

From: Miller, Elizabeth [Elizabeth.Miller@state.vt.us]

Sent: Sunday, August 10, 2014 2:45 PM

To: GPS

CC: Allen, Susan; Coriell, Scott; London, Sarah; Richards, Alyson; Spaulding, Jeb; Miller, Lawrence

Subject: Weekly Reports - Executive Privilege 08 08 14.pdf

Attachments: Weekly Reports - Executive Privilege 08 08 14.pdf; ATT00001.txt

hope these notes help

WEEKLY REPORTS

Checklist
8/8/14

Elizabeth Miller/Alyson Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Health Care Reform – Lawrence Miller
- ☒ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Rebecca Holcombe
- ☐ VT Commission on Lottery – Greg Smith (**no report this week**)

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Doug Racine

Sue Allen

- ☒ Agency of Agriculture – Chuck Ross
- ☒ Agency of Natural Resources – Deb Markowitz
- ☒ Public Service Department – Chris Recchia

Sarah London/Carolyn Wesley

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

- ☐ Boards and Commissions – Susan Spaulding (**no report this week**)
- ☒ Department of Liquor Control – Mike Hogan

To: Governor Peter Shumlin
From: Lucy Leriche, Deputy Secretary - Agency of Commerce and Community Development
Date: August 8, 2014
Re: Weekly Report

PAT MOULTON, SECRETARY

- **IBM Workforce:** We are working to develop a quickly implemented training program to help fill IBM's immediate hiring needs. The idea is to use the Governor's flex fund, starting with about \$250,000. We are pulling together a concept meeting for August 18th with educational partners and IBM to discuss. Simultaneously working through a template/draft RFP so that we can be ready to go once we have the skill sets identified. Also need to work through how we justify to the legislative committee for approval.
- **V.T. digger** is still digging around about EB 5. We expect a new story Sunday. Brent, Lisa and I are doing our best to manage. We are also working on an op Ed to international press and EB 5 network.

LUCY LERICHE, DEPUTY SECRETARY

- **Working Lands Enterprise Board Symposium:** The Board spent the day discussing ways that WLEB funds can fill funding gaps, and leverage more activity, particularly in the areas of Working Capital and finding ways to be more nimble and responsive to entrepreneur's needs. Ideas on the table include funding a high risk loan loss reserve, and partnering with lenders to provide gap grants to projects that need a little extra push to get financing. No hard decisions were made beyond adding Working Capital as an eligible category for funding. More discussions to come.
- **Northern Border Regional Commission:** Lucy and Pat met with Ken Horseman to review his analyses and recommendations for these grants. An issue for a number of applications was match—they either had it, were working to get it, or didn't have it and had no known plan to get it. In the end this was a deciding factor in the ranking of projects to put forward to the Governor for his final decision. This was a competitive round with 14 applications in the mix.
- **Stowe Airport Ribbon Cutting:** Lucy attended this happy event with the Governor, Secretary Searles, Deputy Secretary Sue Minter, and others. The first phase of improvements at the Morrisville airport are now complete. They include a runway upgrade and terminal rehabilitation. Phase II will include more amenities including new hangars and will utilize the EB-5 program for financing. Russell Barr, the principal developer for this project, had high praise for the Governor, government staff, and state government in general as responsive, available, and having a: *can do, let's get it done* attitude!
- **Vermont Center for Geographic Information:** Moving VCGI into state government will require additional resources to the state if we are to maintain the same level of service that VCGI has been providing. Given the budget environment, and this last round of rescissions, Lucy would just like to flag this as an issue for the Administration to consider moving forward. If we are going to pull the plug on this mission, it would be preferable to let VCGI and all involved know sooner rather than later so they/we can plan accordingly.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Lisa Gosselin, Commissioner

- **Vermont Hard Cider** opened its new \$30 million cider house and tasting room in Middlebury on 8/6. Senator Leahy spoke on his efforts to work on legislation, the CIDER Act that would provide more favorable classification for cider. At present, based on its carbonation, cider can be taxed at the same level as wine or even Champagne. Leahy and Gosselin spoke on the growth of the sector and importance to Vermont. Dan Rowell, president, says cider is currently 1% of U.S. alcoholic beverage market and he estimates it can grow to be 5% (in Europe it is currently at 3%). Woodchuck is one of the few Vermont food products that is sold in all 50 states and is growing rapidly. The Vermont plant now employs more than 100.
- **EB-5** received a good deal of media attention last week following a VT Digger story that played up a communication issue between Jay Peak and investors. Some papers perpetuated inaccuracies. The St. Albans Messenger told a more balanced story and Brent Raymond, Becky Fu, Pat Moulton and Lisa Gosselin are working on a communication plan around EB-5. **The good news:** for the first time in recent history, job growth in Orleans County (where Jay Peak is based) is outpacing the rest of the state, there are several very strong EB-5 projects in the pipeline including Mt. Snow (\$52 million), Stowe/Morrisville Airport and other inquiries coming in at a rapid pace.
- **Road Pitch**, the latest “let’s find the next great start-up to invest in” tour organized by Fresh Tracks Capital’s Cairn Cross kicked off 8/4 with a reception in Manchester attended by about 100 of the area’s Young Professionals group. Dubbed “Road Pitch” the motorcycle road tour (which included VCET’s Andrew Stickney and David Bradbury, Lamoille Economic Development Corporation leader John Mandeville, Representative Sam Young and many others), toured the state listening to pitches and finished Thursday at The Essex at an event co-hosted by StartUp Vt/Essex. Lisa Gosselin spoke.
- As part of the **CEDS rollout** Lisa Gosselin is meeting with agency leaders to discuss the strategic plan and the role each agency or department can play in economic development. On 8/4 Lisa presented highlights to the Agency of Transportation executive team and on 8/6 to an interagency group focused on clean energy (Diane Bothfeld AG, Alex DePillis AG, Billy Coster ANR, Stephanie Smith, Dan Edson BGS, Jared Duval DED).

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

- **ClearChoiceMD Urgent Care - Barre:** Joanne met with Andy Conte to discuss the type of services offered by ClearChoiceMD Urgent Care and Andy's history in the medical field. He is interested in pursuing VT opportunities related to Drug and Alcohol Testing Services. Recently a bid closed from the Chittenden County Transportation Authority, something that they were interested in. They discussed acquiring the necessary registrations. They discussed future CCMD locations in Rutland and Brattleboro. Current locations include Berlin and St. Albans. The company began purchasing old Blockbuster store locations to re-construct the inside to meet the needs of the practice. All locations have 11 patient rooms and currently hold 2 practicing MD's. They are headquartered in NH, and plan on opening additional locations in NH, ME and possibly (depending on economy) upstate NY. Andy took the request for counseling form and will complete and then send back to Joanne. Joanne will follow-up.

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **VTP Reboot:** The main content of the VTP Reboot is up on the Vermont Training Program website! Check it out: <http://accd.vermont.gov/business/start/training>
 - The first meeting of the VTP Review Team took place this week. Those in attendance included: Ken Horseman (DED), Chris Loso (WIB), Hugh Bradshaw (CWS), Diane Dalmasse (CWS), John Fischer (AOE), and Annie Noonan (VDOL). It was exciting to see some of the main workforce

development leaders in the state come together and lend their enthusiasm and expertise to be meaningfully engaged in the process.

- **Imerys:** Beth Demers, Kiersten Bourgeois, and Bob Flint met with Terry Bane, Operations Manager, of Imerys (formerly Luzenac) in Ludlow. Currently the site extracts the talc and ships it to another facility to process. The site is in discussions with its corporate headquarters regarding a possible new investment. Kiersten covered a number of topics including: permitting, electrical rates, and VEGI. In terms of the VTP, Beth will keep in touch with Terry as plans become more solid.

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DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Commissioner MacKay

- **Waterfront Access North Ground Breaking:** Filled in for the Governor for the groundbreaking of Waterfront Access North in Burlington. Amazing turn out with Sen. Leahy, reps from Sen. Sanders and Rep Welch office, city councilors, business reps and more speaking!!

Deputy Commissioner Hollar

- **Renter Rebate Study Committee:** Hosted yet another lively session of the study committee which includes, VHCB, Housing Vermont, Vermont Legal Aid, DHCD, VLIAC, VAHC and AHS. After several meetings focused on the existing program and how it might be improved, this discussion centered on identifying alternative ways of assisting low income renters. In accordance with our legislative directive, the final report will include both recommendations for improving the existing program and the pros and cons of alternative approaches. Data and support from the Tax Department has been extremely helpful.
- **Housing Needs Assessment:** Informed stakeholders of the selection of Bowen National Research to conduct the assessment. Contract negotiation is underway and we are assembling existing data and other resources to provide to the firm. A kick off meeting is scheduled for August 13.
- **HUD Monitoring:** In the latest round of oversight monitoring, two staff from the HUD Regional Office were here this week to review the CDBG and HOME Programs. Met with them for both an entrance conference and informal debriefing. A formal exit conference will be held by conference call in the coming weeks. Recommendations re: more thorough documentation are likely. Many thanks to Ann Kroll, Josh Hanford, Ray Marzbani and Willa Davidian at VHCB for their patient and skillful response to 48 hours of questions.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

- **Climate Cabinet:** Meeting highlights include updates on Vermont's role in the White House Task Force for Climate Change and information about HUD's pending \$1 Billion Resilience Grant Competition. Details on the latter remain sketchy and the NOFA is expected sometime in August. ANR and VTrans have reached out to agency partners for ideas and suggestions on proposals and will coordinate the development of Vermont's grant application to HUD.

- **Vermont Village Greens:** Kate and Richard presented an overview of the Vermont Village Green Initiative and the summer internship to the Preservation Trust of Vermont Board of Directors at the Grand Isle Lake House. DHCD, in collaboration with the Vermont Urban and Community Forestry Program (ANR), the Preservation Trust of Vermont and the UVM Community Based Learning Program, are working together to raise awareness and encourage the use and revitalization of these important gathering

My
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more
info
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spaces. This fall, UVM students will use Kate's models to document and expand the amount of information on Vermont's village greens available online.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Award-Winning Cheese at Plymouth Cheese Factory:** Jesse Werner of the Plymouth Artisan Cheese Factory at the State-owned President Calvin Coolidge Historic Site received a second-place honor at the American Cheese Society's national competition for his Red, White & Blue cheese. This was the only Vermont blue cheese to medal this year. Congratulations to Jesse and the Plymouth Cheese Factory.
- **New Exhibit at Justin Morrill State Historic Site:** Noelle and Laura participated in the Pillars of the Peoples event in Strafford, kicking off the opening of the Statutes of Liberty exhibit at the Justin Morrill Historic Site. The lecture and exhibit were sponsored by the Friends of the Justin Morrill Homestead. The exhibit will be open until October 13, 2014. Also participating in the event were Senators Nitka and MacDonald, Representative Masland, and Dr. Kennon from the United States Capitol Historical Society. A special thanks to Kate Ash of Senator Patrick Leahy's office for attending and inviting all those planning visits to Washington, D.C. to contact the Senator's office for a staff-led tour of National Statuary Hall.

State Architectural Historian

- **Tour of Modern Architecture in VT:** Devin, in conjunction with the [New England Chapter of DOCOMOMO-US](#), organized and led a two-day tour of modern architecture throughout the state. 25 participants from Vermont, Massachusetts, Rhode Island and North Carolina viewed buildings in Norwich, Hardwick, Plainfield, Burlington, Warren and Killington. Read more about the tour and see photos in this week's issue of [Seven Days](#).

Environmental Review

- **Morrisville Hydroelectric Project:** Jamie and Scott attended a meeting arranged with Craig Myotte, head of the Morrisville Water and Light Dept., which is engaged in re-licensing the hydroelectric facilities at Green River Reservoir, Cadys Fall, Morrisville, and Lake Elmore with the Federal Energy Regulatory Commission (FERC). The draft Environmental Assessment for this project was released by FERC last month and SHPO comments were filed on July 25th. One missing piece from Morrisville re-licensing application is a Historic Properties Management Plan (HPMP) and the meeting was to kick start the development of the HPMP document. Although this is Morrisville's responsibility, the Division has oversight under the Section 106 and will assist in expediting the completion of the HPMP.
- **Sites found in Recent Solar Projects:** Native American archaeological sites have been found in three solar projects under Public Service Board review. Two of the projects, under development by Green Lantern Capital, Inc., are located in Chester and Pittsford. The two archaeological sites identified are localized and it is likely that they can be avoided with protective archaeological buffers. The third site was found during review of a larger solar project in Rutland. The Division has filed a Memorandum of Understanding with the developer in the PSB docket that specifies that any significant site identified will be avoided or subject to appropriate mitigation.

State-Owned Historic Sites

- **Bennington Battle Monument:** There were over 1,000 visitors to the Monument again for the start of August! The airport safety lights were changed this week with the help of BGS and it was a bit of a challenge this time due to a haze of bugs swarming at the top and a film crew from Manchester VT taping the event. Preparations are made for Battle Day Weekend at the Monument and the Battlefield in New York will be having a full reenactment for the first time in several years. We are developing maps and exchanging brochures to be sure visitors go to both sites. The Friends of the Monument had their annual dinner on August 3rd and 18 lucky lottery winners had a grand evening dinning at the top of the Monument.

- **Debates at Coolidge Homestead:** The Coolidge Foundation hosted a series of student economic debates: 40 homeschoolers were here on Wednesday and Thursday and 120 high school students and dozens of judges joined them on Friday. The Foundation had its annual meeting on Saturday morning, where Bill gave a brief report about the Division's work, and its gala dinner with speaker Governor Douglas that evening. Saturday was also Plymouth Old Home Day, organized by the Division. The site hummed with activity: wagon rides, sheep shearing, historic children's games, traditional crafts, chicken barbecue, cheese making, Homestead Inaugural reenactment, etc. Reeve Lindbergh, daughter of the famous aviator Charles Lindbergh, gave a fascinating presentation about her family and the Coolidges. This was Reeve's first visit to Plymouth Notch, and Bill gave her the grand tour focusing on some of our Lindbergh material. (Laura brought down some special pieces from the President's medal collection to enhance the display!)

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Work

- **City of Barre:** The award letter was finalized and made available to the City for its \$1 million Implementation Grant to redevelop a 1.2 acre area near Enterprise Alley in the center of downtown by cleaning up the highly contaminated former Howe Dry Cleaners site and doing some flood remediation work.

DEPARTMENT OF TOURISM & MARKETING

Steve Cook, Deputy Commissioner

- **Marketing:** VDTM is beginning to shift from summer to fall creative in our advertising campaigns. We officially kick off autumn media in the third week of August. This year we have implemented a mix of traditional and digital media to fill our plan. Below are three examples of billboard creative currently running in Massachusetts. These boards were paid for with 100% lodging trade vouchers and golf packages. No State budget was needed for these purchases.



COMMUNICATIONS ♦ Jen Butson, Director of Communications

Media Projects

- *Money Magazine* is doing a story on fall foliage business. I assisted with facts/stats. Spoiler: Ludlow will be *Travel+Leisure*'s top fall travel slideshow. I was happy to connect them to photos.
- I'm assisting VTrans on strategy and public/industry outreach on the I-91 bridge construction just north of Brattleboro that has caused extensive delays on busy weekends.

Sue FYI ...

MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **Commissioner's eNews:** VDTM sent out the August edition of the [Commissioner's eNewsletter](#) last week to more than 4,600 industry partners. Highlighted articles include an introduction to Lori Harnois who is Discover New England's new executive director, partnership opportunities, paving projects & detours, and survey results regarding wellness vacations.
- **VermontVacation.com Sitemap:** Members of VDTM met to discuss the most recent sitemap idea for the next version of the website. Discussion is ongoing and edits will be made to increase organization and flow of content for the end user experience.

MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator

- **2014 Fall Campaign | Autumn in Vermont Landing Page:** David's design has been approved and site construction is underway. The fall campaign is still under development but we are in a good place. Broadcast television spots are being developed by David in conjunction with the digital display advertising, email marketing campaigns and social support.
- **2014 Vermont Vacation Guide | ThisisVT App Ads:** David designed the ads shown below to market the upcoming ThisisVT App. The ads showcase iconic Vermont visuals branded with *ThisisVT* – messaging that tips, tricks and trips are now available for download.



RESEARCH & STATISTICS ♦ Greg Gerdel, Research & Operations Chief

Research

- **January MRA Not So Bad:** Despite a prevalence of rain, ice and flight cancellations, the Meals, Rooms and Alcohol (MRA) taxable receipts for January 2014 emerged strong from a statewide perspective, up 3.99 percent. In fact, resort communities in general showed growth in room sales, while several towns appear to have suffered the impact of poor travel conditions, Brattleboro (-22.2 percent), Bennington (-10.1 percent) and Hartford (-6.0 percent). In contrast, room sales were strong or even in most of the resort communities: Ludlow (+ 36.8 percent), Jay (+ 24.0 percent), Stratton (+15.4 percent), Manchester (+14.1 percent), Woodstock (+13.2 percent) and Wilmington (+9.2 percent). Other resort towns had modest increases or held their own in comparison with the previous year.

Burlington's (+23.2 percent) increase was impacted by the opening of a new downtown hotel, while Waterbury (-21.3 percent) was affected by the temporary closure of a property for renovation and eventual expansion.

January Taxable Receipts: % Change 2014/2013/2012/					
	Meals	Rooms	Alcohol	MRA Total	Est. Revenue
2014	72,613,367	41,280,236	15,369,425	129,263,028	\$ 11,787,366.77
2013	70,791,951	38,780,530	14,726,189	124,298,670	\$ 11,334,142.19
2012	66,585,471	32,799,731	13,091,798	112,477,000	\$ 10,253,847.98
2014/2013	2.57%	6.45%	4.37%	3.99%	4.00%
2014/2012	9.05%	25.86%	17.40%	14.92%	14.96%

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

- **Circulation:** Howard White reported more than 50% sales through Barnes & Nobles, a very high number. Newsstand sales are already strong for AU14.
- **Promotion:** There are 27 photographers signed up to exhibit at the Vermont Life calendar launch party. We have been working hard to manage the logistics of hanging 135 prints. You are invited, please RSVP here: <http://events.constantcontact.com/register/event?llr=w6vgvzjab&oeidk=a07e9nwmf8ed39a6802>
- **Vermont Life App:** Is available on iTunes. <https://itunes.apple.com/us/app/vermont-life-magazine/id873141985?mt=8&uo=4>

CHIEF MARKETING OFFICE ♦ Nancy Brooks, Chief Marketing Officer/Heather Pelham, Marketing Specialist

- **Made in VT:** This week, the team met with consumer protection directors at AAFCM to discuss food sectors that have more stringent state and federal requirements for “claims of origin” than do the draft criteria for the Made in VT program. The meeting revealed that the sets of criteria could probably be easily reconciled for the maple and dairy sectors, but probably not very easily for meat. (Most meat labels need to be sent to USDA in Washington, DC for review before they can go on a product, which is too unwieldy for the Made in VT program.) So, we will likely not include meat products in our program at launch (perhaps at a later date). The conversation also revealed opportunities for the MIV team to cross-check licensing completion for producers with state regulators in these various divisions, which is great “backup” for us to have as we review and process applications. We are also making great progress on the development of the website. We had a productive meeting with VIC this week (and thanks to the ACCD IT team for sitting in and advising us along the way) and we will hold a longer follow-up meeting next week to discuss technical requirements with VIC in greater detail.
- **New State Craft Center Announcements:** Nancy presented the State Craft Center designation this week to the NEK Artisans Guild in St Johnsbury. They had a great turnout for the event, including the Caledonian Record and community leaders. Next week, Nancy will make a similar presentation to Fletcher Farm School in Ludlow.
- **Design Projects:** Heather is working with the Department of Economic Development on designing “save the date” materials for their Innovation Summit. She is also working with the Office of the Creative Economy on getting posters printed for the Celebrate Vermont Showcase next week, as well as with the Byways program on getting a reprint ordered of their existing brochure. We also recently completed a rack card promoting citizen sign-ups for DEMHS’ VT Alert system, and we hope to get that to the printer early next week.

Memorandum

To: Governor Peter Shumlin

From: Annie Noonan, Commissioner VDOL

Weekly Report: Week ending August 8, 2014

Unemployment Insurance and Wage Division: For the week ending 08/02/14 we took 1642 calls. We processed 253 initial and 261 additional claims. We paid 4,045 claimants during the week ending 08/02/14 compared to 3,982 in the prior week. UI rate is likely to increase slightly next report.

Vermont Yankee Weekly Report July 28th - August 7th (Submitted by VDOL VY Coordinator Morgan Sailer-Carlisle) Conference call with David Aldstadt from the Windham County WIB. Questions to still be answered concern cost of Career Expo and whether other WIB members are willing to negotiate on this topic. Follow up with Ken Messina (MA DOL LM), Jeff Wimette from IBEW, emailed Michael Powers NH DOL for RR Questionnaire. Emailed District Manager for DOH about VT Health Connect for VY. Contacted Chris Wellington of NH Dept. of Economic Development about Career Expo. August 4th: Rapid Response meeting Preparation: Prepared for VY Rapid Response meeting, reviewed previous notes, BDCC/SeVeds newsletter concerning VY Trust, and TRADE article sent by Maureen Carney from Rapid Response team in MA. Vermont Yankee Trust: Connected with George Clain from VY Trust and notified him about August 14th meeting in Brattleboro. George and I will connect by phone this week to discuss this further. Vermont Health Connect: Assisted Vermont Yankee in connecting with a Navigator for the Vermont Health Connect Program. I touched base with AHS Director, Sadie Fischesser, to obtain contact. I also contacted Joan Bowman from Brattleboro Hospital and forwarded contact info to VY Dave McElwee.

August 6th: Rapid Response meeting with VDOL (including Commissioner Noonan and Director Lucenti, MA DOL and NH DOL staff, plus VY HR Directors). Meeting held at Vermont Yankee. Update from VY, review of Rapid Response Schedule, Career Expo, other VY seminars to assist employees, TRADE, NEG and the Windham County Economic Development Program. Next meeting will be 8/28. VY is in support of having our own job fair and not collaborating with the Windham WIB at this time. VY does not feel the WIB supports what VY and RR team is trying to accomplish. Cancelled Windham County WIB conference call for tomorrow and notified Rapid Response team of job fair meeting on August 8th.

Labor Market Info Division: Mat Barewicz spoke with Nancy Remsen about labor force data; Mat spoke with Auditor Hoffer about SSN data collection and analysis for VTP; Pending - data request for Hoffer; Pending - data request for Sara Teachout of JFO;

LCAR: VDOL was at LCAR on Thursday on the UI Newspaper Carriers Issue. Committee postponed action (again) until October 31, 2014. Senator Flory made the motion. Newspaper editors were there in force. Labor folks were not happy.

Legislative: We have laid out all the legislative work that is pending and working to get it up and running to finish on time. UI, WC, WARN, SEA, Workforce Development ---- unbelievable amount of follow up and rule making required. I will send over summary next week.

FYI

State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

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

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To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: August 8, 2014
Re: Weekly Report

Susan L. Donegan

Captive Insurance Division:

The Vermont Automotive Dealers Association (VADA) Insurance Trust this week became Vermont's 1,020 captive insurance company. VADA has operated as an ERISA trust since 1979 but now the medical stop loss coverage will shift to the captive. Vermont automotive employers, dealers and distributors having 10 or more employees may take part and approximately 75 companies are expected to participate at the start of the program.

Insurance Division:

In the current issue of "Best's Journal," a magazine that focuses on insurance issues and analysis published by A.M. Best, Vermont's Legacy Insurance Management Act (LIMA) was hailed for being the first in the nation. The nod to LIMA included a brief description of its framework, how it works, who might benefit and DFR's regulatory role over transactions and claims.





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CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: August 8, 2014

Meetings:

VSBA Fall Meetings with Members

I met with members of our AOE data teams, the VSBA and the VSA to discuss the first draft of their "situational analysis," which will be the basis of the VSBA presentation at the six fall meetings. We were able to make some huge steps forward in the quality of their displays. Some of their data last year were off, and the new, corrected round of slides looks less alarming, but is sound and still suggests we are not sustainable. We propose to follow up on their situational analysis with a set of mini case studies of towns that illustrate key challenges generally facing school boards, parents and taxpayers.

VPA Summer Conference

I was invited to speak at this conference. It was a great opportunity to reach a majority of school leaders statewide and communicate our focus on consistently improving learning for all children. I used this as an opportunity to set the stage for innovative work going forward around performance assessment and other tools for providing stakeholders better information on the health of our schools and children. This work will take time.

CTE Summer Conference

I was also invited to give a keynote speech at the summer conference for all the career and technical centers, which was very well attended by administrators and teams of teachers. I used this opportunity to tee up some of John Fischer's proposed work related to work force development, and to trial balloon some of our emerging work with ACCD around priority sectors. I also discussed leveraging the power of applied learning in

CTE to develop core skills in, for example, language arts and mathematics, and the possibility of career academies. This is a good group.

Jon Margolis

I had a conversation on the phone with Jon Margolis about governance. An article is forthcoming. I tried to plant a few leads as well, for him to explore.

Catamount Arts Center

I spent Thursday at Catamount Arts Center in St. Johnsbury. This was a joint visit with the Vermont Council on the Arts to call attention to the importance of exposure to art education for young people. We picked Catamount Arts Center because they work with schools to provide artists in residence and professional development for classroom teachers, in addition to running a rich portfolio of arts courses for young people. Catamount Arts Center also has a collaboration with Head Start to provide a push in arts experiences for kids in the 0-5 range. It is a good model of a school-community partnership.

Evolving Issues:

Public Safety Conference

We are planning the fall school safety conference. Can we call it the Governor's School Safety Conference? As soon as we have your permission, we will begin publicity.

yes.

Letter to Parents on NCLB and Vermont's Paradoxical Position

We are in a paradoxical position: by many measures, we do extremely well for our children, but are required under NCLB to label our schools as low performing. We have a lot of work to do to get better, but NCLB does not help us do that important work, but instead just places a negative pall over all we do. This letter may attract some national attention, though we have deliberately not sought the press. I really do not want to be the focal point on this, and would rather have this seen as just part of how Vermont and the Governor do business: pragmatic and focused on outcomes and putting our heads together to do the best we can for our citizens. Governor, you may want to be prepared for press queries. This is a hot national topic. One option would be to stress some of the following:

- Although our top performing students are among the best prepared in the country, we are committed to improving outcomes for all our students, especially those living in poverty.
- That is a complicated job that will require hard work both in schools and out, as well as strong collaboration by a partnership of community-based programs and

we have quite a few points

multiple agencies, along the lines of our initiatives to support children ages 0-5 and provide universal PK.

- NCLB is a broken policy that is long overdue for reauthorization. The Race to the Top waivers from NCLB have led to an (incoherent) agenda focused on high stakes accountability that has not led to improvements and which is ill-suited to a rural state with many small schools, low class sizes, commitment to learning goals beyond tested subjects, and high levels of community engagement.
- As with equitable school funding, marriage equality, GMO legislation and universal health care, Vermont is a small enough state to have hard conversations and bring its citizens together to do the right thing. By bringing our citizens together behind our schools and focusing on developing local expertise and supporting continuous improvement in teaching and learning, we plan to model a different way of building a high performing education system.
- The real heroes in education are the highly skilled college graduates who could do anything, but choose to put in the 10,000 hours it takes to become a skilled teacher, and then embrace the challenge of working with our most vulnerable students. Investing in these students is investing in our future civic and economic prosperity.

Deputies, Improved Budget Processes

I am a little worried about being overextended on some of our big federal grant funds. For example, we have a substantial roll over every year in SARA, but I am concerned that over the last several years, as we spend more in each given year, the size of the rollover decreases. We have not looked closely at this in terms of trends, and to be honest, I am concerned we are at the point where we may be spending more on an annual basis than we receive on an annual basis, which means we are systematically eating away at the size of the rollover. If we don't monitor this, we may be in a situation where we are structurally out of balance and cannot maintain programs. We cannot afford to spend more in a year than we receive, and rely on rollovers that may be disappearing.

Given the fiscal forecasts, we are beginning the budgeting process now. Bill Talbott is going to be taking the lead on this. Part of the process will involve close scrutiny of every fund, to isolate trend data in spending and roll overs, so we can evaluate our sustainability and make corrections in advance of the FY16 cycle. The pressures will also further drive some new and existing initiatives into an incentive model, rather than a statewide model, so that we can target resources where they are most needed and also adjust to declines in revenue in the event of rescissions, whether federal or state. Bill is going to help us sort this out in advance of the next budget process.

Commendation

I want to acknowledge John Fischer, Deputy Secretary, who has been working to improve supervision and evaluation processes used by himself and his direct reports. He began by requiring more clearly defined job responsibilities and accountability for doing work that serves the goals of the Agency in an efficient way. Once these processes were in place and individuals were accountable for working on the Agency's mission, several individuals decided to retire or pursue jobs elsewhere. This is hard and stressful work. John was instrumental in putting together an intervention in our licensing office that laid the groundwork to reduce cycle time on licenses, even if it generated a lot of instability and turnover. He did a service to the Agency, and he has effectively prepared the Educator Quality division to move forward under a new leader. This new leader (Amy Fowler) is now in the position to make a number of critical new hires. She and John are working closely, and there has been a little additional turnover. The work John did is generally thankless and painful, but absolutely essential to the efficient operation of the Agency. Amy is now focused in redefining the licensing process and what "good service" looks like, away from enabling and towards reduced cycle times.

Rebecca

OFFICE OF THE SECRETARY
Phone: (802) 828-2657
Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin

FROM: Secretary Brian R. Searles


DATE: Friday, August 8, 2014

SUBJECT: VTrans - Confidential Report to the Governor


NOTES FOR GOVERNOR

Highway Trust Fund/Reauthorization

USDOT Secretary Foxx has launched an effort to get Congress to consider the President's proposal (Grow America) as the basis for discussion of the long-term transportation solution. One problem remains: no one is proposing a long-term funding solution that makes sense, including the Administration.

 It is clear from Boehner's remarks that there is not likely to be a solution in the lame duck session, which means the new Congress will have about 90 days to deal with this and many other things on their plate including reorganizing. This sets up a possible scenario that looks like what we've just been through but comes at a much trickier point in the construction season; the beginning. So with 66% of the FFY behind us but most of the construction season, we could be in much worse shape than this past debacle. I have included the talking points of the American Road and Transportation Builders Association (ARTBA) in the STAFF section of this report.

FHWA Deputy Administrator on Assignment

The Vermont office of FHWA will be without Larry Dwyer for the next 90 days while he tries to stabilize the New Jersey office. It seems that the NJ FHWA Administrator was arrested and taken from his Trenton office in handcuffs after a fraud investigation and Larry was tasked with picking up the pieces. 

Bennington EPA Issue

Deputy Secretary Minter was approached by a Bennington official and asked to engage in a discussion of a potential hazardous waste site at or near a former town dump that was closed decades ago. The town wants to involve the state in this discussion because, they say, Route 7 construction from the 1970's involved the old dump site that has PCB's etc. They need to do tests and possible remediation according to the EPA.

We have turned this matter over to our Assistant Attorneys General and will not join any such discussions without their concurrence and involvement. The EPA has not approached VTrans on this issue.

Chester-Andover Irene Emergency Relief

Our designers are coordinating with FHWA to potentially deal with the damage you saw last week on Route 11 as part of an Irene Corridor approach already underway. This would be advantageous to the effort already put in by our Operations Bureau utilizing 100% state funds in the wake of the recent flooding.

Bicycle Safety Improvements

A small group from team VTrans met with the Lieutenant Governor, at his request, to discuss additional ways we can support bike safety on our roads. In addition to the new bike-ped program and funding (revived from its dormancy under Douglas), we are initiating a series of actions (which were in process before this meeting) to improve our on-system shoulders for bicycles, and are reaching out to the biking community to assess priority areas for the future. These will be discussed with legislature next session.

NOTES FOR STAFF

ARTBA HTF Talking Points

One of the most powerful voices in the transportation funding debate has issued some succinct talking points which I have listed below:

- Over the past 10 years, on average, the federal highway program has provided 52 cents of every dollar invested by state DOT's in highway and bridge capital improvements.
- The source of that money, the Federal Highway Trust Fund, is operating on a revenue stream that has not been adjusted in more than two decades.
- As a result, the trust fund has suffered **five** revenue shortfalls in the last seven years.
- The next Highway Trust Fund cash crisis will occur in May 2015, just at the beginning of the busy construction season.
- The continued uncertainty about federal surface transportation funds is hindering the ability of the states to plan and the private sector to deliver needed infrastructure improvements.

ARTBA's position is in support of the Administration position that the situation must be dealt with before the end of Calendar, 2014. They are supportive of the US Chamber of Commerce position and the Boxer/Corker bill for a 10 cent increase in the federal gas tax.

Sign Law – Focus on Elections

We are considering possible policy tweaks and public outreach on the issue of highway signs in advance of the upcoming election season. It is illegal to place any sign, permanent or temporary, in a state highway right-of-way. There is a two-week exception for political signs in town rights-of-way.

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Our district forces are kept quite busy removing signs and then storing them at the garages for up to 30 days, although the latter is not required by law. If there are strong feelings in the Governor's office concerning the enforcement issues related to these signs it would be important to hear those ASAP. Please recall that this has become a hot issue for us with the recent increase in non-political signs popping up along roadsides, particularly in Chittenden and Lamoille counties.

Aviation Project Update

The Governor's visit to cut the ribbon on the airfield improvements at Stowe-Morrisville was a real hit with all involved and we've had nothing but positive feedback. Phase II, which includes the new 33,000 sq. ft. terminal financed with private funds will happen over the next 18 months.

Meanwhile, QResorts has announced three activities to take place this year as part of the Newport Airport in Coventry. First, the old terminal will be demolished followed by a temporary "Huntington Home" structure and then the two new hangars for Flight Design aircraft assembly followed by the modifications to sewer and water needed for further build-out.

DMV Weekly Stats

There was a one-day backlog in mail transactions last week with a total of 3,963 transactions. More than 9,000 customers came to offices in person and the average wait time was 20 minutes. Phone calls for information numbered 5,117 with an average wait time of 2 minutes and the CVO processed over \$5 million in gas taxes.

Good News for Rutland Bridges

We are excited to announce that the Dorr Drive and Ripley Road bridges were advertised for bids on Wednesday, August 6. These two bridges were previously on separate project tracks and there was confusion over potential traffic issues and ROW problems galore. The Dorr bridge needed to wait for the Ripley bridge and the Ripley bridge had significant ROW problems and was holding up the works. With the cooperation of Mayor Louras and others in the City of Rutland, these two projects were combined into one and project teams stepped up to complete ROW plans, appraisals, negotiations and necessity on a very fast track. This involved the cooperation of geo-technical folks who worked hard as part of the team to ensure that these combined projects could clear all hurdles ahead of the February, 2015 target for the Ripley Bridge.

This is the latest example of the can-do spirit of cooperation, internally and externally, that can move projects much faster. I have heard from Mayor Louras and he is ecstatic with the progress.

Rumble Stripe Policy Review

At a meeting today the policy changes were reviewed and accepted. They will take the form of design guidance, providing for flexibility but, in short, they will: concentrate on the National Highway System (NHS) where higher traffic volumes are experienced;

double the minimum distance for installation from a private residence; set minimum lengths (500 feet) for installation and eliminate them totally if breaks required in the installation are more than 50% of a half-mile segment; and provide for a more robust public discussion. This will be guidance and not strict rules, and will be accompanied by public outreach in all applications, in order to discuss the emerging data that supports the life-saving potential of these installations.

Strengthening System Costs Time and Money

In the wake of Irene and other storms, we are upgrading culverts on a stretch of Route 12 between Randolph and Bethel as part of a "Reclaim" paving project. This will take extra time and money, here and other places on the system, because, as in this case for example, we will have to take property outside of the existing VT 12 right-of-way. The size of the culverts and their replacements are listed below:

MM 2.7 – replace existing 8' by 6' box culvert with new 6' by 10' unit
MM 4.3 – replace existing 4' by 3' box culvert with a new 6' by 6' unit
MM 5.1 – replace existing 5' by 5' box with a new 48" diameter culvert
MM 6.9 – replace existing 4' by 5' box with a 48" diameter culvert

The project will take longer and cost more but will, hopefully, result in a highway that can better withstand the increased rainfall rates we have been experiencing.

White House Task Force

As Co-Chair of the Disaster Recovery & Resilience Committee, Sue met with CEQ to discuss how Vermont's ideas will be incorporated into the final report to the President in September. The future timeline is that CEQ will complete their draft (incorporating top priority ideas) for review/comment on 8/25 – 9/15. If GPS would like to review before this goes to the President, this would be the time period for a meeting.

Resilience Competition

Sue is communicating with a large group of interested stakeholders (agency leads, GMP, Regional Planners, Red Cross, Institute for Sustainable Communities, etc.) to assess how Vermont can pull together a strong application. We await the NOFA release with the details of what the opportunity presents, and will convene a group to work on an application shortly thereafter. If there is an interest, we could leverage the 3rd Irene Anniversary as an opportunity to discuss resilience, this funding opportunity, the Task Force and the issue of Climate Change mitigation, etc.

— Nah.

call Sue re IBM energy etc.
with ↑

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: August 8, 2014

AHS Central Office - Health and Human Services Enterprise (HSE):

Having received JFC approval for 37 limited service HSE positions for the Medicaid Management Information System (MMIS) and the Program Management Office (PMO), we are now advertising and recruiting. This is great progress in building the infrastructure needed to roll out the HSE projects, including Integrated Eligibility (IE). We are also working to bring management of VHC under the umbrella of the Enterprise so that all HSE projects can be better coordinated and overseen.

Vermont Department of Health (VDH)

Vermont Yankee:

Technical and legal staff from VDH and the Vermont Department of Environmental Conservation attended a workshop at Vermont Yankee to discuss decommissioning issues in detail. The day-long workshop included presentations on future requirements for environmental monitoring, changes in emergency planning and goals for site restoration. A plant tour allowed the team to inspect some of the radiological and non-radiological conditions to be addressed in a site assessment due to the State in late 2014. The site assessment is part of an agreement with Entergy from December 2013, and gives Vermont a significant head start on understanding radioactive and hazardous materials remediation needed after the facility ceases operation.

Pentachlorophenol Contamination Associated with Utility Poles:

VDH staff will attend a public meeting in Monkton on pentachlorophenol (PCP) contamination associated with utility poles. The meeting was set up and is to be moderated by Senator Chris Bray. VDH will speak about the health concerns related to PCP exposure and what the Department is doing which includes offering a special test kit to residents to test their well water, developing an advisory level and asking the Public Service Board to open a statewide investigation.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH):

The hospital is moving along. They are currently up to 12 beds and hope to have 14-16 beds open in another week or so. There is still some minor work to address regarding the facility, but all in all, everything is going well.

Brattleboro Retreat:

DMH is waiting to hear from CMS regarding a site visit at the Retreat. The Retreat's Medicare and Medicaid funding is up in the air and pending approval by CMS. The Retreat received an initial letter of termination and was required to submit a Plan of Correction by July 18th, which they have done. They are now awaiting the site visit to determine compliance. If they are not compliant and approval is not granted, they will lose their funding effective October 6th.

Request for Information:


Rep. Anne Donahue has submitted a large request for information regarding a variety of topics. The Department has notified her that there will be a cost involved due to the volume of information outlined in her request.

Forensic Folks Waiting in Corrections:

DMH, AHS and Corrections met to discuss forensic folks waiting in Corrections. DMH will meet next with BGS and Corrections on August 25th to discuss a permanent secure residential facility for this population.

Department of Disabilities, Aging and Independent Living (DAIL)

Oversight Activities Involving Developmental Services (DS) Reveal Potentially Serious Problems:



On Thursday, the Director of Developmental Disability Services (DDS) notified Commissioner Wehry that the long awaited State Auditor's Office audit may soon be delivered. We are unaware of what prompted the initial decision to audit the designated agencies but the scope includes audits of mental health, substance abuse and developmental services and zeroes in on possibly irregular billing practices (drawing down for services not delivered or not authorized). In the case of Health Care & Rehabilitation Services of Vermont (HCRS), our own quality investigators discovered we were being billed for services for three individuals who had no individualized service plan (ISA), in violation of the system of care plan. We have requested repayment for those three individuals. The Medicaid Fraud unit may also be investigating (unconfirmed).

HCRS is also under investigation for negligence in the preventable choking death of a 62-year-old man and is at imminent risk of de-designation for developmental services.

A second audit, called PERM (Payment Error Rate Measurement), is part of the DVHA audit with this year's focus being targeted case management (TCM) payments. According to the DS Director, DAIL's long-standing practice of allowing public guardians to bill for case management may be in violation of a federal deficit reduction act from several years ago. Allegedly AHS Central Office found a work around at the time, through an amendment to the Medicaid state plan crafted by Suzanne Santarcangelo, and negotiated with CMS under the Global Commitment (GC) waiver. It now appears it may not pass muster. If public guardians were no longer able to bill for TCM, it would result in a \$1.2M deficit at DAIL.

An investigation into the untimely death of a 60-year-old woman being served by Sterling Area Services (Morrisville) has revealed a troubled agency. Rumors and accusations of sexual improprieties and contractual irregularities abound. DAIL quality and Adult Protective Services (APS) investigators are attempting to maintain clear distinctions between the issues not under

our purview (personnel matters) and those that are (contracts, service delivery, neglect) but it is quite simply a mess. Next steps will be determined when Commissioner Wehry receives the final reports.

Department of Corrections (DOC)

Pre-Trial Services Director:

The second round of interviews were held on August 5th. At the end, two of the nine initial candidates emerged, Annie Ramniceanu and Bill Lippert. We are in the process of checking references on both candidates.

Barre Work Crew Receives Thank You from Capstone Community Action

Barre Probation and Parole's work crew received a letter of thanks from Capstone Executive Director Hal Cohen for work they did on the June 27th Block Party in Barre.

The Barre Probation and Parole office was instrumental in doing extensive yard work and setup for the block party. The work crew also had provided labor over the past year to move the agency location and have done seasonal property work. This event was attended by over 300 community members as well as Senator Leahy and Lt. Governor Phil Scott.

St. Johnsbury Work Crew Gets Note of Appreciation

Betsy Mikey sent a note of appreciation thanking the St. Johnsbury Work Crew for their work in helping to renovate a space into a Café for Peacham Community Housing. She stated that the work crew leader was very knowledgeable and easy to get along with. The crew was very respectful and did whatever was asked of them. The job turned out fantastic and would not have been possible without their help.

Commissioner Pallito – Vacation

Commissioner Pallito will be on vacation from August 11th through August 22nd. Deputy Commissioner Menard will provide coverage throughout this period.

Medical Request for Proposals:

Following our RFP process, we received only two proposals for our procurement on the inmate Health Services. Both were good; however, we believe it is in the best interest of the State and DOC to re-post the RFP in an effort to attract additional vendors. We think the changes from prior Vermont RFPs (capitation, P4P, holdbacks, community involvement, Act 48, etc.) might have limited the number of proposals. By pulling back on the process, the Health Services Division will be able to review the RFP to make sure that it meets and conveys the State's needs for a comprehensive program that provides a community oriented approach, and is delivered cost effectively in a performance based, results oriented fashion that incorporates accountability and measures outcomes, while at the same time attracting a variety of vendors and offering adequate incentives to bid.

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Population:

The department's incarcerated population averaged 2,084 for the previous week. The incarcerated male population averaged 1,929 with 349 being presentenced. The female population averaged 155 with 36 being presentenced.

Circles of Support and Accountability:

The following article was published this week in a national industry newsletter highlighting Vermont's COSA program:

Serious offenders make a change

Posted by [Joshua Wachtel](#) on Jul 31, 2014 in [Community](#), [Justice](#)



photo by Kris Krug at Flickr

Across the state of Vermont, nearly 50 serious offenders, who are considered high-risk to reoffend, are meeting weekly with small teams of volunteers who have signed on to hold them accountable for their past criminal behavior and to support them to become contributing members of society. These offenders have very little family and community support, and Circles of Accountability, or CoSAs, are formed around the released offenders to help them make the transition back to the community.

For Derek Miodownik, Community and Restorative Justice Executive for Vermont Department of Corrections (DoC), the main issue is how the justice system and corrections can help reinstate the social contract. On the one hand, the community needs to know that it will be safe from further harm. On the other hand, offenders need to understand the benefits to them of becoming rehabilitated citizens.

Circles of Support and Accountability originated in Canada as a way for faith community volunteers to provide ongoing support to sex offenders returning to their communities and not reoffend. The Vermont program is unique because it supports sex- as well as other high-need offenders.

In the CoSA program, a small team of three or four volunteers coordinated by a paid professional meet with a returning offender on a weekly basis for a minimum of one year. "The particular assistance depends upon the needs of the individual core member [offender], but can range from help with creating and following a budget, assistance navigating social service agencies, such as signing up for food stamps, or accessing health care, to practicing interviewing skills and making small talk," writes Dr. Kathryn Fox of the University of Vermont (p. 29)*. This and other excerpts quoted here come from a qualitative evaluation of 24 CoSAs that Fox released in November 2013 for the Vermont DoC. Fox looked at how and why CoSAs work, and the report includes extensive quotes from interviews with volunteers, coordinators and offenders.

Volunteers for the CoSA program are trained to carry out the program as a restorative process. Fox writes, "Support and accountability can and must be practiced in tandem..." (p. 44). One offender explained: "I wanted [a CoSA team] because I know that I need to be on a short leash, for a while, especially. I need to be accountable." Another explained, "These are people I can talk to, people I can trust, people I can say, 'look, this is what I'm thinking – is my thinking wrong or am I thinking correctly?' And I always know I can trust the answer I get from each one of them. That's the way they've helped me the most" (p. 41).

The CoSA training for volunteers is very explicit. For example, volunteers are trained that there are "no secrets" and that they must adopt a "team approach." Offenders understand that anything they tell one volunteer will be told to the others, as well as the offender's probation officer. An offender commented,

“People in my family, friends—if [they start] to see signs in me that something’s going on, the whole concept with me now is that he can call [the probation officer] and say, ‘I’m thinking this. Have you got any vibes on this?’ She might call [the CoSA coordinator]. There’s this cross-communication, and it happens richfully, more so than I thought it would” (p. 36).

Fox found that while CoSAs help offenders learn new skills to succeed outside of prison, the key to successful CoSAs are the relationships formed between volunteer community members and offenders. The most successful teams get together quite frequently outside their formal weekly meetings. Fox found, “The CoSAs that had the strongest relationships, and the greatest investment by the core member, were characterized by deep involvement on the part of the volunteers” (p. 13).

The range of activities can vary widely depending on the people involved. A volunteer explained: “It could be something as simple as getting together for a cup of coffee and a donut. It could be going for a walk in the park. Could be going fishing. Could be splitting wood. ... It depends on what they like. ... We’ve gotten together and we’ve done community service projects” (p. 34).

Volunteers offer an extraordinary gift of their time. In fact, the voluntary nature of the program seems to fill a gap between the professionals who work with an offender, like probation officers and therapists, and a released prisoner’s other relationships — or lack of positive relationships — out in the world. An offender said:

“...I’m changed and I feel better about myself. I feel more confident that I can do what I need to do and achieve...It’s a lot because of the CoSA, because before, I was like ‘I’m just a nobody, nobody really cares about me.’ You know, ‘forget it.’ ...but now I actually can truly see there’s people out there that do care for me and they care for me for who I am” (p. 30-31).

Fox comments, “The mutual obligation that is inherent in the CoSA model creates a blueprint for normal, healthy relationships characterized by investment in one another” (p. 39).

CoSAs sometimes “provide a mechanism by which the core member could get a fundamental human need met, while staying within their rigid conditions of release.” One offender “wanted to visit an ailing relative who lived far away. He was only able to do so because a CoSA volunteer negotiated a safety plan and committed to supervising and driving the core member to the visit. In other cases, core members could attend church services, where children might be present, because a team member accompanied them” (p. 29).

Fox also observed five qualities that make for good CoSA volunteers: “nonjudgmental attitude; belief that people can change; good listeners; no agenda/expectations; and good boundaries” (p. 32).

Miodownik praised the study, saying, “We have good reason to believe CoSAs work, but we need the data.” He added that Fox is currently working on a quantitative study to measure the effectiveness of CoSAs. “If it shows it does work this will have major policy implications.”

CoSAs are part of a statewide effort in Vermont that began over two decades ago when the DoC performed a market study to find out how the public felt about the current services they were offering (prisons, probation, etc.). It turned out the public was pretty unhappy with corrections; only 37% approved of their services.

The study went on to determine what the public did want. It emerged that the public wanted involvement in the criminal justice process. They also wanted alternatives to prison that would hold people accountable while repairing the harm done, particularly for low-level crimes.

The Vermont DoC has since partnered with community organizations and municipalities throughout the state to form 20 Community Justice Centers (CJCs). Each CJC is locally-controlled and supported by the work of volunteer community members. No two centers are exactly the same, though they share similar programs. In addition to CoSAs, the CJCs offer services ranging from reparative panels and probation to restorative conferencing, various kinds of mediation, conflict resolution services, community dialogue, victim support and restorative school services.

Miodownik is pleased that the CJs “increasingly make citizen engagement a bigger part of the mix, from dealing with low-level crime to inmate re-entry into the community.” The State of Vermont is now looking at ways to build upon the success of the CoSA program and offer re-entry services to more offenders, even those whose needs may not be as high.

“We want to have services available across the state to everyone coming out of prison,” said Laura Zeliger, Community and Restorative Justice Director for the Vermont Department of Corrections.

Zeliger said various programs are already being piloted in different CJs across the state. One service being tried is called “reentry navigation,” with staff or volunteers working with offenders to facilitate reconnection with community. “This could include help with employment, housing and connecting to essential services,” said Zeliger.

Another idea is “restorative reentry panels.” Like CoSAs or reparative boards, a team of trained volunteers meet as a group with an offender on a one-time or short-term basis to explore a variety of questions: How can the returning offender re-engage with family and community? What things might they do to understand what specific harm has been done to victims? How, upon return, can they become contributing members of the community?

“The message of the volunteers is pro-social: ‘We want you back,’ ” said Zeliger. At the same time, they hold offenders accountable for their actions and to not reoffend.

Some centers have also developed processes along the lines of the [family group conference](#) called “family reintegration” to bring families into the fold. Zeliger said some offenders returning home “may have been away from or out of the family for a long time. How do they rejoin the family or at least support each other?”

With the CoSAs and other new programs coming online, Vermont is in many ways out on the cutting edge. And with questions being raised across the country about the effectiveness of prison as a deterrent to crime, other jurisdictions will no doubt be taking heed of their example.

Here’s one final quote from Fox’s report in which a CoSA volunteer summarizes the argument for putting time, money and energy into having the community working with reentering offenders: “...ultimately they’re going to be coming out; they’re going to become members of our community. And do we want to have that 58% or so that keep cycling through the system year after year after year after year at \$55,000 a year, or do we want to try and break that cycle someplace and turn them into constructive, tax-paying members of society and people that we’d be proud to have for neighbors?” (p. 34).

* Fox, K. J. (2013). Circles of Support & Accountability: Qualitative evaluation. Final report prepared for the State of Vermont Department of Corrections. <http://www.doc.state.vt.us/about/reports/circles-of-support-accountability-final-report/view>

Listen to a [Vermont Public Radio podcast](#) in which Derek Miodownik and Kathryn Fox discussed the CoSA program.

Department for Children and Families (DCF)

VSNIP Update:

Former Program Administrator Sue Skaskiw of the Vt. Volunteer Services for Animals (VVSA) based in Bridgewater, has stepped up her two year dispute with DCF for the way it is managing the VSNIP program. In the past few weeks several legislators, the Joint Fiscal Office, pet owners and town officials have reached out to DCF requesting financial and program information. This is after being sent error-filled and provocative emails from Ms. Skaskiw accusing the Department of wide ranging malfeasance and program mismanagement.

Until state fiscal year 2011, VSNIP was managed by the Agency of Agriculture. It was transferred to DCF due to innumerable issues with Ms. Skaskiw. In 2012, DCF put the program management out to bid. An unbiased grant review process resulted in the grant being awarded to VT-CAN!, a central Vermont non-profit. Last fall, VT-CAN! decided to forgo the grant and DCF assumed full management of the program. DCF has absorbed the program administration without drawing down the administrative allowance.

An issue that Ms. Skaskiw is currently raising is that DCF is not fulfilling its statutory obligation to provide these services to Vermonters. In February 2014, DCF began putting applicants on a waiting list due to a significant program deficit. No new vouchers have been issued since that time. DCF estimates that the program revenues (100% funded by dog license fees from town offices) will allow new vouchers to be issued in early September.

Ms. Skaskiw has pursued a lawsuit in Superior Court against the Department and several staff claiming, among other things, “defamation and tortious interference with a prospective economic advantage”. The suit was dismissed and her attorney has appealed to the Vermont Supreme Court. We are told the Court will hear oral arguments this fall.

In reviewing Ms. Skaskiw’s website, DCF has noted that Ms. Skaskiw still affiliates herself with VSNIP. Her mailing address is “VSNIP” in Bridgewater, VT, and her website contains other informational references to VSNIP as affiliated with Ms. Skaskiw and her organization, Vermont Volunteer Services for Animals (VVSA). DCF is concerned that the information on Ms. Skaskiw’s website is potentially confusing to clients trying to access the VSNIP program administered by DCF. Potential clients may be contacting Ms. Skaskiw for information about the program rather than DCF. DCF is pursuing registration of the trade name “VSNIP” and is planning to follow up the registration with a letter to Ms. Skaskiw requesting that she stop using “VSNIP” on her website, stop using it as her mailing address and in any of her other online or written materials associated with her organization. We are consulting with the AAG’s office about these actions in light of the pending legal procedures.

To facilitate information sharing with the public and legislators, DCF is simplifying its program information and posting it on the program web page. We also plan to send a memo to all State Senators and the JFO in the coming week providing updated program information including full financial data for the past several years.

Despite high quality program management in DCF, Ms. Skaskiw seems resolved to maintain her public criticisms until the program is back under VVSA management.

Department of Vermont Health Access (DVHA)

Reinstatement of Beneficiary Status:

A quality assurance check was completed on the number of Vermonters who closed for failure to renew in the months of April, May and June in order to make sure all were reinstated. The results of this work found that 3,139 people still needed to be reinstated. The target date for completing this work is August 11th.

DVHA Collaboration with Rapid Intervention Community Court Program:

DVHA will begin collaboration with Chittenden County States Attorney TJ Donovan’s Rapid

press

Intervention Community Court (RICC) Program to identify members of vulnerable populations who have been arrested in order to link them with relevant community services where appropriate. We expect this will result in cost savings regarding avoidable incarceration and, more importantly, improved health outcomes for some of Vermont's most vulnerable populations.

Outcome data available for the RICC program thus far is very encouraging: only 7.4% of those successfully completing the RICC program were convicted of a new crime after leaving the program. DVHA hopes to report an enhanced linkage rate to appropriate health care services for its beneficiaries that enter the RICC program.

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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: August 8, 2014

Secretary's Top Issues

State Veterinarian, Kristin Haas, received a phone call this week from Windham County Humane Society regarding a captive cervid facility (Santa's Land) regulated by VAAFM that has been involved in an ongoing, high profile animal welfare case. The humane society representative stated that the sheriff's department will likely be moving forward with seizure of the captive deer and other livestock on the property. The rep was encouraged to work with law enforcement about structuring the seizure documents such that the fallow deer could remain in place on the property with access to them granted to the humane society for purposes of feeding/watering them. This option is preferable to relocating the deer, as that process represents a safety risk to the handlers and would likely result in some level of mortality in the fawn crop or adult deer population. **This case, as it unfolds, has the potential to attract a significant amount of attention/interest from the advocacy community and other stakeholders; VAAFM should anticipate inquiries from the media, etc.**

This week the Dairy Section sent out a notice to dairy industry officials that the Agency is cutting back on the Milk Quality Enhancement Program (MQEP) and that the specialist used in that program would now be doing processing plant inspections part of the time. This program has been of great benefit to dairy farmers in the state. The reduction is a direct result of the increasing volume of dairy processing facilities with no corresponding increase in dairy processing inspection staff. There may be concerns from the dairy industry upon this reduction.

The American Cheese Society met last week in Sacramento California to celebrate the cheese industry in North America. A judging of cheeses was a focal point of the conference. There were 1685 total cheese entries from 248 companies and Vermont had 23 companies participate with 16 receiving an award of some type. BEST OF SHOW -For the second year in row Vermont cheese maker "Farms for City Kids Foundation" received best in Show for their "Tarentaise Reserve" cheese. The great success of our VT cheese makers is connected to the tremendous service the Agency has been able to provide in our dairy section – that support is in jeopardy as the number of processors continues to grow but our regulatory staff does not. Here are the areas of concern

- Reduction is assistance for start-up cheese makers
- Reduction in inspection from 4 times per year to mandated twice per year –
 - Concern that consistency in quality may decline – fewer awards and national recognition
 - Concern for recall situation (this has occurred) now 6 month inventory or product on shelf instead of 4 months
 - Connection to jobs – early success allows cheese makers to grow – example Jasper Hill Cheese
- Agency will be requesting 2 dairy processing inspectors this upcoming session

The mosquito surveillance program in the Plant Industry Section continues to test mosquitoes for arbovirus diseases. To date 1548 samples have been submitted for West Nile virus (WNV) and Eastern Equine Encephalitis virus (EEE). This is more than the 1338 samples submitted for testing last year. A single early-season EEE-positive mosquito batch was found on June 17 in the town of Grand Isle. To date, no other pools have tested positive for either EEE or WNV. Survey activity continues on a statewide basis

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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: August 8, 2014

Status of Governor's Priorities:

Legislative Activities and Issues

State Veterinarian, Kristin Haas, received a call from Representative Carolyn Partridge this week regarding the new raw milk statutes. Representative Partridge has recently received inquiries/concerns from Rural Vermont and other constituents regarding the perceived burdensome nature of the milk safety testing that Tier 2 producers are required to do, and alluded to the fact that there will be discussion during the 2015 legislative session pertaining to ways in which this could be made easier for producers. She asked that VAAFM give consideration to these possibilities in anticipation of providing testimony on this issue next session.

Press

- State Veterinarian, Kristin Haas, was contacted this week by a reporter with Seven Days who was writing a story on raw milk. After being out of the office at the time of the initial inquiry, a connection was not made so no comments on the topic were provided.
- State Veterinarian, Kristin Haas, was contacted this week by a reporter from Seven Days who was interested in doing a story on pollinators as follow up to reading the meeting minutes from the last Endangered Species Committee meeting. The reporter's message was returned but a connection was not made so no comments were provided.

Significant Events/Meetings:

- Members of the Food Safety and Consumer Protection Division management team met with legal counsel Diane Zamos and members of the CMO's office responsible for implementation of the Made in Vermont program this week to discuss topics of mutual concern related to food labeling in Vermont. Although the Made in Vermont program is a non-regulatory program, there are aspects of the "Made in Vermont" label, that once applied to some food products regulated by FSCP, could be in conflict with other required label components or could cause confusion for consumers. During the meeting, these areas were identified, and the group collectively brainstormed on how to best move forward. Follow up conversations between the CMO's office and FSCP will be necessary as the Made in Vermont program evolves.
- Animal Health Staff met in Montpelier to exercise animal emergency response plans. The exercise scenarios involved multiple species with multiple issues such as foreign animal disease suspects and animals loose due to a highway accident. The exercise was a good opportunity to inventory emergency supplies and coordinate their deployment with the geographic territories of field staff and where emergencies may occur.

Evolving Issues:

- State Veterinarian, Kristin Haas, worked this week on planning the annual New England Veterinary Medical Association's Leadership Meeting, slated to take place late September in Portland Maine. This meeting affords an opportunity for New England state veterinarians to communicate with the New England veterinary medical associations, the American Veterinary Medical Association, USDA and FDA on subjects of common interest/jurisdiction. Topics slated for discussion at this year's meeting include antimicrobial resistance, the

veterinary practice acts in the six New England states and their impact on animal welfare, Animal Disease Traceability and interstate movement, reportable zoonotic diseases, and the impact of backyard poultry on human health, which is of increasing concern given the growing popularity of this type of hobby farming.

- Animal Health staff attended both the Franklin County and the Addison County Fair and Field days for poultry testing and compliance activities. During inspections, it was noted that both fairs were deficient in hand washing stations and hand sanitizers in animal contact areas. While not something that VAAFM regulates, the Section does provide fairs with animal health recommendations which include information about hand hygiene and zoonotic diseases. Recommendations were made to fair directors. Staff conducted compliance paperwork review for out of state animal exhibitors and pullers and ensured the proper tagging of small ruminants.
- Animal Health Staff worked with horse pull superintendents to help them understand the new drug testing program. Despite multiple communication methods and opportunities with the Fair Association and associated directors, the information needed to test horses this year did not appear to float downstream to all that needed to know.
- Animal Health received an undelivered Notice of Violation that was sent certified mail to a non-compliant cervid producer; Section is coordinating with legal counsel to have the notice served by the local sheriff.
- While performing an initial meat inspection review of a new firm's retail license application the following was observed, sales of chicken labeled as exempt not inspected, various cooked products, containing meat that were being produced by another retail market, and smoked chicken that was void of any labeling that was also on farm slaughtered. These items were being offered for resale to the general public. Ongoing investigation in regard to this incident is being conducted.

Summary of Key agency Department Activity

Administration

Deputy Secretary Bothfeld and Chief Policy Enforcement Officer Smith met with representatives of ACCD to discuss Rural Enterprises survey and next steps. Rural Enterprises are value added ag operations that are moving away from farming roots – these are very valuable businesses and are being encouraged but do not fit into current zoning and other land use regulations. Stakeholders will be engaged in this discussion in September as well as internal agencies and departments on proposed regulatory changes.

Agricultural Development:

Deputy Secretary Bothfeld attended the Green Mountain Federation of Dairy Cooperatives meeting. Group discussed agency issues with emphasis on water quality, agency funding especially around dairy processing inspectors, current use and migrant labor.

Deputy Secretary Bothfeld and Senior Ag Development Coordinator DePillis met with a dairy farmer and Green Mountain Power to discuss the possibility of using thin film solar on a new barn roof that will be under construction this summer. This will be a trial use of the thin film solar.

Food Safety and Animal Health and Consumer Protection:

Meat Inspection:

- Meat Inspection will be issuing a Notice of Violation to a federal plant that did not submit documentation related to humane handling in a timely manner.
- Still reviewing the large number of licensees who have failed to renew on time.
- Met with Individual interested in producing Pepperoni Pizzas under state inspection, They will eventually go for USDA inspection as they are already filling out of state accounts with their non-meat pizzas
- Met with representatives for Vermont Marketing concerning a new Made in Vermont program and the issues surrounding meat and poultry products. Other Agriculture representatives were present also and there were discussions as to how the program would work with, Maple, Dairy and other Agricultural and Forestry products
- Sent small plant inspection package to individual in Wolcott concerning a small slaughter facility for pork that would operate under state inspection
- Small state inspected poultry plant that just opened in Berlin is already submitting HACCP documents to be able to expand operation from whole birds to marketing poultry parts.
- Inquiry about the laws and requirements for the production of a pork sausage operation in Waterbury. Information packet sent.

- Contacted by the Orange County Sheriff's Department about a Steakhouse Steak truck that was detained to question if they were properly licensed to sell meat products. This firm is not licensed.

Animal Health:

- Animal Health issued a quarantine this week to a farm secondary to an interaction between a confirmed rabies-positive skunk and a group of veal calves. The owner was encouraged to keep a close eye on the animals for up to six months and recommendations were made to him as to how he can protect himself and his employees when interacting with the exposed calves. All calves were too young for vaccination.
- Assistant State Veterinarian met with three large animal veterinarians to provide training on electronic Certificates of Veterinary Inspection and review animal disease traceability requirements.
- Animal Health Staff
 - Worked with poultry superintendents to coordinate disease testing for the upcoming Orleans and Caledonia Fairs.
 - Completed inspection of new dog rescue in Westford, VT.
 - Are working with a humane agent regarding a swine welfare complaint.

Food Safety:

Dairy:

1. This week the Dairy Section sent out a notice to dairy industry officials that the Agency is cutting back on the Milk Quality Enhancement Program (MQEP) and that the specialist used in that program would now be doing processing plant inspections part of the time.
 - The MQEP has been in place since 1985 when Dan Scruton came to work for the state as milk quality specialist. At that time Vermont had a problem with excessive somatic cell counts (an indicator of mastitis in dairy animals). The program has been based on prevention largely going on-site assisting the farmers and processors identify and mitigate the causes of their milk quality problems. Vermont's somatic cell count average is now one of the lowest in the country. Laurel Junkins is doing an outstanding job for the state and for the dairy industry.
 - However the MQEP is not a program that we are required to do and our primary function, and statutory mandate, is to protect public health and provide the regulatory oversight needed to assure Vermont provides safe and wholesome products. Vermont's ability to ship dairy products across state lines is also predicated on a regulatory framework that meets national guidelines.
 - The Agency does not want to cut back on the milk quality services. Dan Scruton, Diane Bothfeld and Dr. Kristin Haas met with dairy industry representatives to see if the cooperatives or other milk handlers wanted to pay for the service so that the program could continue.
 - The Agency already has cut back on visits to the processors and farm inspectors taking on plant inspection duties. There is still a need for more capacity to inspect and sample plants to address this increase in processors.
 - With 116 facilities that need inspections, sampling and other assistance, the Agency has maxed out our resources and there are currently 6 more milk handler licenses pending.
 - Weekly the dairy section receives multiple requests from persons interested in starting a dairy processing business indicating that the surge is going to continue. Greg Lockwood is visiting four new potential processors this week.
 - While increased dairy processing facilities is a great problem to have as it shows how well the buy local efforts have worked, but it is forcing us to eliminate part of our milk quality program knowing that it is quality that is giving Vermont the national recognition we have.
2. Late in the day on August 6 the Dairy section received a complaint from a consumer that had bought an ice cream cone but while eating the ice cream found a foreign object in the ice cream. On August 7, 2014 Brian Young, the Dairy Product Specialist for the area, did an inspection of the facility. He found the overall appearance to be nice and did not find significant problems. He discussed the issue with the owner. The owner seemed agreeable to tighten up on server practices. Specifically recommended was that they wear disposable gloves when serving out the ice cream. The Agency has been in contact with the food and lodging section of the Vermont Health Department as the snack bar also serves food.
3. The American Cheese Society met last week in Sacramento California to celebrate the cheese industry in North America. A judging of cheeses was a focal point of the conference.
 - There were 1685 total cheese entries from 248 companies

- Vermont had 23 companies participate with 16 receiving an award of some type
- For the second year in row Vermont cheese maker “Farms for City Kids Foundation” received best in Show for their “Tarentaise Reserve” cheese
- Big Picture Farm of Townsend placed third with their “Sonnet” cheese
- Boston Post Dairy of Enosburg Falls received a first place for their “Tres Bonne” cheese
- Cabot Cooperative Creamery received one first place for their “Monterey Jack” cheese, four second place and two third place
- Cellars of Jasper Hill from Greensboro received first place for their “Harbison” cheese and a second place
- Consider Barwell Farm from West Pawlet received a first place
- Grafton Village Cheese from Grafton and Brattleboro received a first place for their “Shepsog” Cheese, “Queen of Quality Cloth Bound Cheddar” along with a second and a third place finish.
- Lazy Lady Farm from Westfield had a third place
- Maplebrook farm from Bennington received two second place finishes
- Plymouth Artisan Cheese from Plymouth received a second place
- Sage Farm Goat Dairy from Stowe received a third
- Shelburne Farms from Shelburne received a third
- Twig Farm from Cornwall received a third
- Vermont Creamery from Websterville received a first place for their “Bijou” and “Feta” cheeses along with four second place finishes and two third place
- Von Trapp Farmstead received a third place finish.

This is a tribute to the quality of Vermont’s milk and the artisans that are making excellent dairy products from it.

Agricultural Resource Management:

Weekly Report Plant Industry:

Mosquito/Arbovirus Survey

- The mosquito surveillance program in the Plant Industry Section continues to test mosquitoes for arbovirus diseases. To date 1548 samples have been submitted for West Nile virus (WNV) and Eastern Equine Encephalitis virus (EEE). This is more than the 1338 samples submitted for testing last year.
- A single early-season EEE-positive mosquito batch was found on June 17 in the town of Grand Isle. To date, no other pools have tested positive for either EEE or WNV. Survey activity continues on a statewide basis

Cooperative Tick Testing

- The AAFM lab has been working to develop testing protocols to analyze 3 tick-borne pathogens. A collaborative project with Lyndon State College will look this summer and fall for tick-borne diseases in deer ticks and mouse tissue (host species for Lyme Disease).

Reference Insect Collection Restoration

- Pat Thompson, an undergraduate student at Saint Michael’s College volunteering this summer in the Entomology Lab, has nearly completed restoration of one of the insect collections (deer and horse flies of Vermont) damaged by Hurricane Irene in the fall of 2011.

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

- Staff conducted a complaint investigation in Orleans County to evaluate field runoff onto a neighbor’s property. No concerns were noted.
- Staff conducted a compliance check on a MFO in Franklin County to evaluate an ongoing runoff management issue during a rain event. The farm was properly managing the system to collect runoff.
- Staff conducted multiple visits to a LFO in Orange County to review a potential floodplain construction issue. One visit was conducted with the central VT ANR floodplain manager. The farm has stopped all construction until next steps are determined.
- Staff conducted one technical assistance visit on a MFO in Addison County to discuss programs and finalize their FAP grant from FY2014 and another technical assistance visit was conducted on a MFO in Orleans County.

- Staff are processing FAP applications for grants for the current fiscal year. There have been several requests for grants including two no-till education and outreach grants that will assist in bringing a no-till expert from Pennsylvania for two full day workshops. One workshop will be held in Addison County with the other workshop in Caledonia County.
- Staff finalized FAP program grants for FY2014. Payments have been requested and grants have been closed so that they can be taken off of the state's active grant list.
- Staff conducted a technical assistance visit on a MFO in Addison County that is transitioning into the LFO program. The farm reviewed the final draft of their LFO permit and their permit is now ready for signature from Secretary Ross.
- Staff are drafting inspection reports and memos for complaint investigations, enforcement actions and ongoing inspections.
- Staff set up a day of joint inspections with ANR-DEC to evaluate several farms in Orleans County.
- Staff are continuing to process LFO permit applications and permit amendments. There are several farms that have submitted permit applications for building, expansion and general operation. Staff worked with one farm to set up a LFO public information meeting for proposed building.
- Staff are working on developing the water quality section of the new CAI USA Food Safety water quality database.

Conservation Reserve Enhancement Program (CREP):

- Staff attended last of regional CREP meetings with conservation partners in Middlebury.
- Staff prepared for upcoming field visits to farms with potential crep projects.
- Staff conducted a field visit to a SFO in Troy with landowner, VLT, DEC river management, and VACD ARS (Ag Resource Specialist) to further evaluate potential for a River Corridor Easement on land along with a CREP project.
- Staff conducted a field visit to a SFO in Craftsbury with landowner and VACD ARS to walk potential CREP with landowner, take measurements, and plan buffer.
- Staff attempted to visit with another SFO in Craftsbury to discuss previous CREP proposal when in the area for another farm visit.
- Staff helped train an ARS in using the NRCS Toolkit environment and in follow up steps to create a draft CREP proposal for her to bring back to a landowner which was based on field visits.
- Staff visited a SFO in E. St. Johnsbury with VLT, VACD ARS, a private forestry/invasive control contractor and USFWS staff. The goal was to assess knotweed on a CREP project site and to gather information for contractors to devise and create a budget for a 5 year control plan to make implementation of a forested buffer on site more successful than possible with just CREP funding.
- Staff met with a contractor at job site in St. Albans to go over details of a farm's BMP project so he can put together an estimate for a project in Cambridge.
- Staff wrote a memo to FSA re: a CREP contract that has buffers not meeting NRCS standards and suggested measures to bring the contract back into compliance. Staff discussed measures with landowner and landowner expressed willingness to work to resolve the issue.

Ally / Laura / Liz on it.

Water Quality:

- RCPP grant-Agency was notified that we have been approved for a \$54Million dollar opportunity by having our pre-proposal being accepted and now we have to draft a full proposal to the USDA Natural Resource Conservation Service.
- EPA is beginning to schedule visits to farms since their FOIA a week and a half ago of the farm inspection files for a set list of farms.
- Visiting a farm on the 8th that is currently in court with the attorney general's office. There is an upcoming status conference with the court, so this visit is to get an update prior to the status conference.
- Met with DEC enforcement staff this week to discuss coordination efforts. We will be scheduling regular monthly meetings to work on coordination efforts as staffing and resources have changed at the agencies and it is time to recalibrate our methodology per the MOU.

Secretary's Comments:

Met with the President of Senegal, His Excellency Macky Sall, to discuss agriculture in both Vermont and Senegal and trade opportunities.

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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: August 8, 2014
Subject: ANR Weekly Report

Governor Level Issues:

VT Gas, Soil Management Plan: The Office of Planning and Legal Assistance, DPS legal and DEC technical and legal staff) met with VT Gas and their technical and legal consultants to discussed the draft Soil Management Plan for the Addison Gas project, and made some basic recommendations for conducting field work in advance of the construction project to improve the screening for potential contamination. The VT Gas reps were very responsive to the argument that this field work would not only inform the soil management plan, but by doing so in advance of the construction, they would likely minimize the potential for construction delays due to finding unforeseen circumstances. We have already exchanged some suggested protocols with the consultants for conducting the advanced field work.

Blue-Green Algae (Cyanobacteria) Monitoring: The Champlain Cyanobacteria monitoring program released the 2013 report last week, along with an updated website and a new veterinarian fact sheet developed by the WSMD in conjunction with VDH and VAAFM. This is located at http://www.watershedmanagement.vt.gov/lakes/html/lp_cyanobacteria.htm.

EVERYTHING ELSE:

Press Issues/Releases:

Blue Green Algae: David has managed the press on this issue. As you know, Vermont could have the same problems with our drinking water as Ohio – although it is less likely in many areas

because our intake pipes are deeper into the lake. Because there are blooms in a couple parts of the lake right now, there is a lot of press attention on this issue.

The Business of Parks: The business and economics of state parks was the subject of a radio interview with Craig Whipple by Ruth Wallman, Vice President of the Lake Champlain Area Chamber of Commerce. Ruth has a regular local business-oriented talk show that airs on the stations of Hall Communications.

Mt. Philo is a Winner: Mt. Philo State Park was voted best in the state this week according to Seven Days.

Fishing Camp Featured: The Green Mountain Fly Fishing Camp, conducted annually at Seyon Lodge State Park, was featured on a WCAX article this week. The focus of the camp is to inspire kids between the ages of 11 and 15 to connect with the outdoors.

Significant Events/Meetings:

Business Transformation Initiative (BTI): The week of July 28 DEC held another round of Lean training and a mini, three-day Lean event:

- 7/28-7/30, M-W: Lean three-day coordinator training was held, training ~30 new staff from DEC, AHS, Vtrans, and the Department of Libraries.
- 7/30-8/1, W-F: Three-day mini-Lean event for our Compliance & Enforcement Division, focused on our complaint tracking system.
- 7/31 TH: Full day advanced training for DEC managers, focused on Lean leadership, skills matrix and problem solving. ~40 managers/supervisors attended this training.
- 8/1 Fri: Half day Lean planning meeting was held with the Business Transformation Initiative Committee.

Grants/Contracts Lean Project Implementation: The implementation of the Grants/Contracts Lean project continues. The Standard Operating Procedures (SOPs) that were created by the workgroup will soon be final, and we will begin training on the new SOPs for full roll-out, which is estimated to be mid-September. The new system will decrease process time by ~65%.

Municipal Outreach: Windsor County Forester Jon Bouton is assisting the Hanover Conservation Commission with organizing Upper Valley workshops focused on control strategies for keeping a healthy balance between deer and understory vegetation. Todd Bittner, the Director of Natural Areas for Cornell Plantations, will be participating in these two sessions. One session is for land managers and larger landowners and the other is for the general public. Todd has experience and successes with deer and vegetation management on both urban and rural properties owned by Cornell University. Jon will be inviting Vermont forestry and deer management experts to participate in these public presentations. The workshops will be held on Sept 8.

Water Quality Standards Amendments – Public Hearing: DEC is in the process of updating Vermont's Water Quality Standards. This first of three hearings was recently held in Montpelier

and went smoothly. Attendance (20) included watershed associations, municipalities (including VLCT), and VELCO. Potentially controversial issues include the promulgation of new criteria for deicing salt residue and a new package of phosphorus water quality standards. The remaining two hearings will be held in Rutland and Newport.

Plug-in 2014 Electric Vehicle Conference: Deputy Secretary Justin Johnson was a presenter this week at a major electric vehicle industry conference and the plug-in electric vehicle collaborative, both held in San Jose, CA. The Collaborative is made up of vehicle manufacturers, dealers, and regulators in California and is dedicated to increasing sales and acceptance of EV's in the state. At both the collaborative meeting and the conference Justin talked about Vermont's progress in developing the ZEV Action Plan, and Vermont's commitment to increasing the number of vehicles sold in the state. A major theme of the conference - and something Justin reiterated in his presentations - was that in order for EV's to become mainstream, sales have to extend outside California (250,000 EV's have been sold in CA and 18 different plug-in models are currently available).

NRB Rule Making – Master Plan Policy, Guidance and Rule 21: Natural Resources Board staff held an interagency meeting regarding the implementation of Section 38 of Act 199, which calls for the NRB to review its master plan policy and adopt the policy as a rule. The NRB is also directed to include provisions for efficient master plan permitting for industrial parks as part of the rule; ski areas and large commercial development are also impacted by the master plan policy and eventual rule. In addition to ANR and NRB, staff from VTRANS, VAAFM and ACCD attended.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs

Vermont Gas Addison-Rutland Expansion Phase III: OPLA met with representatives from Vermont Gas Systems for a high level briefing and conversation regarding Phase III of the Addison-Rutland expansion that will run from Middlebury to the Rutland area. VGS provided a general map of the area that included some existing natural resources data and highlighted a number of existing utility and transportation corridors that could potentially be utilized by the project, including VELCO, GMP, rail road and VTRANS rights of way. VGS plans to launch a stakeholder process to discuss route alternatives in late Sept. They requested that ANR staff review the area between Middlebury and Rutland, with particular focus on these existing corridors and flag areas that are sensitive or problematic from a natural resource perspective.

Potential Swanton wind project: OPLA had a phone conference with John Zimmerman of Vermont Environmental Research Associates. Mr. Zimmerman is representing a landowner/developer interested in constructing an up-to 18MW wind power facility in Swanton. Mr. Zimmerman provided OPLA a conceptual map of the proposed 6-turbine facility and plans to engage ANR in a more formal scoping conversation in the near future. His client

has yet to begin any detailed environmental analysis or field studies of the site, which is just east of the intersection of Sholan Road and Route 105 in Swanton.

TDI NE Clean Power Link: OPLA informed the US Department of Energy that ANR will not participate as a cooperating agency in the DOE's preparation of an environment impact statement for the TDI project. DOE is required to conduct an EIS to support their issuance of a Presidential Permit. The Presidential Permit is required for electric transmission projects that cross the US/Canadian border. We decided against participation because we determined that it would add no value for us in Vermont, and could make it harder for us to participate in other ways. Specifically, participation as a cooperating agency would require ANR to provide technical support and staffing to DOE in the development of the EIS without funding to support this work. Since DOE has already concluded they intend to issue the permit, ANR's formal support of the EIS process could undermine the Agency's neutrality on the project. Note that ANR will not take a position on the project until applications are filed with the Public Service Board and Department of Environmental Conservation and ANR has had the opportunity to review complete information regarding the potential natural resource impacts associated with TDI's construction and operation. ANR has adequate regulatory authority and involvement in the project at the state level, so there is little to gain from participating as a cooperating agency in the EIS. ANR will track the EIS process and submit formal comments to DOE if necessary. Note that in similar cases in the past, ANR has declined to participate as a cooperating agency.

VELCO PV-20 Submarine Cable Project: OPLA spoke with representatives from VELCO regarding VELCO's joint venture with the New York Power Authority to replace existing 115KV submarine cables that cross under Lake Champlain from New York State to Grand Isle, Vermont. The project involves the construction of a multi strand copper cable and removal of several existing oil-filled cables that are at the end of their functional lifespan. The project will require a CPG from the PSB, ANR permits and Army Corp permits from both NYS and VT jurisdictions. VELCO would like to file permit applications as soon as this October.

Act 250 – Wells River Gravel Pit: Chief Bogie operates a gravel pit adjacent to the Wells River in Newbury. He has requested the District 3 Environmental Commission to convene a hearing to resolve a long-standing buffer issue between him and the Agency. The applicant proposes to re-construct a bridge over the Wells River in order to provide an alternative access road to the gravel pit. The Agency does not support the proposal because it is not consistent with the Agency's buffer guidance. The proposal contains less than the default buffer of 100 feet for a river. The applicant has proposed a reduced buffer of 50 foot that is not only less than the default buffer, but also includes buffer encroachments that are avoidable. The town supports this project because the use of this bridge will enable truck traffic to re-routed away from the village. Representative Chip Conquest has also been tracking this project. A hearing is likely to be scheduled within the next several weeks.

New Applications: OPLA received 6 new Section 248 applications and 6 new Act 250 applications for the week of Aug 4.

Environmental Conservation

Shoreland Implementation: DEC's Lakes and Ponds staff continue their outreach to watershed associations, municipalities, and other local and statewide interested civic organizations under the new Shoreland Protection Act. In addition, the core permitting program has been implemented within the Lakes and Ponds program, and staff are responding to registration requests and permit applications. Per the Act's allowance for local control, the State has entered into delegation agreements with Colchester, and we will soon be delegating partial authority to the Town of Greensboro. One enforcement investigation has commenced - on Lamson Pond in Brookfield - for actions in likely violation of local zoning and the Act.

Corrections Recycling, Leading by Example: With the help of Solid Waste Staff, the St. Albans Correctional Facility met their goal of successfully implementing a composting program onsite by Aug 1. The facility anticipates having parallel recycling collection in place by Sept 1, and will likely be the first correctional facility in the state to meet the Universal Recycling phase-in requirements. Staff will provide technical assistance to the Rutland Correctional Facility next week.

Rutland Third Party Review Settlement: As part of the settlement process regarding Rutland City's Moon Brook, a third party reviewer was hired to assess the facts of the case. The reviewer requested more water testing be done in the brook to attain additional chemical and biological data. DEC Watershed Management Division staff agreed to develop a scope of work, which was recently presented. All parties agree on the chemical and biological parameters to be analyzed for, the number of sites, and sampling frequency on Moon Brook.

State Implementation Plan Revisions: Final revisions to Vermont's State Implementation Plan demonstrating that we have the necessary "infrastructure" to attain and maintain the recently revised National Ambient Air Quality Standards for Lead were submitted to EPA this week. Next week, draft revisions to Vermont's Infrastructure State Implementation Plans for attaining and maintaining recently revised Air Quality Standards for Ozone, Nitrogen Dioxide and Sulfur Dioxide will be posted on DEC's website, and notices will be posted in the State's newspapers of record providing for a 30-day public review of and comment on these plans.

Town of Bennington Water Department, July 28: The Town Manager of Bennington contacted DEC's Drinking Water & Groundwater Protection Division to report that a chlorine disinfection supply line at their booster pump station located on Park Street had malfunctioned (5/8 inch feed line had ruptured), resulting in a discharge through a floor drain to an adjacent tributary. A "small" fish kill was reported as a result of the release. DEC Watershed Management and Enforcement staff, as well as Fish & Wildlife staff, will be following up.

Business Assistance: About 275 auto body businesses will be mailed our recently updated and printed guide to environmental regulations and a notice of workshops that will be held in five locations around the state in Sept and Oct.

Guidebook: <http://www.anr.state.vt.us/dec/ead/sbcap/pdf/autobodyguide.pdf>

VT Green Hotels Web Site: The Green Hotels web page (<http://www.vtgreenhotels.org/>) was given a facelift to improve the user interface for both lodging facilities that wish to apply and customers seeking green lodging. The web page lists over 90 lodging facility members, our largest green business sector program in the Vermont Business Environmental Partnership. We aim to increase membership to 200 over the next year by revising program standards, and creating a more user friendly on-line applications and a more rigorous marketing program, including forging partnerships with business trade organizations and municipal solid waste districts to promote the program.

Fish & Wildlife

Buffers for Cell Tower: Staff performed a site visit and met with consultants concerning the proposed construction of an AT&T wireless facility adjacent to the Roaring Brook in Killington. Although the facility will be located more than 50' from the top of the stream bank, the current buffer (or lack thereof) is highly degraded. Because AT&T plans to lease this land, it is uncertain if they can be held responsible to reestablish a functioning buffer. The Office of Planning and Legal Affairs (OPLA) has been made aware of this issue.

Fish and Snow-making? Staff responded to issues concerning Haystack/Hermitage's Mirror Lake which is a snow-making pond. The applicant has inquired about stocking the pond with fish. Staff provided relevant information, and regulations pertaining to stocking private ponds. Although the pond is primarily used for snow making, the applicant would like to use it for additional recreational uses including fishing.

Narrow-Leaved Blue-Eyed-Grass: Staff reviewed a proposed solar facility for Rutland (Charter Hill) and provided conditions for a draft MOU with the developer. The site has a large population of the rare Narrow-Leaved Blue-Eyed-Grass (*Sisyrinchium angustifolium*) and some will be taken by the placement of poles for the panels. Impacted plants will be moved to an onsite conservation area.

Does Sound affect Wildlife? Staff presented to the Public Service Board on the science regarding the effects of sound on wildlife. This was at the PSB's request to inform them on the issue of impacts of sound from wind energy projects on the environment. It was well received and the board asked good questions regarding the specifics of the research that staff shared.

Flowering Dogwood in Trouble: Staff assisted FPR forest health staff with an assessment of anthracnose disease on the recently discovered population of very rare and state- threatened flowering dogwood at Blueberry Hill WMA. The dogwood does have evidence of the disease, but the trees appear to be relatively healthy. Passive management and regular monitoring is advised at this time. This occurrence on the WMA is the only known population of this species in the state.

Humans and Bears: Staff continued to respond to calls from the public and from game wardens for help with human/bear conflicts. The number of calls has increased in the past few weeks.

Several bears were shot in nuisance situations including one large male that had been collared as part of the Deerfield Wind Bear Study in Southern Vermont.

Nuisance Canada Geese: There has been an increasing in complaints of dead geese in several locations across the state. Investigation revealed they all had been shot and left. It is suspected, that nearby property owners have become frustrating and infuriated by the amount of goose droppings being left on their lawns.

Forest, Parks and Recreation

Land Transactions: Lands Administration staff met with the Newbury select board last week to discuss the proposed transfer of the Department-owned Woodchuck Mountain property to the town. Newbury was supportive of taking ownership of this property, pending resolution of certain title issues. The Department and Town agreed to work together to resolve these issues and finalize the transfer of this property. Staff will be meeting with a member of the Duxbury select board this week to tour the Father Logue's Camp property in Duxbury. This parcel of state land is managed by BGS, which has proposed to transfer this property to the Department of Forests, Parks and Recreation as an addition to Camel's Hump State Park. The Town of Duxbury has also expressed an interest in possibly owning this property. Work continues on other priority ANR land transactions including Dern acquisition at Emerald Lake State Park, Mendon Brook parcel at Coolidge State Forest, Bean Pond parcel at Willoughby State Forest, transfer of a portion of Grand Isle State Park to the Town of Grand Isle for recreation, sale of Lafreniere homestead parcel at Camel's Hump State Park, sale of a portion of Coolidge State Forest in Plymouth to Markowski Excavation, acquisition of Hayword parcel at Victory State Forest, acquisition of Molly's Falls Pond property, and several Forest Legacy easement projects.

Forest Legacy: The Department received one new Forest Legacy application for FFY'16 funding consideration: The Vermont Land Trust is proposing to use Forest Legacy funding to conserve the 6,000± acre Deer Lake property in Elmore and Worcester. The Department will also be resubmitting Forest Legacy applications to complete funding for the Groton and Windham Forest Legacy projects.

Ski Leases: This week the Department received Burke Mountain Ski Area's annual lease payment of \$51,552. This amount is the ski area's second highest lease payment on record, and is only slightly less than last year's lease payment of \$55,833. We expect to receive Bromley Ski Area's lease fee payment later this week.

State Parks Attendance: State Parks visitation is now 13% ahead of attendance to date last year.

LWCF: Grant applications for land acquisition and state park construction totaling \$850,000 are being submitted to the National Park Service next week for consideration under the Land and Water Conservation Fund program.

Digital Trail Inventory: The grant agreement and Memorandum of Understanding with the Upper Valley Trail Alliance for the development of a statewide digital trail inventory have been finalized and the project is proceeding.

Stewardship Activities: District I forestry staff held the bid showing for stewardship activities and timber harvest at Curtis Hollow in Bridgewater. There was a strong turnout. Consensus was that demand for all types and grades of wood are high, but most contractors are working little due to wet ground. Mills are getting low in their stockpiles. Operators seemed to appreciate the straight forward goal of this regeneration harvest, comprised of three different prescriptions in a relatively small area, and they had some good feedback on how to mark leave tree harvest so they are more easily executed by the operator.

Fire Assistance: Rutland County Forester Chris Stone was mobilized to a Fire Assignment in Washington State as a Faller C. He is accompanying a crew from Maine. St. Johnsbury State Lands Forester Dick Greenwood was mobilized to a Fire Assignment in Northern California as a Faller C with a crew from West Virginia.

Hemlock Woolly Adelgid: Foresters working in southeastern Windham County are starting to report hemlock decline caused by HWA. Last week, Forester Jim Esden visited a property in Guilford with consulting forester Silos Roberts. Consistent with reports from other states, the decline was on a shallow site, the hemlocks had little new shoot growth, and a lot of light was reaching the forest floor. We have known about hemlock woolly adelgid in Vermont since 2007, which means it has probably been here for about a decade. A similar lag time had been observed in Massachusetts between first detection and the onset of decline.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: August 8, 2014

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VGS:

- a) **Construction:** Construction has begun. We have 2 inspectors working in the field and one doing reporting, to insure DPS is adequately overseeing construction. Normally, we have 1 inspector for both when pipelines are not being constructed.
- b) **Bio-gas:** VGS announced yesterday that they have begun to incorporate biogas into their pipeline system. It is approximately 1% of their system. We were successful in getting them to acknowledge this is a "first step" and a pilot, and they understand we are still waiting for a formal proposal to address a program for solar hot water and bio-methane or payment in lieu thereof before we consider an MOU.

c) **Response to Senator Bray:** We are drafting a response to the Senators on Phase II re: their letter this week to you.. Frankly, they are not acknowledging some things they already know in their questions to you.

Ugh
d) **VELCO versus Private value/acre:** As previously reported, there is a large discrepancy between the value VGS is intending to pay VELCO for (already encumbered) right of way (\$29,000/acre) and what they are paying private landowners (\$3,500/acre). I have raised this with them, and made clear that I am not saying one is too high or too low – but rather they either need to be prepared to rationalize the differences if/when this comes out, or reconsider how much they are paying to whom.

e) **PCP Issue:** Senator Bray held the third in a series of meetings in Monkton last night which focused on the PCP pole issue. ANR and DOH were there as well and did a great job answering questions about the preservative. I emphasized this is a pole issue common to all utility poles in the state, and the Board was addressing it through a docket on the matter – In other words, it is not a VGS issue. VGS has filed its Soil Management Plan for when it encounters contaminated soils, which the relevant agencies think is good. The Board has yet to act on this. Taylor Dobbs is doing a story on the PCP issue and asked today how many poles there are in the state – the answer is about 400,000. I told him “several hundred thousand” so we don’t put too fine a point on it.

FM
Regional Initiative: We met this week with the other states through NESCOE to regroup a bit after the MA legislation did not pass. We are basically on hold for about a month while we see the results of a MA study that they are doing on low-quantity gas. La Capra Study preview that VELCO provided us shows some benefit for Vermont in out years from gas but not much from transmission short or long term. I have not yet seen the study, but these preliminary results are consistent with our thoughts. That said, we took the opportunity to confirm with our other states that Vermont is not interested in cost sharing any transmission or gas. They are not surprised as we had telegraphed this since the NECPUC meeting. Cost allocation has still not been made public and will not be unless another Public Records request from CLF is received. Ed and I met this week with CLF to hear why they are opposed to additional gas capacity. They are seeking public meetings with NESCOE that we can actually support. Jim Volz and I met with ISO while they were in Vermont yesterday. We discussed this initiative (not cost allocation), VT’s desire to see NTA/MRA issue pushed, concern about VT efficiency programs falling short of commitments, and winter reliability programs.

Telecom Plan: We released a comment draft on the Telecom plan this afternoon. The last

real plan was in 2004 and staff did a great job on putting together the bulk of the plan, which is now out for public comment.

I need to mention that we asked DII back in the beginning of the year to help with “state needs” portion of the plan, which they were supposed to write. In April, we were told they were about half way through and would have the rest by the end of the week. Other discussions occurred in June and July. Anyway - Last week we got a draft, that upon review by staff, it very quickly became apparent had been plagiarized from California’s plan. I spoke to Richard Boes – the section was revised considerably, and we credited that “we relied heavily on CA in completing this section”

Seb FYI

PURPA Avoided Cost: We made our filing yesterday as promised. Hopefully, this will avoid litigation (on our failure to do one previously). We have no doubt litigation will occur on the rate itself.

Meetings this Week:

Aug 4 – PSD/GMP meeting on Deerfield project; Chris interview with Randolph Herald; Chris meeting with Kiersten Bourgeois and Steve Terry on Franklin Foods; Chris holds conference call on Vermont Yankee issues

Aug 5 – Chris and Ed McNamara meet with CLF on regional initiative; Climate Cabinet; Darren lunch with June Tierney, PSB

Aug 6- PSD/GMP/Brightfields meeting on Elizabeth Mine project; Darren attends Solar Summer event in Middlebury; Chris attends 5th floor Entergy meeting

Aug 7 – Chris attends press event with Governor at Cabot in Waitsfield for EVT peak initiative; Chris attends meeting with PSB and ISO directors; Chris and Louise Porter attend Monkton meeting arranged by Senator Bray to discuss ANGP issues

Aug 8 – Chris meets with President Sall of Senegal

Meetings next Week:

Aug 12 – Chris and Darren attend Stafford Hill Solar Summer event in Rutland

Aug 14 – Texas Low Level Radioactive Waste Compact Commission meets in Manchester, VT; Darren attends 5th floor Clean Energy meeting

Media: Various news outlets carry story on VGS ANGP cost overruns and \$35,000 penalty recommendation by PSD; Jim Porter WCAX on-camera interview on Charter Communications; Chris speaks with Stewart Ledbetter about VGS’ renewable biogas addition; Addison Independent runs copy of letter sent to the Governor from Senators Ayer and Bray, and Rep. Jewett

Everything Else:

PERD

Net-metering

- Working through CESA, CEDF provided information on Vermont's net metering law and all the net metering tariffs to a law firm in MA that is working on contract to CESA to petition the IRS for a clarification on the ability of home owners to take the residential tax credit for PV systems that are not located on or near their property. Prospects seem promising for this and, together with recent orders by the Vermont DFR commissioner affecting group net metered systems, could have a huge impact on the development of community group net metered solar (and wind perhaps?) systems.

Net Metering Activity 7/18/14 – 8/1/14

	Registrations*	Applications	CPGs Granted
Count	37	1	37
kWAC	239.552	150.00	279.162
Ave Size kW	6.304	150.00	7.545

Cumulative Capacity of Registrations and Applications Submitted

Year To Date		Total Since 1999	
2013 kW	2014 kW	1999 – 2014 kW	% of 15% CAP
6738.41	8857.92	47386.81	~ 31.6%

**Note: As of April 1st projects up to 15kW are now eligible for the registration process. Prior to this change, systems larger than 10kW were required to file an application.*

Engineering

Vermont Yankee Operation

VY has operated at 100% power for almost all of the current reporting period with no notable operational issues. A planned power reduction to 97% occurred early morning Friday, August 1, as part of a routine control rod pattern adjustment. The plant returned to full power later the same morning. This was the only power reduction during the period. VY has conducted planned, routine maintenance and surveillance activities during this period. However, compared to other recent reporting periods, these activities have been minimal, since the plant was focused on preparing for the quarterly Emergency Drill discussed below. The plant has operated continuously for 488 days.

VY Conducts Emergency Drill

On July 30, VY conducted a quarterly Emergency Drill. The State Nuclear Engineer (Tony Leshinskie) mobilized to the VY Emergency Operations Facility (EOF) in Brattleboro to simulate the communications link that would exist between the EOF and the State Emergency Operations Center (SEOC) if an actual Alert, Site Area Emergency, or General Emergency condition had been declared at VY. The SEOC did not participate in this drill. The simulated sequence of events began assuming that a small earthquake (less than the Operational Basis Earthquake) resulted in an Unusual Event declaration. It was then assumed that the simulated earthquake triggered a sequence of events that resulted in damage to the turbine and turbine building. This initiated a simulated plant shutdown and an Alert declaration for the drill. Subsequently, the drill assumed that a group of heavily-armed hostiles attacked the VY site. The assumed point of entry for the attack was VY water intake structure on the Connecticut River. This resulted in a Site Emergency declaration. The attack was assumed to continue with surviving hostiles attempting to reach the Spent Fuel Pool, resulting in a General Emergency declaration. The drill was terminated after the EOF and related support facilities correctly determined the appropriate security response, recovery actions and protective action orders. It is believed that this is the first time that a US nuclear power plant has included a security event as part of a quarterly emergency drill scenario. As a follow-up to the Emergency Drill, VY Security conducted a force-on-force exercise at the plant site on Friday, August 1.

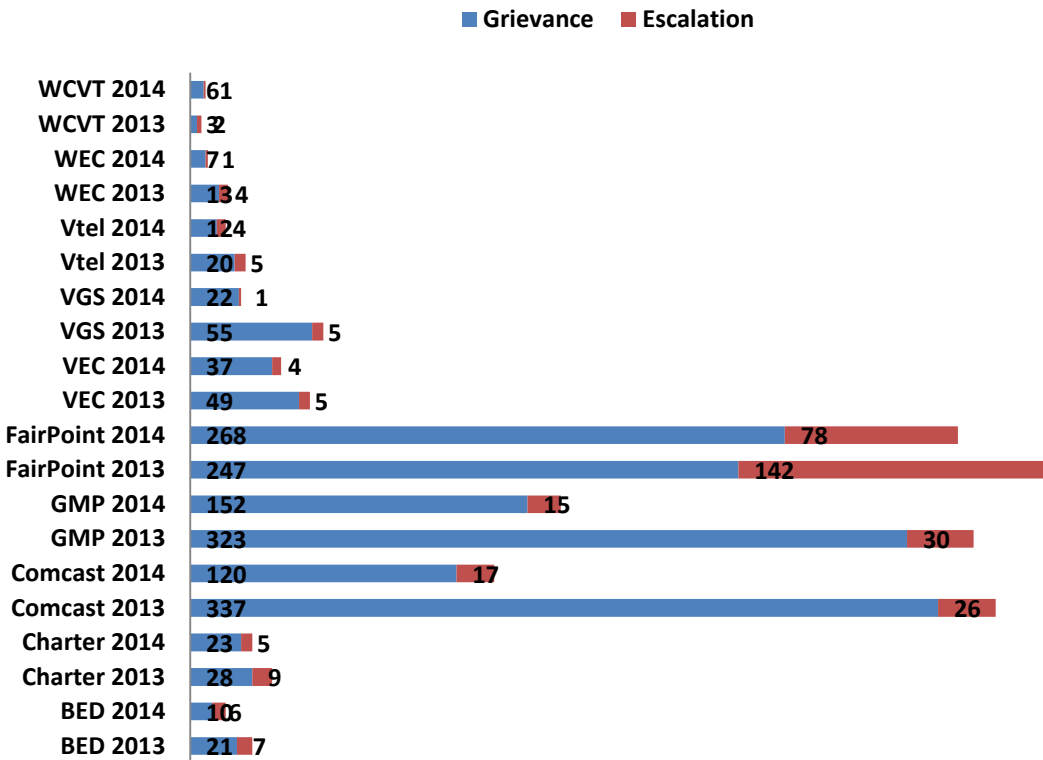
2014 Vermont Gas Systems Addison Transmission Pipeline Construction

The Department has retained a contract Gas Pipeline Inspector to provide site inspections of the Vermont Gas System Inc. Addison Natural Gas Pipeline (ANGP) Project. This inspector began these activities this week and is planned to continue through the construction completion of Phase I, with the possibility of continuing a similar arrangement for Phase II, if that project receives a CPG from the PSB. Presently only 12 miles (the most northerly section) of Phase I (43 miles of transmission pipeline) are expected to be completed this calendar year.

CAPI

CALL DATA

Number of Complaints Investigated, by Company YTD 2013 and 2014



CONSUMER COMPLAINTS

Complaint topics included, but were not limited to:

- (5) Broadband restoration
- (12) FairPoint service restoration
- (1) Electric surge damage
- (1) Late fee from campground submetered account
- (1) Regarding the pending FairPoint strike and opinion that the DPS and/or the Board should “penalize” FairPoint
- (1) Caller ID spoofing--whereby the consumer’s own phone number appears on her/his Caller ID during an incoming call

OTHER DIVISION ACTIVITY

FairPoint IRP MOU: CAPI and Telecom worked with FairPoint to negotiate an MOU on its incentive regulation plan. The parties met agreement on Friday, 8/1/14. CAPI sought new metrics that would directly address the most prominent service reliability and quality concerns. The negotiations resulted in no new metrics, but some commitments by the company, such as to develop a system for determining and then prioritizing restoration for those who do not have alternate communication methods in an outage.

Public Advocacy

Rutland Renewable Energy, LLC – City Solar Garden Project – Docket 8182 – In a letter to the PSB, the petitioner requested changes to two findings in the hearing officer's Proposal for Decision (PFD). One clarified that the fencing would encroach on a wetland buffer area and the other focused on timing the aesthetic review after construction. Neither the PSD nor ANR commented on the PFD.

NextSun Solar – Park Street – Docket 8194 – The petitioner filed a draft Proposal for Decision (PFD) that was joined by GMP. ANR and PSD did not join the PFD. The petitioner requested the PSB issue a CPG by September 12, 2014 in order not to risk the project's financing.

NextSun Solar – Main Street – Docket 8195 – In a letter, the PSD informed the PSB that the noise assessment did not raise any issues based on the petitioner's assertions that the final inverter will not have noise emissions higher than the modeled inverter and that the petitioner will build the sound barrier described in the noise assessment as a mitigation measure.

Champlain Valley Solar – Docket 8248 – The petitioner filed supplemental prefiled testimony and exhibits, along with a revised exhibit list. According to the procedural schedule, the technical hearing was scheduled for August 8th. Apparently notice did not issue for that date, so we await PSB action.

Vermont Water Utilities Petition for Proposed Rate Increase – Tariff 8517 – The petitioner has proposed a 46% rate increase. The PSD is under the impression that the petitioner may need to revise this filing based on additional work highlighted by its most recent sanitary survey. The PSD has requested an update from the petitioner. At this juncture, the PSD recommendation is due by August 14th. The PSD anticipates requesting the PSB open an investigation since there are a number of unresolved issues.

Rule 4.100 Winooski One Proceeding – Docket No. 8010 – On July 24, the hearing officer in this proceeding issued a Proposal for Decision (PFD) that makes four recommendations: (1) this Docket be continued as an investigation into establishing rates for power sold to the Rule 4.100 Purchasing Agent; (2) the Board require the Department to file for Board approval proposed avoided cost rate schedules no later than September 30, 2014; (3) the Board not authorize the Purchasing Agent to negotiate purchase agreements with QFs on a case-by-case basis in the interim of this Docket; and (4) the Board decline to institute a rulemaking to review Rule 4.100 and instead direct Board staff to conduct a workshop to discuss the merits of a rulemaking process.

The Department filed comments on the PFD on August 4. Those comments urged the Board to reject the PFD's recommendation to deny interim relief to QFs while rates are being established in this proceeding. The comments also informed the Board that the Department will be filing avoided cost rates on August 7. The comments further urged the Board to move swiftly to approve avoided cost rates in this proceeding. Regarding the August 7 filing, the Department

has received base data from La Capra and is finalizing its generic avoided cost rate proposal. The Department will urge the Board to approve these rates swiftly and will suggest that the Board consider waiving the requirement for a hearing in order to do so.

Charter Hill Solar Project – Docket 8212 – The parties are still discussing Memorandum of Understanding (MOU) terms, but the process is in a standstill due to a delay in the rare, threatened, and endangered plants report.

Charter Cable CPG Renewal – Docket 7820 - The Department is preparing its prefiled testimony, due on August 14th. The Department is also considering Charter's edits to its conditions, and plans to send the company further changes, along with any appropriate conditions proposed by VAN, following preparation of its testimony. The Department is attending public hearings this week, scheduled for the nights of August 4, 5, 6, and 7th.

GMP 16Y3 Distribution Line Upgrade – Docket 8264 – The parties will be discussing settlement conditions. The Department has not identified any significant issues of concern.

Burlington Telecom – Docket 7044 – The Board issued a post-technical hearing memorandum outlining information requests for the city to provide additional documentation related to the bridge financing transaction. The memo also requested that the Department brief a few discrete legal questions regarding the city's request that the bridge lender be subject to de minimis regulation during the duration of the bridge arrangement, and whether the lender should be required to seek approval from the Board to assume a controlling interest in BT pursuant to 30 V.S.A. §§ 107 and 231. The Department supports de minimis regulation of the bridge lender and subjecting the lender to all applicable regulatory requirements. Briefs are due August 12, 2014.

Stowe Electric Department (SED) Business Process Review – Docket 8074 – SED's third-party auditor, Lummus Consulting, began preliminary interviews with SED and Department staff to begin framing the SED business process review. Lummus expects a final report to be issued in mid-October.

Appointment of a Natural Gas Energy Efficiency Utility Docket 7676 – Parties continue to negotiate language for a draft Order of Appointment (OoA) document. Within PSD, staff is discussing specifics of the mechanism through which a natural gas energy efficiency charge would be implemented as part of the VGS alternative regulation plan. Parties will meet on 8/12 prior to the 8/18 filing deadline of OoA proposals. At this point it appears PSD will support the VGS proposal, and VEIC will file a separate proposal.

Soveren Solar 500kW Net Metering Project (Westminster) Docket 8211 – The Board issued a Certificate of Public Good for this project on 7/29/14 with no unusual conditions.

Sudbury Solar 2.0 MW Solar (Std Offer) Docket 8225 – Parties continue to work toward a possible stipulation. PSD aesthetics concerns focus on the visual impact of the installation of

seven new power poles needed to bring three phase power to the site. Petitioner must file a progress update with the PSB on 9/2/14.

Chelsea Solar LLC 2.0 MW Solar (Std Offer) Docket 8302 – A prehearing conference is now set for 3PM on 8/25 on this new docket for the Apple Hill Solar Project in Bennington. Adjoining landowners and a Homeowner's Association have moved to intervene in the docket, expressing concern regarding deed restrictions on the land being used to access the project.

GMP Duxbury Substation – Docket 8308 – The PSB held a prehearing conference on GMP's petition to build a new substation in Duxbury to replace an aging substation in Waterbury that is in the 100 year floodplain and was inundated and damaged during Tropical Storm Irene. Parties are working collaboratively to submit a schedule.

Investigation into the use of electric energy efficiency charge funds to reduce the use of fossil fuels – Docket 8311 – The Board opened this new proceeding to determine whether electric EEC funds should be used to support technologies that reduce fossil fuels, but increase electric consumption such as air source heat pumps. A prehearing conference was set for 8/14/14 but the Department has requested a rescheduling.

Investigation to determine the roles and responsibilities of Vermont electric distribution utilities to provide Efficiency Vermont with billing data, advanced metering infrastructure interval usage data and associated customer cost data - Docket 8316 – The Board opened this new proceeding to determine how the transfer of AMI data should occur between DU's and VEIC and to decide how the costs of such data transfer should be paid and by whom. A prehearing conference is set for 8/25 at 1:30pm.

Demand Resource Plan Proceeding EEU 2013-01 – PSD and VEIC met on 8/6/14 to conduct negotiation on Quantitative Performance Indicators. It appears likely that parties will be able to submit a joint consensus filing on 8/18/14.

Investigation into definition of Stakeholder- EEU 2014-04– The Board opened an investigation on the proper mechanism to address complaints from Trade Allies under the Process and Administration document. Initial response to a series of Board questions are due 8/8/14. VEIC, BED and the PSD are collaborating on a filing and this proceeding is unlikely to be complex or protracted.

CPG # NMP – xxxx Vermont AllSun Solar 500kw solar net metering project in St. Albans, VT – PSD comments are due on 8/14/14

CPG # NMP – xxxx Old Town Road Solar 500kw solar net metering project in Williamstown, VT – PSD comments are due on 8/25/14.

PSD Rule Filings – The Department of Public Service filed Rule Amendments for the Residential and Commercial Building Energy Standards with the Interagency Committee on Administrative

developers very

Concerned
FYI.

Rules on 8/6/14 and will present those rules on 8/11/14.

Addison Expansion—Docket 7970 – ANR, AAFM and the Department provided comments to the Board on August 1 on the soil management plan filed by VGS; we concurred that the plan is acceptable, with certain agreed upon revisions. The Town of Monkton and some individual residents filed comments as well, though these comments were not supportive of the plan. In response to an emergency request from Vermont Gas, the Board lifted the stay with respect to one particular area where the danger of leakage is quite minimal due to the distance of construction to the nearest pole. The hope is that the Board will promptly review the plan and lift the construction stay in its entirety with respect to the VELCO ROW. In response to Vermont Gas's capital costs increase notice, CLF, the Palmers, Kristin Lyons, and Mr. Hurlburt have asked the Board to enjoin further construction and to order that the company seek an amended CPG, in addition to other requested relief. In a response to CLF, the Department requested that Vermont Gas be ordered to provide quarterly financial reports for both phases and requested that a penalty of \$35,000 be imposed for failing to timely report the increases to the Board. The Department urged no further process which would exacerbate cost increases. The Commissioner and staff will attend a town meeting in Monkton on August 7 at the request of Senator Bray to discuss construction and the penta poles issue. Condemnations-counsel for VGS has advised that, as of now, negotiations have failed and they are ready to proceed with condemnation on 8 parcels located in Williston, St. George and Hinesburg.

Addison Expansion Phase 2—Docket 8180- On July 25, VGS filed a motion to strike the testimony of Monkton landowner Maren Vasatka, which had been filed on behalf of Rising Tide, and VPIRG filed a motion to strike portions of the testimony of IP witness Castonguoy; the Board has requested comments on these motions. Vermont Gas filed its rebuttal testimony on August 1; staff is reviewing and discovery requests are due August 14. This testimony included a capital cost update of approximately 15 % since the filing of the petition-in excess of 90% of this will be borne by IP. Vermont Gas has provided a draft proposal for its renewable energy initiative and the Department has had one meeting with the company in hopes of reaching an agreement and entering into an MOU; there is a possibility the company will be providing product even sooner.

Investigation into the Practice of Vermont Utilities Use of Poles Treated with Pentachlorophenol – Docket 8310 – In an order, the PSB opened an investigation into utilities' practices in using poles treated with pentachlorophenol and scheduled August 14th at 11:00 as the time the Board members would hold a prehearing conference to discuss the scope of the investigation and a schedule. In preparation, the PSD, ANR, DEC and the Dept. of AG are scheduled to hold a conference call.

Telecommunications

Telecommunications Plan – Staff has finished the draft of every section of the Telecommunications Plan other than the Public Sector Use section. Staff incorporated the Broadband Action Plan into the Executive Summary section of the plan, so as to introduce

readers to the development planning policies of the state. Staff also developed appendices, including a group of maps and a table of exchanges.

PSD staff prepared maps showing the cable and telephone franchise areas of the state. Staff also commissioned a map from Stone Environmental showing areas served and unserved by broadband meeting speeds of 4/1.

Staff connected with the marketing division at ACCD. They have agreed to work with us to publish the final plan in September. Department and ACCD staff discussed layouts and logistics of finishing the plan.

Staff from DII submitted a public sector draft to the Department, but the Department believes it is unacceptable to print in its current format. Department staff has offered to meet with DII this week in person to develop a statewide public sector plan. It is the Department's hope that the Plan will be published Friday.

Hearings on the final draft were originally scheduled for August 18, 19, & 20. Unfortunately, due to the delay with the Public Sector Plan, the Hearings will have to be postponed. Staff is currently rescheduling the hearings for the 25, 26, & 27 of August.

Act 190 comments to the Board – PSD staff prepared comments in response to a Board request on issues relating to the operation of the High Cost Fund enacted by Act 190. The Board wanted comments on how to identify areas that should be eligible for support, and how it could ensure that projects are not competitive overbuilds of existing wired telecommunications services.

Charter CPG renewal – PSD staff worked with representatives of the public education and government channels to develop possible condition language relating to remote origination requirements.

FairPoint Broadband data – Until now, FairPoint has always provided a list of addresses at which it offers service. This list did not include a unique identifier each location, which required PSD staff to follow a laborious task of cross-referencing all of these addresses to geographic points in the E-911 database. FairPoint with its most recent submission has included a unique identifier for each location in its submission. PSD staff will identify locations where it appears that FairPoint has in the past indicated it offers service, or is obligated to provide service. PSD staff will then provide the complete E-911 database listing back to FairPoint for verification. All subsequent submissions by FairPoint will be based on the E-911 unique identifiers.

248a Citizens' Guide to Telecommunications Facility Siting – Staff began planning the 248a Citizens Guide as is mandated by Vermont Statute. The guide will be modeled after the "Siting a Wind Turbine on your Property" pamphlet issued by the Public Service Board. The 248a guide will help inform towns and cities about the 248a process.

Wireless Telecommunications Facilities (248a) Report –

A summary of activity in the past week about wireless telecommunications facilities:

Date	Applicant/Location/Type of Filing	Brief Synopsis and if applicable DPS recommendation to the Public Service Board
7/31/2014	Verizon/Bennington/limited size and scope application	Verizon withdrew this application originally filed in July 2013.
8/4/2014	AT&T and ATC/ Marlboro Rte 9/full application	Construction of new 120'-tall monopole (extendable in future to 140' if requested by collocators) and facilities compound; DPS and Town of Marlboro recommended approval.
8/5/2014	Verizon/Warren Sugarbush Resort/ <i>de minimis</i> application	Modification of collocated equipment on 100'-tall monopole; DPS recommended approval.

Regional Policy

TDI Presidential Permit

- Staff filed a motion to intervene and comments with the Department of Energy regarding TDI-New England's application for a Presidential permit. The comments were limited to a summary of the Vermont siting process and the role of the DPS, ANR, and VTrans in that siting process.

New England Governors' Infrastructure Initiative

- The Massachusetts legislation requiring MA utilities to enter into long-term contracts for large-scale hydro or Class I renewable resources failed to pass. MA had previously indicated that it would help fund a new gas pipeline only if states agreed to socialize the cost of transmission needed to support 2400 -3600 MW of renewable energy.
- States are meeting on August 7 to discuss the potential next steps in the process. Connecticut circulated a proposal that envisions all states supporting a transmission line that would support generation that has a delivery requirement only for peak periods, with economic flows across the lines at all other times. It's unclear whether CT is proposing to go forward this proposal if MA withdraws support for the gas pipeline.
- DPS met with Conservation Law Foundation (regional and Vermont staff) to discuss the gas portion of the initiative. The main take-away was that CLF is essentially trying to blackmail states into providing it with a public forum to discuss alternative ideas for addressing winter constraints, and if states do not comply, CLF will publish additional emails received from public records requests. The information that CLF presented in support of its ideas to address winter constraints was unclear and appears to be inconsistent with the findings reached by ISO-NE, the gas-electric focus group, and NESCOE.

Capacity Supply Obligation Deferral

- NESCOE filed comments supporting ISO-NE's proposal to allow a capacity resource to request that FERC allow it to defer its supply obligation by one year if ISO-NE determines that the resource is needed for reliability purposes. Under the proposal, FERC would also have to find that the need for the deferral was caused by circumstances outside of the control of the requesting resource.
- NESCOE's comments expressed concern with the accelerated process for filing the proposal with FERC and the fact that the market rules would essentially be changed retroactively. However, NESCOE determined that the concerns with reliability and consumer cost impacts outweighed concerns with the process.
- ISO-NE has indicated that it will likely develop a proposal that extends the duration of the time between when a resource receives a capacity supply obligation and when the resource must be commissioned. Currently, that time period is 39 months. Advocate of energy efficiency and demand response resources have indicated that extending this time period puts these resources at a competitive disadvantage – for energy efficiency, it must rely on further-out projections of efficiency budgets, and for demand response, it is harder to sign up customers several years in advance. NESCOE has indicated that states share this concern.

Winter Reliability Program

- NESCOE filed comments supporting ISO-NE's proposed winter reliability program. ISO-NE is proposing to: (1) provide incentives for adding dual fuel capability, (2) offset the carrying costs of unused oil and LNG purchased by generators, and (3) compensate demand response providers for winter participation.
- NESCOE's comments stated there should be a comprehensive approach to addressing winter constraints. Additionally, the comments noted that, to the extent that ISO believes that Pay for Performance will address reliability concerns during the winter, ISO-NE should develop metrics for determining whether the actions ISO-NE is assuming Pay for Performance will drive do occur. For example – ISO-NE should be tracking dual fuel capability since it appears that capability is what ISO-NE is assuming will address winter pipeline constraints

Intra-Zonal Constraints under Pay for Performance

- FERC's May 30 Order approving ISO-NE's proposed changes to the Forward Capacity Market (the Pay for Performance proposal) required ISO-NE to make a compliance filing with modified rules that provide for an exemption "where an intra-zonal constraint may lead to improper price signals to capacity resources." FERC provided ISO-NE 45 days to submit the compliance filing.
- Most of NEPOOL read FERC's Order as requiring an exemption for resources that could not perform as a result of transmission constraints. ISO-NE instead proposed that a constrained resource receive no credit for any energy supplied during the constraint and the resource would also be subject to penalties as set forth in the Pay for Performance proposal. ISO-NE's proposal was consistent with its approach that Pay for Performance should attempt to mimic the results of the energy market to the greatest extent possible. This was the first

time that an ISO-NE proposal did not receive a single vote in favor of its proposal, both at the Markets and Participants Committees.

- NESCOE filed comments on ISO-NE's proposal recommending that FERC provide stakeholders additional time to discuss the intra-zonal constraint compliance requirement.



State of Vermont
Department of Public Safety
103 South Main Street
Waterbury, Vermont 05671-2101
www.dps.state.vt.us

To: The Honorable Peter Shumlin
From: Keith Flynn, Commissioner of Public Safety
Date: August 8, 2014
Subject: Weekly Report

Vermont State Police

A Troop
23 total arrests, 9 DUI

Troopers responded to a pedestrian (Whitcomb Construction Work) death on the interstate near exit 13. Preliminary investigation shows that speed, and intoxicants were not contributing factors. Concerns regarding proper flagging, lighting and driver warning of construction zone.

Conducted a consent search that resulted in the arrest of a female in possession of narcotic pills

Drug case at NWRCF

L&L case at the NWRCF, male inmate masturbating in front of a female educator

Assault on CO by inmate at NWRCF

Drug case at CCCC

Investigation into a 2013 allegation of a sexual relationship between a PO and one of her female parolee's

B Troop

12 total arrests, 3 DUI

Troops investigated a motorcycle vs. car 10-50 on I-92 in the Town of Derby; operator of the motorcycle was deceased at the scene.

Vehicle discovered off the road on Rt 111 in Morgan with deceased 37 yr old female inside at approximately 0730 hrs on 7-31-14. Victim had left a residence at approximately 2245hrs on 7-30-14 in Brighton, VT after having consumed "denatured alcohol" (camp stove fuel) vehicle was seen off the road where it was ultimately discovered at approximately 2330 hrs on 7-30-14. Female was transported to OCME for autopsy which revealed no injuries that would have caused her death. Will need toxicology report to determine cause of death.

57 yr old female in Derby was sitting in her chair while grandson was moving the lawn. Grandson finished mowing then located the female unresponsive sitting in her chair. Victim did not have any medical history, however had complained of headaches and tunnel vision over the past week. No signs of foul play. Autopsy results pending. Death investigation of 55 yr old woman from Topsham. She was found by her husband unresponsive and not breathing in the bed around 0300. Last communication was at 2350 hrs. Female had several medical issues and had lost 16 pounds in the last week. Dr. Bundock at the ME's office will sign the death certificate as a natural - likely cardiac episode. No autopsy requested by Dr. Bundock or SA Will Porter.

C Troop

16 total arrests, 7 DUI

2 lost hikers in Mt. Tabor. Sgt. made contact with one, and they both soon emerged from the trail system.

Responded to a major head on collision on Rt. 22A. Fortunately all the occupants survived. Due to a string of events involving Rt. 22A recently, the New Haven Barracks will be conducting an aggressive motor vehicle enforcement campaign aimed at reducing crashes and locating aggressive drivers.

New Case: Drugs at Correctional Center- small amount of marijuana found in inmates cell.

New case: Drugs mailed to inmate at MVRFCF. Investigation continues.

D Troop

17 total arrests, 6 DUI

Arrested one for Credit Card Fraud and Possession of Suboxone.

Heroin arrest which started with a motor vehicle stop by TOPS Tpr. and the occupant admitted he was going to Bethel to buy Heroin. Troopers went to Pea Vine Park, located the person there, and that led to a house in Bethel. Dealer residence searched, approximately 1000 used needles located. Arrested subject for 1 bundle he was going

to dispense. Subject at the house was charged with Possession and Dispensing Heroin.

Arson

Fatal fire investigation in St. Albans. Fire is believed to be the result of a cigarette accidentally being dropped under the bed by the victim. The male victim was 72 years old, was a double amputee, on oxygen and smoked heavily. There was some usual patterns at the scene. Sgt. Lamothe attended the autopsy in order to have a better look at the thermal injuries on the victim. Sgt. Smith and Sgt. Hill assisted with the investigation.

Emergency Management/Homeland Security

Issues/Updates:

Following an African Summit with President Obama earlier this week, the President of Senegal visited the state of Vermont following an invite from The Adjutant General. DEMHS participated in three events this week tied to the visit part of which included an overview and tour of the Vermont State Emergency Operations Center.

Two FEMA teams arrived to conduct PDAs. DEMHS staff accompanied the teams to view damage in Chester and Windham, Andover, Barnard, Bridgewater, Reading and Woodstock.

Director met with BGS Commissioner and his staff along with AOT to discuss the subject of colocation of an EOC, TOC and VIC facility for future planning purposes.

DEMHS has been advised by Margolis Healy and Associates that the Secretary of Education has received approval for hosting another school safety conference scheduled for November 19, 2014. More will follow as the agenda is prepared with input from the Department of Education. A state wide survey was forwarded to all schools in the state to get a status of their emergency response plans. A draft letter together from the secretary of education will be forwarded to all schools with a few strong recommendations for this year's school crisis planning priorities. On line training will be offered once schools get back in session. An application for \$250,000 in additional federal funds for agency of education to do some more school safety activities.

The Flood Ready Vermont website, created by ANR through an HMGP grant, is now on-line and available as a resource for town officials: www.floodready.vermont.gov. Conferred with Bennington town planner and consulting engineer regarding next steps on PW03094; the Town of Bennington expects to submit a second appeal (due in late September), seeking an additional \$1.4M for emergency work undertaken immediately after Irene which is still deemed ineligible by FEMA.

press?

Legislative Contact:

Provided info to staff from Senator Leahy's office regarding status of Roxbury Fish Hatchery Benefit/Cost Analysis as background for them to contact FEMA HQ contacts.

Provided info to staff of Congressman Welch's office regarding status of Bennington's debris appeal and the likelihood of a second appeal from FEMA's recent decision about the DR4022-PW03094 first appeal.

Fire Safety

The Division received \$9.5 million in new plan review construction valuation collecting \$52,000.00 in permit fee revenue.

Commissioner Megan Smith, Tourism and Marketing contacted me (Director Desrochers) last week with concerns regarding our inspection of rental property in Killington. I will be scheduling a meeting with her to discuss her concerns. There are a number of huge homes in Killington that are rented out during the winter to large groups without our knowledge. In fact, some of these homes are constructed while by-passing our permit process as they are presented to the locals as a single family home. Most of these homes are listed by rental property management companies hired by the home owner thus the State is receiving room and meals tax. Issue: Home owners know we are going through the property management company to arrange the inspections thus a small number of owners have decided not to go through a property management company and advertise solely on-line. We have had one complaint from an owner in Killington and this one individual happens to be the person complaining to the Commissioner. This individual has allegedly told the Commissioner the State is now losing tax revenue because the home owners who advertise on-line are not likely charging room and meals tax.

yup...

Conducted 5 admin penalty hearings all fines reached resolution with no issue.

Firearms Storage Program

We have received inquiries as to how the program is progressing from Sara Kenney, Vermont Network against DV and SV. We are in the process of finalizing the approval certificates from a variety of FFL's and cooperating law enforcement agencies. Listed below is a summary of towns where FFL/s are located and police departments that have agreed to cooperate.

Richmond PD – just Richmond
Winhall Police and Rescue – Statewide

Bloomfield
Rutland – 2 FFL's
Middlebury

Sarah
FFL 7

Irasburg
Brandon
Sunderland
Barre

Deputy Commissioner Aumand is on the agenda for the Chiefs of Police meeting on Tuesday to speak with them about this program. Hopefully more interest from local law enforcement will be generated.

Vermont Justice Information Sharing Program (VJISS)

The subscription service for probation and parole officers is going to be implemented statewide on Monday August 18th. This service allows probation officers to receive near real time notification of contact their clients have with police agencies. An email notice is sent automatically to them that advises them when a record of their clients contact with police is entered into the law enforcement records management systems.

This program has been piloted in the southeastern portion of the State (Hartford, Springfield and Brattleboro). Preliminary results suggest that each of the three offices in the pilot area have been receiving approximately 11 notifications per day of probationers having contact with police. It is also being reported to the district supervisors that probationers are now aware that probation officers are receiving these notifications and are more readily telling their probation officers of their contacts with police than they were before the subscription service went into effect.

Below is a sample notification that a probation officer receives.

An individual for whom you have subscribed to be notified was involved in an incident documented by the following law enforcement agency:

Weathersfield PD

Incident Date/Time: 2014-04-11 07:00:00

Incident Report #:14WF00375

Subject Name: Dickawicz, Mark

Subject date of birth:1966-02-14

To follow up on this incident, please call Weathersfield PD.



State of Vermont
Agency of Administration
Office of the Secretary
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Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: August 8, 2014
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Interest to 5th Floor from BGS Directors:

Randolph - Vermont Veterans Memorial Cemetery - Master Plan: The College denied our request for a land transfer of 2.55 acres of land for the new welcome center. The College wanted \$300k for the valuable agricultural land and wouldn't consider the swapping of land for the 3.5 acres of land near the Fire Station. The revised grant pre-application has been submitted. The full grant application is due on 8/15/14. Update: VTC willing to consider a land swap.

Business Center:

good ..

- **Motor pool utilization has increased dramatically** – vehicles are booked consistently; cars that are being turned in for new cars are being utilized to fill the increased demand for the daily rentals.
- The hands-free devices have been installed in the motor pool vehicles – Fleet staff report there have been no complaints or calls regarding the instructions.

Significant Events/Meetings:

AG/ANR Lab: After a laborious process, decision made to recommend VTC in Randolph as the site for new collaborative AG/ANR lab.

Exit 7 Agreement: Meeting scheduled Friday, August 8th with Wayne Lamberton to discuss the proposed Vermont Information Center for Tourist Info and a possible PPP relationship. Unwilling to give non-competition clause to developer.

AllEarth Solar and GMP Solar: Meeting with Dan Edson, Emily Montgomery and Wanda Minoli to discuss the possibility of Windsor as a 5 meg solar installation. Louis Porter and Rep. Donna Sweaney need to be informed and down loaded.

TOC/EOC: Meeting with Paco Aumand, Sue Minter, Joe Flynn, Wanda Minoli and Emily Montgomery to discuss which entity is in command of development strategy of proposed TOC/EOC. Referred to 10 year planning process.

Hunger Mountain Day Care: P&S for this Waterbury project approved.

FINANCE AND MANAGEMENT

Issues Update:

Commissioner Reardon and the budget office are close to finalizing the FY 2015 general fund rescission plan and are preparing presentation documents for Monday's meeting of the Joint Fiscal Committee. Commissioner Reardon and Deputy Commissioner Clark have been meeting with various legislators to discuss the components of the plan.

As of the morning of August 8, 2014, the food fight fund has received \$168,271.64 in donations from 1,133 individuals/organizations. Consumers Union contacted us this week and indicated that they would be donating \$10,000 and launching a campaign in September to encourage their members to match that donation. In addition, we are working with Ben and Jerry's to receive their \$5,000 donation.

HEALTH CARE REFORM

Green Mountain Care:

Coverage and Benefits: We are beginning our deeper dive with the Governor on benefits this week with the second round next week. The intent is to ensure that we have the next level of specificity for the modeling and will be ready to make a recommendation to the GMCB later this fall/early winter. Robin separately circulated a briefing memo to Jeb, Lawrence, Liz & the Governor. The consultants are on track with data collection, etc, needed to build Jon Gruber's model.

Financing: The financing work is focused mainly on gathering the data, policy parameters, and assumptions needed to run Jon Gruber's model.

Michael Costa met with Hector Hill, newest member of the Governor's Business Advisory Council on health care financing.

Michael and Robin met with David Coates, Jeb, and Lawrence regarding the next Business Advisory Council meeting. The agenda for August 18th will focus on the individual tax component of Green Mountain Care, income tax reform, and Green Mountain Care benefits.

SIM Update:

The SIM Steering Committee convened this week and received an overview of the recommendations for the Shared Savings Program Year Two measure set. They are opening up a two week public comment period ahead of their decision on this measure on Sept. 3rd. The Payment Models Work Group also met and presented preliminary data to inform the design of the Episodes of Care (the second model being tested). This model will launch in early 2015 after a consensus process. Next week, the Care Models and Care Management Work Group, Population Health Work Group and Core Team will all meet. The Core Team will continue discussing the Sub-Grant Program Approval process and how they will score the proposals. The applications for this program are due on September 12th and we anticipate receiving dozens of applications for the \$3m in available funding.

Legislative Issues/Contacts:

Meeting with JFO (8/1) – The team is meeting with JFO to discuss how to ensure that the GMC modeling uses the same data in order to have meaningful comparisons based on policy, instead of differences based on the data, which is not necessarily meaningful or useful. The process is going well. Gruber and Rand are sorting out how to ensure that the models work together.

Press Media/Notes:

Michael Ollove, Stateline/Pew (7/31) – <http://www.pewtrusts.org/en/research-and-analysis/blogs/stateline/2014/08/07/vermont-is-single-payer-trailblazer> This story turned out well, with the exception of one sentence which wasn't an accurate quote about financing options (where it indicated we were looking at payroll and income taxes primarily – I used the Governor's talking point of biz & individual contributions based on ability to pay & this was their translation). Mr. Ollove tried to get it changed at Robin's request, but his editor thought it was a nuance. Robin left a message to give it a shot with the editor too, but hasn't yet gotten a call back.

HUMAN RESOURCES

Press Contacts:

- Hilary Niles, VTDigger is awaiting FY14 employee salary results. We have committed to providing her the data early next week. The report was provided to Michael Clasen today.

Significant Events/Meetings:

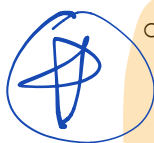
- Director of Labor Relations, Tom Ball is retiring on August 23rd. John Berard has accepted the position of Director of Labor Relations.
- Employee engagement survey planning is progressing with a target implementation in the September/October timeframe. Current thinking is to allow key departments to add an additional section of questions for their employees. This approach will create a partnership between DHR and the Agencies/Departments and remove the need for employees to complete multiple surveys. *yes.*
- It appears the Workforce Development lease from Vermont College of Fine Arts, is close to signature phase.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Healthcare:

- CGI has handed over management of all POAM items (this is a significant chunk of work that CGI had 3 FTEs working on without adequate progress) to the State of Vermont per the transition contract. Nick Waring is working to marshal the appropriate resources to manage the POAM through Optum (possibly supplemented with other contractors).
 - A project manager is required for this activity and we are working to get one through one of the CMS approved augment vendors.
 - Because of the transition and the amount of work that remains undone, there is no longer a possibility of completing the work within the originally specified 90 day window. Luckily, CMS has verbally agreed to be flexible and give us the leeway we need due to the transition.



risk

Significant Events/Meetings:

- DII met with the Agency of Transportation to initiate planning for consolidation of their local area networks (LANs). The session was very productive, and our target for consolidation of AOT networks into DII is 18 months. This initiative has and will continue to strengthen our relationship with AOT.
- Work continues by DII Security to better align Tax department IRS audit findings to a short term remediation strategy. A discussion with Tax on longer term security strategy has occurred. Two items of interest:
 - The Tax department needs to build out an IRS complaint audit system. This may be a costly and tedious task to perform internally as it requires dedicate staff to run an analyze logs. The CISO is reviewing managed service options to help Tax and other departments develop a shared security platform that can be leveraged by departments across the state. The Tax department has a direct need for a dedicated security resource based on IRS demands for compliance on the new FAST system and IRS compliance concerns with the current Tax systems. In particular the current lack of system security compliance leaves the Tax software in a potentially risky situation. DII is working with Tax to have a person dedicated to Tax that reports to the CISO in DII.

- Commissioner Boes met with David Tucker and an independent review vendor to review the NG911 project for the next generation of 911 services. The review highlighted some areas to focus on during contract negotiations, but was a very positive review of the project.
- At 2:25PM on Wednesday July 30th, 2014, Vermont.gov was hit by a distributed denial of service (DDoS) attack that negatively affected the portal and several transactional services. Other state sites and services were unaffected. NIC Corporate Security resolved the outage by 3:40. They are in the process of completing their incident investigation and will provide a final Incident Report at the end of this week.

LIBRARIES

Nothing to report.

TAXES

Nothing to report.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Michael J. Hogan, Commissioner of Liquor Control
Date: August 8, 2014
Re: Weekly Report

Status of Governor's Priorities:

Sent some information to Rand Corporation I have collected on the issues facing regulating marijuana. Much of the information has to do with Washington State and how they approached rulemaking, legislation, licensing, etc. Model system in place than can be duplicated if Vermont goes down that road.

Legislative Issues/Contacts/Updates:

- Looking at potential issues for the upcoming session. I don't see many on the alcohol side with maybe some small fixes.

Press Issues/Releases/Contacts: Nothing now.

Significant Events/Meetings: Next Board Meeting 09/03/2014 - Enforcement Hearings. Staffing for Champlain Valley Fair and Booth set up.

Evolving Issues:

- ERP/POS Project underway. Excellent Progress! Recent meeting with vendors and staff working through the particular functions of the front end and back end systems.
- Preliminary review of department processes for potential licensing and enforcement system.
- Performance Audit underway. Report hopefully in August-September.
- Planning an alcohol symposium for early December for policy makers, licensees, and industry partners.
- Working with VIC on break open ticket reporting process. Prototype has been developed.

Summary of Key Department Activity:

- Working on a Pilot Program to help the Department increase its business and eliminate some of the impediments to future business growth.
- Trying to foster some partnerships with big out of state distillers so that they can find ways to work with our instate distillers in a market that is bursting at the seams.

Commissioner's Commentary: We have to address the overcrowding in our warehouse by either have one built or possibly going to a second warehouse in the southern part of the state. With our sales volume increasing and the number of new products in the marketplace expanding, the current facility is not able to allocate enough space.

Have a great weekend.

Elizabeth H. Miller
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