA getting the Vermont Building ready for the opening of the Eastern States Exposition that started on 9/18/15 and goes through 10/4/15. The building looks very nice lit up at night!

Significant Meetings/Events:

St. Albans Lease Meeting with Administration's Office: Discussed the ramifications of the Federal Street being found a Capital lease.

Monthly call with Senator Flory and Representative Emmons: Senator Flory wasn't able to join the call, but we discussed a few subjects of mutual concerns and objectives.

Meeting with Representative Marcotte: Discussed a commercial use for the Newport Boardwalk.

FINANCE AND MANAGEMENT

Significant Meetings and Events

Andy, Brad and Emily met with Sue Zeller to discuss a transition plan to transfer parts of the Spotlight Webpage from the CPO to F&M.

FY2016 BAA meetings begin Monday with DVHA and the rest of AHS on Tuesday.

FY2017 and BAA submission are due in our office today and we will begin reviewing starting next week.

HEALTH CARE REFORM

All Payer Model

The APM negotiating team met with CMMI in DC this week. Overall, negotiations are progressing well and we made a lot of progress on issues. This remains a work in progress and there are numerous details to finalize. CMMI was clear that they do not want the content of the meeting discussed, so please call Lawrence with questions or concerns. Michael continues to work with AHS to bring them up to speed and work through Medicaid issues and needed analysis.

Excise Tax/Large Group Market Study

We have received a third round of numbers from our actuaries on the excise tax and will present them on Tuesday at the stakeholders' meeting. The numbers have increased slightly since the last meeting, but still remain fairly small for 2018. Michael met with DHR yesterday and walked through the methodology. DHR agreed with our methodology and trends. Our actuaries received data for Vermont State Colleges yesterday. Again, due to these data issues the report will likely be late, but no later than Dec. 4th. Michael is drafting a memorandum to the legislature to explain why the study is going to be delivered after the November 1st due date.

SIM/VHCIP

The SIM Team continues to work on the project's reorganization and year 3 planning. For the most part, the reorganization is going well with only a handful of concerned stakeholders remaining. The year 3 planning is directly connected with the APM work and Michael and Georgia are continuing efforts to align.

Several work groups are meeting this week and next, focusing on the reorganization for the most part.

Universal Primary Care

We met with Wakely last Friday to review the first round draft cost-estimates. The numbers look consistent so far with what we expected, and estimated by Dr. Deb Richter. In preparation for the 2nd round draft estimates due next Wednesday, September 23, we are working with Wakely and Steve Kappel to reconcile outstanding data questions and policy assumptions. The analysis of FQHC services is one sensitive area because the statute specifically calls for "services commonly provided at FQHCs" to be included; it is difficult to make a comparison between FQHC services and services generally considered primary care by other providers because FQHCs bill services under a single encounter and include services that may not be primary care in other practices. For the purposes of the study, we have estimated FQHCs

separately, with the understanding that universal primary care may cover things at FQHCs that are not covered for other providers due to the nature of FQHCs' reimbursement structure. Another sensitive area may be our policy assumptions around primary vs. secondary coverage for universal primary care. Due to the statutory language "all Vermont residents" we are calculating cost estimates to include everyone, just like Green Mountain Care, though this may lead the self-insured group population and federal employees with duplicative coverage. However, like GMC, if we start cutting groups out it is no longer universal.

Federal Exchange

Robin and Devon are finalizing a draft this week. The draft will go back to the VHC team to review for accuracy and technical completeness. Robin is doing some additional research on one area for the cost estimates and then will work with Carrie and Sarah to refine and finalize. The report will then go to the leadership team (Justin & Lawrence) for review. In the meantime, Robin is working on a PowerPoint for Joint Fiscal that Justin & Lawrence can use.

Press/Media

Robin, Lawrence, and Michael met with Neal Goswami 9/18 on the public records request regarding the All Payer Model. He did one story, which came out on Sunday. We expect to follow up with him after he reviews the records.

Sarah London submitted records to Morgan True. Morgan followed up Thursday and we discovered that Lawrence's emails were not included in the records we sent him. We will send the additional records Friday.

Thursday we received an additional public records request from Morgan True asking for correspondence between CMMI/SIM.

Other/Significant Meetings

GMCB Nominating Committee Meeting 9/22 – Devon is working with the GMCB nominating committee to finalize procedures for appointments, in order to ensure that we leave office with appropriate process documentation in place. The GMCB nominating committee will make suggested edits to the current GMCB application.

HUMAN RESOURCES

Legislative/Policy Update

Met with the Governor's policy team to go over DHR's policy priorities. They include: paid sick leave, support for state employee victims of violence, the Pay Act, poverty reduction measures, recruiting the next generation state workforce, whistleblower protections as well as some more technical statute changes.

Press Requests

No calls from press this week.

Significant Events/Meetings

Classification study vendor selection and contract process is nearing completion.

HR Field staff at DPS has been working with department leadership, the VTA, and the family of Trooper Young following his death.

Bargaining is ongoing. Additional data has been produced and provided to the VSEA.

DHR Legal and Labor Relations met with VSEA to discuss issues of mutual concern.

Met with Finance on premium rates. Once final “ok” is received, the 30 day letter will go out, and we will meet with VSEA & VTA to discuss.

We are continuing to work on the FY17 DHR budget.

There are currently 17 Psychiatric Nurse vacancies. The nurse job fair held on 9/18 was slow though two strong candidates were identified. We expect the 9/25 to be much busier.

Over 1600 employees have signed up for our flu shot clinics.

INFORMATION AND INNOVATION

Status of Governor’s Priorities:

HSEP Status

MMIS

One vendor is preparing to deploy live citizen data into their applications. DII-Security is requiring security reports prior to populating that data.

VHC

The way security credit card data is being handled (PCI compliance) has been of concern. A plan has been approved to transfer that risk directly to the credit card company. This plan is in compliance with industry standards and will resolve State risks.

Senator Sanders’ office asked for a response to the GAO audit that his office received this week. DII-Sec wrote a response that was approved by Comm. Lunge and forwarded to Sen. Sanders’ office.

Legislative Issues/Contacts:

Press/Media Notes

Significant Events/Meetings:

Evolving Issues:

IRS Audit – September

Last audit preliminary report complete, the table below breaks down findings by department according to severity

	OCS	ESD	TAX	VHC
Critical	5	1	2	1
Significant	6	3	6	3
Moderate	12	7	8	5
Limited	4	2	3	2

Each department responded to the IRS on 9/24 offering timelines to correct these critical findings

In about 7 weeks, each department will receive guidance on how to correct these findings and DII-Security will begin tracking progress toward correcting the findings.

Migration to Office 365 – DII piloting was a success! There were minor adjustments made with a couple users existing set-up. On Monday (9/21) the remaining pilot users will be migrated to the cloud environment and begin testing for the next two weeks.

LIBRARIES

NOTHING TO REPORT

TAXES

Legislative Update

Taxpayer Roadshow

Val Rickert, who now oversees audit, and I hit the road to visit 3 Taxpayers. The first was a constituent and business associate of Rep Condon – currently under audit and Jim attended as well. It was very constructive – Val listened to complaints about auditors asking irrelevant questions and taking up too much of the business’s time. She addressed both their issue and talked about how she could train auditors to be more organized – both the taxpayer and Rep. Condon appeared very pleased. We then visited two more taxpayers in the same market niche who have appealed their large assessments – and whose cases have languished. Both Val and I were able to explain how we already have addressed cases like theirs going forward – for ex., we will assign audits centrally and avoid hitting the same industry twice when there are outstanding legal questions to resolve, we have a new standard operating procedure that will keep cases moving and get them to hearing, we are considering publishing determinations so they would have seen some previous Dept rulings on their issues. Resolving their cases is a bit tricky – the legal rules in question are complex and counterintuitive, but not wholly illogical. We committed to doing more analysis of how other states treat these items (which should have been done upfront), both taxpayers claim VT is an outlier. Val and I followed up with the Dept attorney assigned to these cases, we discussed ways out and he committed to at least meeting with both taxpayers immediately. The latter 2 taxpayers were still a bit angry, but definitely appreciative that we took the time to meet (Val ws at the last office over 3 hours).

Legislative Agenda

We met with the Governor’s staff and discussed possible delays in income tax refunds/moving up dates for employer reporting to combat fraud, telephone tax modernization (we will check in with DPS), possible package of ag sales tax changes (we will be meeting with Ag and legislators) and finally, possible corporate income tax tweaks which we will bring forward (probably more for discussion, not for action this session – but may address some of the volatility we anticipate in this revenue source).

Vermont Yankee

The Director of PVR has informed Vernon that it is the Department’s position that VY no longer can avail itself of the exemption for “operating” electric plants, and needs to be put on the grandlist, particularly for education taxes. Vernon was not happy.

IRS Audit

Generally, our effort to address findings from the audit three years ago paid off – much better this time. Two critical findings had to do with unsupported software in use by other agencies on equipment that tax has to use – one of DII’s networks and BGS printers.

Speaking Engagements

Fall is another busy time for Dept presentations – including to a practitioner group where we continue to emphasize the changes in procedure once VTax Phase 2 goes live for sales & use, rooms & meal and withholding. The Commissioner is presenting on VTax at a regional conference of tax commissioners, serving on a general update panel, and another presentation on our outreach work with practitioners. Next week the Commissioner is meeting with partners at a Lewiston, ME national tax boutique law firm. We are going to be discussing remote vendors issues including Marketplace Fairness (they argued the most recent Supreme Court case), cloud tax, and some timely corporate issues (they are arguing an Ohio corporate nexus case that is being watched closely nationwide – as closely as our VT Supreme Court case on corporate taxation of AIG).

Operations

VTax Project and Website

End to end testing on Phase 2 continues, and staff continues to work to execute on our outreach plan. Still on track to go live in November. The new website is also still on track to go live in the next few weeks. We held an oversight committee meeting with Darwin and Michael Clasen – discussed changes in processes for Phase 2, outreach efforts, and current benefit forecast (FAST is achieving higher revenue faster than anticipated when the contract was signed – for example, quicker processing of corporate income returns has saved us money on interest).

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: James Giffin, Interim Commissioner
Date: September 24, 2015
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: Modernization Study met this week. Does not appear they will suggest legislation from the study, but will recommend to the committees of jurisdiction they look at legislative fixes on some items. Items thrown out for discussion:

- 1st Fix the system we have;
- Contract out warehouse operations
- # of Agents
- Should the Governor appoint the Commissioner? (I think a majority support)
- Increase focus on sales
- Decrease the Excise tax and increase the mark up?
- Purpose/goal of liquor and marijuana control
- Warehouse – Issue is capital, but depends on the business plan for operation
- Statutory clean up - Strong support
- Marijuana – Is DLC ready?
- Hybrid trucking model?

Press Issues/Releases/Contacts: VTDIGGER did a report of the meeting. The reporter was not present during the meeting and had little understanding of the issues when I spoke to her. Article was generally fair. She did say that I was against privatization and I never said that. I would not have even used that word since it has too many meanings. I am not correcting the statement since the article has generated few comments.

Significant Events/Meetings: None

Summary of Key Department Activity:

Agency Issues: Agents continue to be concerned on a change to a competitive selection process. Issues remain open and I would not be surprised to see legislative proposals on it. Representative Ancel believes we should have more stores, not sure how many. I will be putting together some information on what it cost to maintain a new store.

IT POS system: I had to tell the contractor they need to stop fooling around and get to a work on the contract amendment this week. If we need an additional contract amendments after that fine, but we need to get the amendment routing or date will slip further.

Warehouse: Chet Willey Inc will be coming September 29th to do a presentation and discussion of his warehouse report. I have reached out and invited members of the Modernization Study committee and Legislative contacts to attend if interested.

Enforcement: Only routine activity

Commissioner's Commentary: Thanks for speaking at the NABCA board of director's conference. You were on the top of your form and the group really enjoyed your speech, topic, and humor.

I have challenged Stephanie to come up with a plan to replace the Commissioner. I had only agreed to assist until December. Although we have been soliciting applications, the board needs to come up with a process to screen and interview candidates. I have told them I am willing to assist with a transition after December, but they need to ramp up their process for a replacement.

Memorandum:

To: Governor Peter Shumlin

From: Annie Noonan

Re: Weekly Report - weeks ending 9/17 and 9/25/2015

Issues of Critical Note:

1. USDOL Apprenticeship grant of \$2.9M to VDOL to expand apprenticeships in health care, IT, advanced manufacturing and business services.
2. We received approval for a grant modification on the Job Driven Long Term Unemployed NEG grant to include dislocated workers.
3. We are ramping up for the new NEG grant deliverables -- Business Sector Partners grant - discussing extending the employer-communities in Rutland and Windham counties.
4. We expect to hear on the Health Pathways Opportunity Grant (HPOG) by next Tuesday. We are talking with BDCC about using some of this money with the Brattleboro Retreat's workforce recruitment problems.
5. For the past week, we have been dealing with the IRS Safeguards unit, who are complaining that our mainframe is 'unsupported', which is why we have been in a UI modernization process for 2+ years. These meetings and calls have taken up a lot of time this week, but we may have some resolution -- we will know more on Tuesday. If the IRS doesn't agree, VDOL would ask for a temporary suspension of our FTI / TOPS program until we can get the system fixed.
6. We have been notified by USDOL that they (now) want our State Program Monitor Advocate position to be separated from the Foreign Labor Certification/H2A, H2B monitor. This puts an extra burden on VDOL since we've not received any new positions numbers since 2011.
7. VDOL met with DCF, OAG, BGS and SOA on the Sobel fatality investigation with VOSHA. All inquiries and plans will go through me to Sarah London to the agencies.
8. We are working on the SWIB MOU, and have a meeting on Monday 9/28 with all the required partners under WIOA. No word yet on the privatization 'requirement' that may be coming under WIOA.
9. I met in Brattleboro yesterday with BDCC and VY officials about jobs, job training, grants, etc.
VY's next round of layoffs is coming up.
10. We received a WARN notice for g.housen and company in Rutland, with the approximate loss of 50 employees, after October 30, 2015. The positions are drivers, warehouse workers, and administrative personnel. They stated that this is due to their acquisition by Farrell Distributing Company.
11. We are still working on the follow up from Hoffer's report. As I may have mentioned, he is probably launching another review on a UI audit issue. All of this has taken a big toll on the UI staff.
12. We are very happy with the results of the WC Conference (180 participants), and our big job fair at the Sheraton, as well as with the SMC press conference. We have the 6 colleges in the southern part of the state interested in surveying their students now. In addition, VDOL is calling together the Career Placement Officers at all of the colleges and universities to talk about better integrating the job information and opportunities.

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To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: Sept 25, 2015
Re: Weekly Report

Status of Governor's Priorities:

none

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

Our director of marketing, Jeff Cavender, spoke with Ken Picard from Seven Days about a lottery bumper sticker that a reader asked about.

Significant Events/Meetings:

none

Evolving Issues:

none

Summary of Key Agency Department Activity:

Nice Powerball jackpot run happening that always helps raise sales. The new Powerball rules that take effect on Oct 4th raise the jackpot odds to 1:292M from 1:175M which should cause more opportunities at these higher amounts.

Executive Director's Commentary:

none

Sent from my iPad