

WEEKLY REPORTS

Checklist
8/1/14

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 (**no report this week**)
- Agency of Education – Rebecca Holcombe
- VT Commission on Lottery – Greg Smith

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
- Department of Liquor Control – Mike Hogan

To: Governor Peter Shumlin
From: Pat Moulton, Secretary - Agency of Commerce and Community Development
Date: August 1, 2014
Re: Weekly Report

PAT MOULTON, SECRETARY

- **EB5:** The Jay Peak press is reverberating around the globe in a very negative way. We are hearing Mt. Snow and others are losing investors. John Kessler and Brent Raymond are attending a webinar today where Vermont Regional Center was highlighted as having “issues” and how to avoid those. The press is about the headlines and few are reading deeper. I am going to work on VtDigger and VPR next week with messaging that we are being proactive, we have an excellent track record, the EB5 program nationwide and in Vermont is evolving and our oversight is growing. In the big picture, the lack of communication from Stenger to his investors is minor yet the VtDigger article makes it sound like fraud when that is not the case.

If we are to remain viable as a Regional Center, we need to rethink our operations. We will need to radically increase our fees to enable a third party review of offering documents and business plans like we have already required a third party market study. We will have to require audits regardless of the expense. We simply do not have the resources to effectively do our due diligence. Further, we are running our staff ragged with travel and responding to inquiries and now complaints. With increased fees, we can contract with impartial third parties to do these reviews. We can hire needed administrative staff to assist with operations. We have existing potential of over \$500 million in investment that we must take advantage of. We will work up a new operations plan and run it by Liz and Jeb prior to implementation.

- **Filling the talent pipeline:** I have been working with Dan Smith at VTC on a plan to help fill the engineering technician talent pipeline. The plan is to increase enrollment in the Vt. Academy of Science and Technology (VAST) which is a program at VTC for high school seniors where they do their senior year at VTC and earn a full year of college credit. We will couple this with the Vt. Strong Scholars (which is where we need \$) so that students are hired for an internship between their senior yr of HS (first yr. at VTC) and their second yr. at VTC. We will ask participating employers to provide a scholarship for one semester at VTC (\$12,000) and have the Vt. Strong Scholars program pick up the other semester. Tuition to VTC in the VAST program is paid from the Ed Fund. A couple of years ago the Legislature capped the number of students to a total of 60, 50 is the average enrollment. The cap is lifted July 1, 2107 so we can grow this after 2017. We will enlist 5-15 employers to participate by promising to a) hire the intern, b) hire the student after they finish their two year degree c) pay a one semester scholarship to VTC. The employer is involved in marketing to high schools and screening the student. VTC does heavy screening as well. The student gets their entire two yr. degree at VTC paid for AND a job. The employer gets a good qualified student with the two year degree. Dan and I met yesterday and have a plan. He is putting together a "brochure" or write up we can use with employers. We identified a group of 15+ employers as our first target, all of whom hire interns and/or offer scholarships now. This responds directly to Janette's "get 40 new kids in to VTC's two yr. engineering program" once the cap is lifted. No legislation needed. Will need funding for VT scholars. This targets to today's high school juniors so there is a lag.
- **Mack Molding:** Lisa Gosselin and I met with Jeff Somple and Kevin Dailey at Mack Molding on Monday. Jeff is “upset” about a number of things. The “death by a thousand cuts” from the Legislature, single payer health care, Efficiency Vermont Charges, and an inability to hire good technicians. Mack would be a great candidate for the VTC program described above. The Governor and Lawrence are meeting with them August 12. We will get a detailed write up to them prior to that meeting.

LUCY LERICHE, DEPUTY SECRETARY

- **Vermont Council on Rural Development:** Lucy attended a VCRD subcommittee meeting to discuss the concept of a December 2014 conference on Economic Opportunity through responding to Climate Change. Paul Costello wanted to know first, if the group wanted to recommend to the VCRD Board that we take this on. The general consensus of the group, was yes. The rest of the meeting was spent on framing the issue and hashing out what we would present to the full Board for their consideration.
- **Rescissions Grants/Contracts:** Lucy got approval from Michael Clasen to make a contract template language change. All contracts standard provisions will include a clause that allows the agency flexibility in the case of unforeseen budget circumstances. Lucy is now working with legal staff to incorporate the change into all pending contracts.
- **Rescissions:** Pat led an agency wide effort to identify \$532,257 in General fund base budget cuts for FY 2015. This proved to be a useful but very painful exercise. We have identified our proposed cuts, and are preparing the memo per AOA instructions which will be submitted on Friday.
- **VCGI Transfer into ACCD:** Lucy convened a cross-government meeting to discuss the transition along with the VCGI into ACCD transition team which includes David Metraux, Alex Ibey, and Melissa Prindiville. We asked for feedback about the most important services VCGI offers, opportunities for improvement, and asked for constructive ideas for restructuring and efficiency/cost savings ideas. We also asked for feedback on a survey that we will be sending to all relevant departments of state government to solicit ideas and information that will help us determine the best structure for new entity. The more we delve into VCGI issues, the more convinced we are of the mission critical nature of this organization for Vermont.
- **Department of Labor Collaboration:** Pat, Lucy, and Lisa met with VDOL staff to discuss coordination of activities outlined in S.220. Unfortunately, Annie was unexpectedly in the hospital, so we were not able to get through any of our decision points. We are all wishing Annie a speedy recovery and will continue our coordination when she returns.
- **Vermont Strong Scholars:** Lucy convened a cross-government team who met Thursday to begin work on choosing sectors for this program. We learned that this is more complicated than it first appears. John Fisher from the Department of Education, having recently gone through a process of choosing CTE sectors, will help lead a smaller subgroup through some sample data runs and methodology that we can use to narrow our scope. The legislative interim report is due in November, so we aim to accomplish much between now and then, including a plan for costs and funding.

KIERSTEN BOURGEOIS, Senior Projects Manager

- **Telecom:** Kiersten has been meeting regularly with the VTA as we transition to a new telecom structure in Vermont. At each weekly meeting, we cover a specific topic; to date, we've talked about projects, personnel and finances/operations and all of this information will be included in our transition report. Finance and Management are also part of these discussions. I plan to have a draft document prepared by mid-September for stakeholder review. This has been a very time-intensive process, but is necessary as we make this transition.
- Additionally, I have been leading a team working on an E-911 report, also included in Act 190. I am leading this small group which includes David Tucker, Roger Marcoux, Jim Porter and Paco Aumand. The report requires AoA to look at the possibility of moving E-911 into state government and determining whether a \$300,000 savings can be realized by this move. There is a very rough draft being circulated among these members now and we should have something in a better draft form in about two weeks.
- And finally on the telecom study front, I am working on the required Action Plan document as laid out in Act 190.

- **VTel:** Had a status call with VTel earlier this week to listen to their concerns about PSB interpretation of several permitting issues. Commissioner Recchia, Jim Porter and I participated. Basically, VTel is working hard to meet their July, 2015 deadline and seem to be in a bit of turmoil with Diane's pending departure; use of several attorneys/engineers to file applications which leads to incredible inconsistency and also the inability to utilize a couple of sites that they had intended. I have a call with RUS later this week.

Brownfields

- **237 North Winooski:** Approved funding for a \$400,000 loan for Maiden Lane, LLC for clean-up of a property in the North End of Burlington. The former Dairy Queen site will be redeveloped and about 25 new housing units will be constructed. EPA and I met with the developers earlier this week.
- **FONDA:** Led a very productive meeting on the Fonda/BERA redevelopment project. Weston & Sampson presented their latest findings, which now position the city to make a decision on next steps. There is a partial CAP in place, but PCBs in the slab need to be remediated. This is a priority project for St. Albans City and I am working closely with them to keep this moving.

Other

- **BHS Composites:** Working with a small composites company from Sherbrooke seeking about 12k sf in Northern Vermont. They want to hire about 50 employees and are interested in the US to meet BuyAmerica regs. BHS works specifically with the transportation and aerospace sectors and will also consider a JV/partnership opportunity. I forwarded them the name of some small composite companies in Northern VT and will facilitate meetings as appropriate. They are particularly interested in Newport due to its proximity to Sherbrooke.
- **Richmond:** Following up fast and furiously with an interested developer and many of the folks that were in attendance at the meeting last week. Have a tentative meeting scheduled with the developer during the week of 8-11.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Lisa Gosselin, Commissioner

- **Vermont 2020, our Comprehensive Economic Development Strategy** was approved in record time by EDA on 7/30 thanks to much hard work by Ken Jones, Shelley Pembroke, Lucie MacAskill and many others. Roll-out plan is underway and Lisa is meeting with agencies to present, plan and gain feedback in the next few weeks.
- Met with Deputy Secretary Sue Minter to discuss CEDs, **Stowe/Morrisville airport** expansion and other transportation initiatives. Suggested a forum be organized with representatives from VTrans, RDCs and RPCs and select businesses to discuss how transportation projects can dovetail with and build economic development.
- Met with Aly Richards, Pat Moulton, Nancy Brooks and Steve Cook on **Great Jobs in Vermont**. Discussed challenges of engaging employers in posting jobs and in getting alumni offices to run ads in newsletters. Will develop press release to present this as editorial content. Steve Cook is looking at creating a prize and other ways we can build our own email list of people interested in Vermont jobs. Aly is creating work plan. Lisa will develop editorial release.
- Met with Ali Sarafzade and the **Business Portal group**. Reviewed SOS compliance site and agreed that we will build off this site as a first step before creating a separate one. Each department will be supplying list of basic requirements.

- Lisa Gosselin met with David Bradbury of VCET, Cairn Cross of FreshTracks Capital and Liz Robinson of Middlebury College on 7/24 to discuss potential for a **business accelerator program**. Liz is looking into potential of hosting at Breadloaf in fall 2015. Lisa will also be speaking with other colleges that may have hosting potential.
- A **Middlebury Film Festival** is being organized by former Disney VP Lloyd Komesar along with filmmaker Jay Craven and Doug Anderson of the Town Hall Theater. Lisa met with Komesar and Anderson who also plan to take the festival – which highlights new filmmakers – on a tour of New England and are looking for corporate sponsors. The festival is scheduled for August 2015 and will be held at multiple venues around Middlebury.
- The town of **Richmond** turned to the state for advice on how to plan for the use of a prime downtown parcel of land that once housed the Saputo Creamery. Secretary Moulton, Kiersten Bourgeois and Lisa Gosselin met with town managers and representative Anne O'Brien and Senator Tim Ashe to discuss mixed use options, which include a senior center, expansion of a food market, or development for green energy uses. Kiersten is following up and Lisa and Tricia Coates are looking at USDA grant opportunities.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Located in the old Bennington Iron Works site in a 50,000 sq. ft. building, **Vermont Timber Frames** and **Timberline Panels** employs approximately 20. Business is good, with new, high-end housing construction picking up. Because of the loss of many timber framing companies during the recession, Vermont Timber Frame is now well positioned to meet new demand because of a reshaped business landscape with fewer competitors. The company is currently booked out for the next 2 months. Stratton has approached the company to bid on their new lodge, and Vermont Timber Frames may attempt the project if they can find another 2-3 timber framing companies in Vermont to split the project with, perhaps including Vermont Timberworks in Springfield. In addition to timber frame construction, another part of the company is "Timberline Panel," which produces structural insulated panels (SIPS) as large as 8x24 feet. These panels have recently been used for quick assembly of temporary housing in the oil and gas fields of North Dakota.

BUSINESS SUPPORT ♦ Ken Horseman, Senior Economic Development Specialist

- **Vermont Venture Network:** Presenters included IrisVR, a startup virtual reality software company that is gaining ground using their product with architects around the country, and Oceansea in Richmond which develops software for underwater vehicles. Oceansea is hiring and growing rapidly.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Captive Review Article:** Wrote an article for the August issue of Captive Review Magazine about the importance of domicile selection and choosing key business partners in the overall success of your captive insurance program.
- **Vermont Public Radio Media Inquire:** Dan met with John Kessler, Counsel for ACCD in this request for captive insurance expenditures for the past year. The information has been sent to the reporter. To date the Captive Insurance Division at the Department of Financial Regulation have not been included in this media inquire.
- **Captive Insurance Times Interview:** Dan was interviewed by this publication for an upcoming article to be published during the VCIA Conference.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Executive Director

Windham County Economic Development Program

- Launched program by publishing NOFA and application. First round of applications are due Sept 23.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Commissioner MacKay

- **Downtown Board Meeting:** Awarded \$2.5 M in tax credits (\$2.2 M in annual and some recaptured funds) for 37 projects. The Governor will announce the winners at a ceremony in Burlington on August 11. Four projects were still not funded (approximately \$100,000). Board members commented that the process improvements, both in the tax credit scoring process as well as new designations and renewals has made a huge difference in the meetings and the decisions. Intern Katie O'Brien gave a wonderful presentation on her town green project! For more on this meeting, see CP+R's info. Kudos to the team!
- **Budget Adjustment:** Working with Lucie on suggestions for budget adjustment. Thanks to everyone who came forward with suggestions.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partnerships

- **AHS – Governor's Commission on Healthy Aging:** Discussed possible strategies to increase the amount of Accessory Dwelling Units (ADUs) in designated areas as well as ideas to improve the accessibility of the existing housing stock. The UVM Center for Aging offered to organize a conference on housing for successful aging sometime next year.
- **VEIC – Electric Vehicle Charging Stations:** Discussed submitting a grant proposal to Green Mountain Power to expand the network of downtown EV charging stations. Benefits would be limited to towns in the former CVPS service area and the proposal could be expanded to include designated village centers.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

CDBG-DR1 and CDBG-DR2

- The good news this week was that BGS has agreed to finalize the Purchase and Sales Agreement with Hunger Mountain Children's center after the final hiccup of receiving comments of concern from Paco Aumand, Deputy Commissioner of the Department of Public Safety (DPS) regarding safety issues for traffic flow and lack of parking during EOC drills, or real emergencies. DPS agreed to let the P & S go forward.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

Environmental Review

- **Burlington:** Jamie attended a meeting with representatives from Fletcher Allen Health Care and University of Vermont Campus Planning Services to discuss a shared project that proposes to construct a 128-bed addition and emergency center to the FAHC complex, which will require the demolition of three adjacent UVM dormitories built in the late 1940s as "temporary housing" for the influx of students after WWII. The architectural design of the new facility builds upon the themes and style initiated with the recent Renaissance project and new ambulatory care building. The College will create a "Green Mountain Walkway" as a green space/buffer between the existing quad and parking/access for the medical center. Consultation will continue to identify suitable mitigation for the loss of the historic structures on campus.
- **Shelburne Green Commercial Development:** Graham Goldsmith Architects dba as Shelburne Green LLC has applied for an Act 250 permit for a second phase of commercial development at the former Cynosure property east of Route 7 in Shelburne. The plan includes up to 12 new buildings with related infrastructure to be constructed south of the existing facility on undeveloped land. The structures are being marketed as incubator spaces primarily for value-added agricultural and food products. The majority of the new development is located on archaeologically sensitive areas on a glacial terrace above McHabe Brook, a

tributary of the LaPlatte River. The applicant did contact the Division prior to filing the permit, which was noticed by the District 4 Environmental Commission on June 26, 2014. The Division contacted the applicant's engineer concerning the archaeological issues after the notice and conducted a preliminary site visit to the property to confirm the sensitivity on July 15th. Scott and Yvonne also attended the Act 250 hearing on July 29th and provided testimony to the Commission supporting the Division's determination.

Graham Goldsmith, Sr., who did not attend the hearing, expressed dissatisfaction with the finding via a phone call with Scott on July 30th. However, Shelburne Green LLC has engaged an archaeological consultant and the Division is assisting in determining an appropriate scope-of-work so the archaeological concerns can be addressed without affecting the project's schedule.

State-Owned Historic Sites

- **Blue Star Museum Thank You:** The new chairman of the National Endowment for the Arts and Gen. Martin Dempsey, chairman of the Joint Chiefs of Staff, have sent a heartfelt email thank you to Blue Star Museum participants, including the Vermont State Historic Sites. This year is the program's 5th anniversary. His letter represents the first time the museum community's service to the nation has received such outstanding recognition from the Department of Defense at its highest level. A family whose husband/father was serving overseas recently drove from the Northeast Kingdom to visit Mount Independence because of the program, was deeply appreciative, and plan on using Facebook to spread the word about sites visits to other service families.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Potential VCDP Applications

- **Town of Milton:** The town intends to submit a planning grant in support of developing 30 units of affordable service enriched senior and disabled housing. The location being considered is 5 acre parcel in Milton's new town center, across from the town offices, adjacent to a medical center and in walking distance to public transportation, a senior center and grocery store. There appear to be no major environmental concerns about the property at this time, although Phase I has yet to be conducted.
- **Town of Bakersfield:** The town is exploring the potential reuse of the abandoned 19th century Brigham Academy Building, named after Peter Bent Brigham who is known for his initial endowment of Brigham and Women's Hospital. The potential uses for the building that have been discussed include rental housing, town offices, municipal library and community center.
- **Town of South Hero:** The town is interested in applying for a planning grant to address the future needs of the town owned "Old Meeting House". The building has not been well preserved and is actually home to the town's Volunteer Fire Department fire trucks! A group of residents is interested in converting the space into a community center that could include an art gallery with shared community meeting space.

DEPARTMENT OF TOURISM & MARKETING

Megan Smith, Commissioner

- **Southern Vermont:** Megan and Steve accompanied Pat Moulton to Manchester to meet with a group of business people from that region concerned about the slow recovery of visitors to southern Vermont since the recession. We shared with them the many tools that exist, as well as recent research done with the EDA grant, and assured them we would give them guidance as they work to position their brand in the larger picture of the Vermont brand. We also attended the [Manchester Chamber Annual Meeting at The Barn Restaurant](#) in Pawlet, which is a very impressive venue.

Steven Cook, Deputy Commissioner

- **Vermont Brewers Association:** VDTM is partnering with the [Vermont Brewers Association](#) to develop a promotional television program about Vermont Breweries. Each organization is matching dollars for this

production which will be broadcast throughout Vermont, Upstate NY and Quebec. This is our first collaborative investment program with the Brewers and we look forward to additional efforts in the future.

- **Vermont App:** VDTM is progressing with development of the Vermont App. We have secured the name “ThisisVT” for Vermont’s new mobile application. The name was previously owned by a publisher in Bennington. Deputy Commissioner Cook met with the owner and presented the statewide effort to launch this app and our interest in using the title of “ThisisVT” in coordination with the Department’s social media campaign. The owner graciously agreed to provide the state with the name for promotion of Vermont tourism.

COMMUNICATIONS ♦ Jen Butson, Director of Communications

Media Projects

- **VDTM Media Projects:** Jen met with Quebec Journal on her central Vermont fam and spent the weekend filming with [Brand USA](#). [The Collective Quarterly](#) is moving forward with a scouting visit (for foliage shoot) based on my recommendations. An Italy-based food writer for [derstandard.at](#) is getting squared away with five stops and two overnights. Jen is compiling three days of photo shoot locales for [Runners World](#) (Germany) 8 page spread.
- **August Events Calendar:** [Read it and enjoy!](#)

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

- **Circulation:** Overall, the numbers of magazines mailed in FY14 increased over FY13 by 519 copies. The first time this has happened in years. Subscription dollars increased by about \$10,000.
- **Advertising:** We plan special advertising sections for St. Johnsbury, Rutland, Montpelier, Coffee and VAST. For the Winter 14-15 issue, we have sold a total of \$46,700.25, which means we are at 66% of last year’s sales of \$70,696; and 49% of our five-year average (our goal this time around) of \$94,557, which means we have \$47,857 to sell in six weeks. We have finalized updates to our media kit and will have a new PDF available to prospective customer.
- **Promotion:** So far, 35 people have RSVP’d “yes” and 14 “maybe” to our Calendar Launch Party & Photography Exhibit event at [Hotel Vermont](#). We are working on an advertising trade package with [Seven Days](#) to advertise the event. **Are you coming?** Please see details and RSVP [here](#).

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

- **New State Craft Center Announcements:** Nancy is working with the NEK Artisans Guild in St Johnsbury and Fletcher Farm School in Ludlow to plan press events at each location to announce their designations as Vermont State Craft Centers. NEK Artisans Guild event is scheduled for August 6, and Fletcher Farm event is tentatively scheduled for August 13.
- **Health Care Reform:** Last week the CMO team met with staff from the Office of Health Care Reform to discuss migrating their website to the current version of the state web template. That discussion proved to be wider-ranging than just the website, covering such topics as a new logo and possibly even a new name for Green Mountain Care, as well as review of a first cut of a video illustrating some of the policy concepts surrounding health care reform in Vermont. The CMO team suggested that the logo/name discussion wait until more details are clear. They also offered some suggestions on the video rough cut, which shows a lot of promise, but also needs some revisions so as not to throw too much information at the viewer at too fast a pace. The Health Care Reform team is undergoing some staff transitions now, but Nancy reached out to Lawrence Miller with a continued offer of assistance from the CMO’s office and hopes that those broader strategic discussions can continue.

PRIVILEGED AND CONFIDENTIAL

TO: GOVERNOR PETER SHUMLIN
FROM: LAWRENCE MILLER
SUBJECT: HCR WEEKLY REPORT
DATE: JULY 31, 2014
CC: EXE

Top Issues

VHC: Martini went to the hospital Wednesday with internal bleeding and was admitted overnight. The team is continuing to drive the renewals plan. No update yet this morning. Will keep people informed. CMS is fully supportive of the settlement. OPTUM amendment is coming together but it will not be a best practice process to get this done in time. Around 2,500 COC Service Requests are now pending closure so the number will drop to around 11,500 Monday. A few thousand more are in process. We will be able to announce that we are down to around 8,500 who are still in backlog but we are targeting the end of August to clear that.

GMC: Continuing discussion on governance model this week. No news.

Significant Events/Meetings

VHC consumer experience group (external parties like carriers, health care advocate, + me) was a good meeting. They are generally pleased with progress, encouraged by developments around operations change. Everything else got sucked up by VHC deal.

Legislative Issues/Contact

Komline filed a PRA for everything to do with the OPTUM contract. David Sharpe is stressing out about VHC. Meeting with Campbell this afternoon regarding GMC legislative strategy.

Press Issues/Contact

Monday was Mark Johnson; some one-on-one follow up with Heinz and True; previously scheduled Thursday afternoon with Nancy Remsen who feels she is playing catch-up on health care; the :30 Thursday night; and Vermont Edition Friday noon. CGI is expected to be a national story.

Other Issues

What? There are other things going on??



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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 1, 2014

Still running!

Meetings:

Addison Northwest Supervisory Union (ANWSU)

I met with the Board Chair and Superintendent of ANWSU. They are agreeing to our conditions, with minor modifications we support. The Superintendent and Chair have been very proactive. The Board Chair reported that Boards need a lot more guidance and technical assistance, as these volunteers, who are often drafted into office, may lack the expertise to supervise effectively at the Board level. It was a good meeting. They confidentially expressed gratitude for our ultimatum on the business manager, because they don't think they could have turned the ship with her in office, and they would have had a very hard time getting her out.

Marianne Miller/ Capstone Community Action (formerly CVCAC)

Ms. Miller, Head Start/Early Head Start Coordinator Capstone Community Action, is very upset because her program was not funded under the EEI grants this year. The demand for available resources was greater this year than in prior years. The AOE had over \$1.5 million in requests and \$980,000 to award under this grant program. We saved some of the money as requested by the Govs office for match with private partners.

The process this year was not perfect, but was MUCH better than in the prior year. Each grant proposal was reviewed by multiple people: the first reader read and commented, and then the first reader and a second reader discussed each proposal and made recommendations. This pair then brought each proposal back to a larger group and that whole group discussed each grant. Grants were ordered, and then awarded based on their ranking.

Capstone Community Action's proposal was for \$30,000 for the salary of a Head Start teacher at Barre City School. The two people who read this application were seasoned reviewers. They ranked this application the lowest of all proposals they reviewed (7 out of 7).

Marianne focused on two primary weaknesses in our process that arguably have some merit. First, two of the applications appear to have exceeded the page limit by a few sentences. She argues this should have disqualified these programs. Second, she didn't like the process established, because it did not use a matrix tool, but rather relied on a rank ordering. No process is perfect, but this is a better process than what has been used before. We will definitely improve for next year, and regret we were not able to fund her, but also note that several other programs were disappointed and expressed that to us, and have moved on.

Our PK person who managed this grant held back \$10,000 in case of errors, and moving forward, we can now distribute that money. We are also verifying now whether any funds were returned from last year. However, Capstone Community Action is third on the list of three eligible programs. We would have to violate the process to donate to them, which would be ironic given the nature of our interaction with Marianne. We reached out to Mark Sustic to see if he had \$20,000 to help out, but he declined.

Chittenden East Voluntary Merger

CESU just submitted the approved Final Draft of the Chittenden East Voluntary Merger Report/Plan and is requesting review and approval by the State Board of Education. This has been an uphill but promising political battle. This might be a great place for you (Gov) to weigh in with a letter (or appearance?) offering support for the collaboration, hard work and risk taking they have done to ensure better outcomes for their students and financial stability for their communities. Gubernatorial support might help sway Huntington, which has resisted coming to the table. If you are interested, I will reach out on your behalf and/or draft a letter.

Evolving Issues:

Positions

Almost all our open positions are federally funded, so freezing them offers no financial benefit for the state, but erodes our ability to provide services. In addition, we have been working to free up capacity, increase efficiency and repurpose positions to put people where they are most needed. This unfortunately left us with a lot of openings and pending reclassifications at the time of the freeze. Some of these reclassifications

will have no financial impact, and some will result in lower costs. I am sending Jeb a separate memo detailing positions and funding sources, but I am pleading on behalf of the AOE for approval, at a minimum, to proceed on federally funded positions and reclassifications that reduce or maintain current levels of expenditures. I am happy to bring doughnuts or crawl on hands and knees to make this happen.

Dual Enrollment

When responsibility for dual enrollment shifts to districts, it will be perceived as a financial hardship by many districts. In addition, if districts that tuition children to independent schools get bills for dual enrollment for those students, I expect them to prorate tuition to independent schools to reflect the time/credits the students are spending in college classes. This is a simmering issue. I recommend we consider paying dual enrollment off the top of the ed fund for one more year, until we get some traction on the spending front.

Possible efficiencies down the road, some of which will not appeal:

- We need a better way to count poverty in our schools, beyond eligibility for Free and Reduced Lunch. We think this measure undercounts, perhaps because of the stigma in many small towns of relying on public assistance. We would like to work to see if AOE might be able to piggy pack on VT Health Connect or some other system to get more accurate counts. In turn, this might drive more federal funding into high need areas.
- Vermont annually sends about \$3.5 million tuition dollars out of state, mostly to independent schools. This money represents state tax dollars that are effectively lost to the Vermont economy. Of that, most goes to border states, but every year, about a half a million goes out of the country or far away in the US. We could share that data with someone in the legislature.
- We have spoken to AHS/DCF to see if there is a way that schools could be tasked with monitoring and supervision of public school based PKs, which would release AHS/DCF of the responsibility for this and the associated costs.
- We estimate municipalities collectively retain about \$1.9 million a year in interest on money from the Education Fund. This is in addition to ~\$2.2 million they retain for acting as agents of the state by collecting the education property taxes. We could try to claw some of this back.
- In a year, we could look at using about \$3 million in High School Completion monies to contract with the VSC system to provide adult education services. This

would capitalize on their presence around the state, and might encourage adult learners to continue on into post-secondary programs. It also is a token way to support the State College System, which plays a critical role in the state.

Rebecca

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: August 1, 2014
Re: Weekly Report

Status of Governor's Priorities: .

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

none

Significant Events/Meetings:

none

Evolving Issues:

none

Summary of Key Agency Department Activity:

Vermont Lottery auditors are in house this week. The audit firm is new this year. Tri-State auditors gave us a good verbal report and will be working on written report in August.

Executive Director's Commentary:

I was expecting to receive a rescission target for the Lottery but maybe not due to being an enterprise fund. During my two years our actual expenses have been under budget by 3.5 – 8%. We will continue to manage our spending accordingly.

One of our current commissioners will be stepping up to become Vermont's Tri-State commissioner (Ed Flanagan) in Oct.

Our website RFP is posted and has been sent to some specific companies.

We have 15 of the 25 new vending machines committed and will begin recruiting businesses for the rest this month. I will be attending the DLC Commission meeting on Sept 3 to explain our plans and answer any questions.

Executive Privilege

TO: Governor Peter Shumlin

FROM: Secretary Brian R. Searles

DATE: Friday, August 1, 2014

SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

There was a major accident on the Richmond-Colchester IM SURF(38) project Wednesday evening sometime around 11:30 pm. An F.W. Whitcomb employee was hit by a car and killed near mile marker 86.3 northbound. We were told that the employee was picking up Line Striping Targets along the shoulder of the travel lane. He was working with another F.W. Whitcomb employee who was no more than 500 to 700 feet away. Resident Engineer, Josh Hulett, was told by a Chittenden County Sherriff that the truck they were using had the amber light bar flashing and they had the reflective gear on but they were not in a lane closure. The construction zone itself was in the southbound lanes and for some reason, not yet known, the two employees were performing their work in the northbound lanes; VSP is investigating.

House Prevails in HTF Fight

The good news is that we will be funded through May, 2015. The bad news is that the short-sighted approach of the House prevailed and the replenishment of the HTF will come largely from “pension-smoothing” and the lame duck Congress will not have to deal with the long-term funding issues. This is because the MAP-21 authorization is also extended through May so the new Congress will have to get back to the re-authorization effort. The House was able to out maneuver the Senate on this and lay a bet on the Senate going over to Republicans in November. This can’t be good for long-term transportation funding (or anything else, for that matter).

NOTES FOR STAFF

In another accident involving the same contractor (Whitcomb), a rubber-tired roller broke down on the side of a paving project on Route 2 in East Montpelier. As they could not get it operational, the decision was made to tow it out of the way using a pickup truck and a chain. Instead of pulling it off to the side of the road and leaving it there, the contractor decided to tow it down the road outside the project limits and towards the project staging

area. During the process of towing the roller off the job site, after it got out of the project limits, it collided with a passenger vehicle (an SUV). The impact caused both the SUV and the roller to roll over. The contractor's employee, who was steering the roller at the time of the collision, was thrown from the roller, sustained injuries, and was transported from the site by ambulance. There were three passengers in the SUV, one of whom sustained a very serious lower leg injury and was transported from the site by helicopter.

No agency employees were involved and because of the distance from the project site, no agency employees witnessed the crash. We are awaiting a copy of the accident report.

City/State Win Champlain Parkway Case

On Wednesday, the 30th, Judge Walsh rendered his decision on the appeal of the partial findings of the Act 250 process supporting a permit for the Champlain Parkway and he granted no changes to the construction plans and no delay in the project.

The Court found that the C.P. may create unreasonable congestion and unsafe conditions at Fortieth Burlington's eastern driveway, but the Court declined to alter the project in any way. Instead, the Court required the applicants to monitor traffic for the first three years of Parkway use and to report the results to the District Commission and to Fortieth. The parties must then work in good faith to resolve any congestion or safety issues and they may go to the District Commission to resolve any disagreements. Note: There are still other issues, involving right-of-way with the railroad in the way of construction.

Charles Bayer, CEO of Fortieth Burlington, has vowed to go to the Supreme Court. Although we don't believe he will be successful in getting a stay from the court, he certainly could hold the project up another 6-12 months. I'm considering asking Ernie Pomerleau to communicate with Bayer about his decision making in an effort to discourage an appeal.

Newport Runway Funds on Hold

The FAA has been under funding pressure and has not been able to clear the grant for the runway project in Newport. However, we think that we've found a way. There are a couple of "add-on" projects in Rutland that could be rescheduled at a later date to enable the funding for Newport. They consist of a parallel taxiway and a realignment of an older taxiway, both of which can wait. This is not about project approval but, rather, about availability of federal funds.

VTrans Gets ESRI GIS Award

ESRI is a widely used GIS service that has a national users group and that group has recognized VTrans as a leader in the country on applying GIS to management of rail assets. Specifically, Mladen Gagulic, a rail project engineer; Stephen Smith, a GIS project supervisor; and Rick Scott of IT support were presented the award for "new solutions for rail asset management, project prioritization, emergency management, data organization, data dissemination, mobile data collection and performance measures reporting."

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: August 1, 2014

Headlines:

- Hub and Spoke centers nearing capacity, with many still on waiting lists.
- Vermont Psychiatric Care Hospital opens 4 beds, increasing capacity to 12.
- Motel spending down significantly from 2013 levels.
- Transition from CGI to Optum begins August 1.

Vermont Department of Health (VDH)

Hub & Spoke Update:

The chart below summarizes the number of clients currently being seen in opioid addiction treatment hubs. All centers are close to their physical maximum capacity in their current locations. This will have an effect on access going into next year. We will provide more information as we plan for the FY16 budget. The VDH and DVHA are aggressively working to recruit more Spoke physicians so any client who can be transferred from a Hub to a Spoke can move quickly. Many physicians are still hesitant to take more addicted patients into their practices.



Hub Implementation: July 15, 2014

Program	Region	Start	# Clients	# Buprenorphine	# Methadone	# Waiting
Chittenden Center	Chittenden, Franklin, Grand Isle & Addison	1/13	869	310	559	271
BAART Central Vermont	Washington, Lamoille, Orange	7/13	271	122	149	20
Habit OPCO / Retreat	Windsor, Windham	7/13	546	136	410	6
West Ridge	Rutland, Bennington	11/13	381	154	227	39
BAART NEK	Essex, Orleans, Caledonia	1/14	397	112	285	59
			2464	834	1630	395

Fungicide – Aerial Application:

The Health Department reviewed pertinent health information on the fungicide pyraclostrobin which was proposed to be used in an aerial application. Concerns were expressed to the Agency of Agriculture about potential harmful effects to the public health. In addition, precautions were suggested to minimize any potential risks. The permit was issued by Agriculture and is in place for one week. The planned application was cancelled based on opposition from neighbors. If it is to occur, the Agency of Agriculture will receive at least a 48 hour notice.

Wind Turbines and Health:

David Grass and Bill Irwin presented for the VDH at a Public Service Board (PSB) meeting on the health impacts of wind turbine sound. Their presentation focused on the conclusion that the evidence specific to wind turbine noise is limited, but the scientific literature that exists about nighttime noise from other sources strongly suggests that sound that does not exceed World Health Organization (WHO) guidance and is unlikely to lead to adverse health impacts. VDH recommended that comprehensive measurements within and near Vermont homes be taken to prove sound levels where people sleep comply with the WHO limits and that annoyance resultant from past and future siting of wind projects could be ameliorated if Health Impact Assessments (HIAs) were incorporated into PSB dockets. HIAs rely on significant community engagement in the planning process to maximize health benefits and minimize health risks of decisions made.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH):

The hospital opened four additional beds. The census is 12. The plan is to begin opening a few more beds in early August.

Meeting with BGS and Corrections:

DMH has a meeting in August with BGS and Corrections to discuss the issues around a permanent secure facility to replace the Middlesex facility and the report due to the Legislature in January.

Department of Disabilities, Aging and Independent Living (DAIL)

Self-neglect to be focus of Time Argus story:

This is not expected to be controversial. The reporter who contacted DAIL was asked by Central Vermont Council on Aging to do an educational piece on this as follow-up to a 2012 DAIL self-neglect task force report. The Self-Neglect Initiative, funded in large part by Choices for Care re-investment savings in SFY13, has been slow to be implemented but is generally considered to be a step in the right direction.

Family seeks funding for non-Medicaid funded vasectomy:

The Director of Developmental Disability Services has notified Commissioner Wehry of a situation involving an 18-year-old developmentally disabled patient, NZ, whose parents have gotten a court order for a vasectomy. NZ receives Medicaid, but federal law prohibits this

procedure for anyone under the age of 21. Given the dark history of involuntary sterilizations in DDS many years ago, DAIL has heightened concern for insuring appropriate safeguards have been put in place in the legal system and that this young person had appropriate legal representation. Though NZ is not a current DAIL service recipient, if asked, we would not support a variance on the federal rule until we learn more and were certain his rights are adequately protected.

Department of Corrections (DOC)

Barre Work Crew:

Last week, with very little advance notice, the Barre Community Restitution Program Team Leaders and participants from the Barre Probation and Parole Office made great efforts to clean and beautify common areas including flower beds in Barre City. Mayor Lauzon wanted the city looking its best for a local celebration.

RFP Process for Health Services:

After engaging in a Request for Information (RFI) and then a Request for Proposal (RFP) process, the Department received only two bids for our health/mental health services delivery contract. Both bids will be fully vetted and a decision will be made if we need to initiate another RFP process.

Population:

The Department's incarcerated population averaged 2,070 for the previous week. The Department's male population averaged 1,922 with 347 being presentenced inmates. The female population averaged 149 with 33 being presentenced inmates.

Department for Children and Families (DCF)

GA Motel Spending:

As you can see from the data below, we are trending much better with GA Motel spending than we were last year. Now that we are out of the "Cold Weather" period that ended April 1st, we are spending at a much more sustainable level. This is in part a result of our rules that set better controls on eligibility and in part on the availability of the motel/shelter at Harbor Place. We may need to ask you to reach out to Mayor Weinberger to help garner his support. Michael Monte at the Champlain Housing Trust has indicated the Mayor is firmly against more shelter capacity in Burlington. Commissioner Yacovone plans to meet with him personally to see if he can obtain his support. We will keep you posted.

April 2014 - \$248,806	April 2013 expenditures were \$453,359
May 2014 - \$145,839	May 2013 expenditures were \$388,741
June 2014 - \$128,808	June 2013 expenditures were \$444,332

Vermont Digger is working on an article that will claim we put people in unsuitable motels. They have taken pictures which indicate some unpleasant conditions. Our response is we only

place people where the VDH has licensed them, and these are the same hotels used by other Vermonters.

T.J. Donovan:

We anticipate T.J. Donovan will bring murder charges against Rosemary Gile when her baby (Saunders Gilruth) died Thursday after life supports were removed. We are asking T.J. to either indicate in the affidavit that the mother was never involved with DCF, or give Commissioner Yacovone authority, as he can under the law, to share that information. If he does not disclose the information or allow us to provide it, it will be another case cloaked in confidentiality we will not be able to confirm or deny.

For your information the law gives authority to end life support to the Commissioner when a child is in our custody. Two physicians at Fletcher Allen recommended such action be taken, and the natural parents agreed.

Department of Vermont Health Access (DVHA)

Vermont Health Connect (VHC):

On Thursday, the State of Vermont announced an agreement with CGI to transition remaining development work for VHC to Optum. This transition will begin on August 1st and will be completed by October 1st. CGI will continue to provide hosting services for VHC until otherwise agreed to in a separate contract amendment.

Incorrect Advance Premium Tax Credit (APTC) calculations: VHC has identified two defects that have resulted in roughly 500 Vermonters receiving APTC's that are too high. David Martini is currently developing an outreach plan to contact these customers to inform them of the incorrect calculation and provide them with information about their options.

Medicaid Eligibility Reinstatement and Medicaid Renewals:

In response to abnormal failure to renew rates, the state is reinstating Medicaid eligibility for approximately 14,000 individuals who failed to renew between the months of April and June of 2014. The individuals affected are those who were receiving Medicaid for Adults and Children and who were transitioning from using traditional paper applications to applying through VHC online, call center, navigator or paper application enrollment channels. Multiple communications were sent out to providers informing them of the change. Beneficiaries have been receiving notices of coverage as they are reinstated. The majority of reinstatements have been completed as of Wednesday, and the remaining are on target to finish over this weekend, by Monday August 4th.

Additionally, the state has received permission from CMS to postpone current and future Medicaid renewals. The date for restarting Medicaid renewals has not yet been determined but will be based on completion of a mitigation plan which will lay out strategies for improved renewals rates moving forward. Vermont is meeting regularly with CMS to complete this plan.

Vermont Medicaid Shared Savings Program Notifications:

Vermont Medicaid Shared Savings Program (VMSSP) implementation continues to move forward. OneCare Vermont (OCVT) sent out 29,000 notifications to beneficiaries describing their primary care providers' participation in the program and allowing them to opt out of sharing their healthcare claims data. The notifications were created in partnership with the State, ACOs, and the Office of the Healthcare Advocate. Both OCVT and Vermont Medicaid have call centers to answer questions and assist with "opt-outs". OCVT received approximately 100 calls and DVHA received 87 calls. A total of 211 beneficiaries (0.007%) will be opted out of claims data sharing. Community Health Accountable Care (CHAC), the other ACO participating in the VMSSP, will send notices to approximately 21,000 beneficiaries in August.

The OCVT call center has received 126 opt-out forms, with an additional 85 beneficiaries being opted-out for other reasons (deceased, no longer Medicaid eligible and letters undeliverable), for a total of 211 beneficiaries being opted out as of July 30, 2014.

New England Comparative Effectiveness Public Advisory Council (CEPAC):

On June 20th, the New England CEPAC held a public meeting in Burlington at which the Council discussed a systematic review of published evidence on options for the management of patients with opioid dependence. The meeting location was chosen, in large part, because of Vermont's leadership role in addressing the opiate addiction crisis facing the United States.

Follow up meeting with Dartmouth Hitchcock Medical Center (DHMC):

Commissioner Larson and Kara Suter met with representatives from DHMC on Tuesday to continue discussion about DHMC's request to be compensated in a manner equitable to instate hospitals. The cost of increasing reimbursement to current instate rates would be roughly \$9.5M. (When you and I and others met with them several weeks back, they showed us only 6 diagnostic codes, with a total of about \$1.5 million.) We also explored options related to alternatives to fee for service. DHMC did not see these as a method of producing parity with Vermont hospitals. They did express interest in a Graduation Medical Education (GME) payment similar to what the State currently pays to Fletcher Allen Health Care.

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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 1, 2014

Secretary's Top Issues

Aerial Application of Fungicide

The Agency of Agriculture issued an aerial application permit for Newmont Farms (Bradford) to apply the fungicide, Headline, to silage corn for the control of Northern Corn Leaf Blight, in fields in the towns of Hartland, Bradford and Thetford Vermont. The application is scheduled to begin early August 1st and end the same day.

Although the permit was issued the farmer decided not to treat due to various concerns, primarily keeping the area secure during the application.

Response to inquiries and complaints re. use of a "propane cannon"

VAAFV fielded multiple inquiries concerning the use of propane "cannon" as a crop protection method. Crop protection, including the use of a cannon to produce noise, is considered an accepted agricultural practice and exempt from municipal land use regulation. However, a municipality could adopt a nuisance ordinance through 24 VSA §2291 (14) to regulate the noise, including the noise associated with the cannon. The Agency understands that the municipal selectboard will convene a meeting on August 5, to discuss this issue and see if a compromise is possible between the affected individuals.

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STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: August 1, 2014

Status of Governor's Priorities:

Legislative Activities and Issues

Jobs in Agriculture

Press

Hannah Palmer Eagan with Seven Days inquired about raw milk rules. She is writing a story featuring Family Cow Farm in Hinesburg. Her regulatory questions were addressed by Dr. Kristin Haas, and she was also referred to the Dept. of Health. She requested an interview with the Secretary but was told due to the pre-existing relationship he had with a tenant who sells raw milk at his farm (reporter was previously aware of this relationship with Family Cow Farm) the Secretary does not engage in policy conversations at the statehouse related to raw milk, nor does he participate in regulatory hearings at the Agency on this matter. Media inquiries on this issue are addressed by our dairy team." She accepted this and agreed to speak with Dr. Haas.

Significant Events/Meetings:

State veterinarians Haas and Mehlenbacher attended a Summit Center training course this week on facilitating public meetings in anticipation of having to conduct several hearings around the state as part of the amending of the livestock import rules. That amendment process has recently been initiated.

Evolving Issues:

- This week, the animal health section lifted a quarantine order on a farm in Wells that had previously been quarantined due to suspect Tuberculosis results on two cattle. The cattle were determined to be negative for TB based on follow up confirmatory testing performed by USDA.
- The Food Safety and Consumer Protection Division management team is currently reviewing the protocols for following up with delinquent retail licensees. It is likely that the SOPs for this will change in order to provide a better public service and ensure compliance by the regulated entities.

Summary of Key agency Department Activity

Administration:

Land Use:

- In July, the VAAFPM provided an opinion that a 14,000 tap sugaring operation is considered "farming" and two structures associated with that operation are "farm structures" as defined in the Accepted Agricultural Practices Regulations, and based on the facts supplied by the farmer.
- The Agency issued two variances from municipal setback requirements

- 1) for the construction of a new barn for use at a Christmas tree farm in Burke
- 2) the expansion of dairy operation in Panton.
- Additionally, the VAAFMM fielded multiple inquiries concerning the use of propane “cannon” as a crop protection method. Crop protection, including the use of a cannon to produce noise, is considered an accepted agricultural practice and exempt from municipal land use regulation. However, a municipality could adopt a nuisance ordinance through 24 VSA §2291 (14) to regulate the noise, including the noise associated with the cannon. The Agency understands that the municipal selectboard will convene a meeting on August 5, to discuss this issue and see if a compromise is possible between the affected individuals.

Agricultural Resource Management:

- EPA came to review the water quality files for several medium and large farms. They have done this in the past, it is a method to help guide their inspection process by seeing what issues we’ve identified on these farms. The reviewed about 2 dozen files.
- Met with Yankee Farm Credit to discuss how we can better service farms seeking loans when we know there may be water quality compliance issues, or concerns with putting in infrastructure that might not be sustainable long term.
- Worked with Attorney General’s office to determine the payment method on one of the Nelson’s case, currently \$33,000.
- Met with Manomet to discuss various agricultural incentives. Will further conversation as we learn more about the RCPP grant application.
- Discussed how to increase compliance with water quality rules on conserved farms with VHCB. Another conversation we hope to continue.

Aerial Application of Fungicide

The Agency issued an aerial application permit for Newmont Farms (Bradford) to apply the fungicide, Headline, to silage corn for the control of Northern Corn Leaf Blight, in fields in the towns of Hartland, Bradford and Thetford Vermont. The application is scheduled to begin early August 1st and end the same day.

Although the permit was issued the farmer decided not to treat due to various concerns, primarily keeping the area secure during the application.

Things to note:

- Access to the farms will be restricted during the spraying.
- Agency staff will be present at all fields to ensure compliance with the permit conditions, which includes strict buffer zones and prohibition of drift.
- Agency staff will be present at the airport to ensure properly calibrated equipment.
- The aerial applicator is restricted from flying over the Connecticut River, residences or produce farms during the application.

The application will occur 10 feet above the crop canopy. In other words, the plane will be flying *very* low. In some areas, the topography will have the road above the plane. All neighbors of the fields are required to have been notified prior to the application.

Maps of the area to be treated are attached to the permit.

Label - <http://agproducts.basf.us/products/label-and-msds/headline-fungicide-label.pdf>

MSDS - <http://agproducts.basf.us/products/label-and-msds/headline-fungicide-msds.pdf>

<http://www.uvm.edu/extension/cropsoil/wp-content/uploads/BergstromVermontCornSoyforPost1.21.14.pdf>

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

- Staff conducted three joint inspections of MFOs in Addison and one in Franklin County with ANR to determine if the farms have a direct discharge that would require the farms to obtain a CAFO permit. Each farm had several production areas to inspect. The joint inspection and determination are required when a MFO submits a LFO application. Two inspections were conducted in Addison County and one was conducted in Franklin County.
- Staff issued a search warrant on a MFO in Addison County. Staff had been threatened during previous visits and ARM directors worked with the AGs office to obtain a search warrant so that VT State Troopers could be on site during the inspection. The inspection was a joint inspection with ANR to determine if the farm has a direct discharge that would require the farms to obtain a CAFO permit as mentioned above.
- Staff conducted a follow-up inspection to a complaint of water leaving a MFO in Addison County. The complainant has concerns about the roadside ditch which the Agency has no authority to regulate. There have been no documented concerns related to the complaint.
- Staff conducted technical assistance visits on two MFOs in Franklin County to assist with BMP implementation and design through the Agency's BMP program.
- Staff conducted two compliance checks on a MFO and a LFO in Franklin County to ensure that the farms are meeting the conditions of their enforcement actions and that they are maintaining their structures as required.
- Staff are processing FAP applications for grants and are requesting payments for practices implemented during the last fiscal year which will close out several existing grants.
- Staff pulled files for several MFOs and LFOs that EPA requested to review.
- 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 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 assisted with mapping efforts and discussions for a LFO that has requested approval for the aerial application of a fungicide on their corn crop along the Connecticut River.
- 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 regional CREP meeting in White River Junction with FSA, NRCS, NRCD, and regional watershed groups.
- Staff attended a Partner meeting at the NRCS State Office to prepare for USDA response to the issue of invasive plants mistakenly planted in forested buffers in several conservation programs, including CREP.
- Staff met with a contractor at a SFO in Swanton to discuss the installation of an access road (approaches to a bridge) on a farm where CREP was installed and where we oversaw the installation of an EQIP bridge.
- Staff inspected CREP buffers on a MFO in Swanton with FSA staff. Compliance issues will need to be addressed.
- Staff visited a potential CREP site in Johnson with Partners of Fish and Wildlife and VT Land Trust staff to assess the extent of knotweed and devise a stewardship plan for a successful buffer installation. Partners will also include NOFA as the land is in transition to becoming certified organic.

Secretary's Comments:

- Met with members of ANR and BGS to continue the discussion of lab siting.
- Participated in all-day Working Lands Enterprise Board meeting
- Participated in Vermont Trustees conference call to discuss the current state of affairs in the Vermont Building at the Eastern States Expo in West Springfield, MA
- Met with members of ANR and USDA NRCS to discuss our communication plan as partners.
- Met with leadership of Rural Vermont, the Vermont Sustainable Job Fund and the Vermont Land Trust to discuss points of advocacy and potential recommendations concerning the working lands enterprise development.

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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 1, 2014

Subject: ANR Weekly Report

Governor Level Issues:

Meeting with New York DEC: David met with his counterpart, Joe Martens, and his water quality team to discuss the Lake Champlain Total Maximum Daily Load (TMDL) and related issues. New York is concerned about the allocation of responsibility for phosphorus reductions between New York and Vermont that is under consideration in EPA's development of the TMDL. We agreed to engage in an exchange of technical information in hopes of reaching an agreement that we can present to EPA. More significantly, New York committed to sharing a draft plan they are developing to address water pollution into Lake Champlain and to an exchange of ideas and information about the Lake Champlain TMDL. New York has considerable experience with large water body TMDLs (e.g. Chesapeake Bay, Long Island Sound, Lake Erie) and we expect to learn helpful information that will assist us as we work to influence EPA's decisions on the Lake Champlain TMDL.

On a related note, we also discussed the recent proposal that Vermont submitted to USDA NRCS under the Regional Conservation Partnership Program. New York DEC is enthusiastic about this joint proposal and will work to encourage their delegation to support it.

EVERYTHING ELSE:

Press Issues/Releases:

F&W press releases included: Seminars Announced for First-Time Hunters; NRA Youth Hunter Education Day, Sat., Aug. 23; and Vermont Turkey Brood Survey Starts Aug. 1.

State Parks and Switchback Brewery Partner for Beer-Tasting Event: Vermont State Parks has teamed up with Burlington's Switchback Brewing Company to hold the first ever Switchback Sunday event at historic Mt. Philo State Park. The rain or shine event will take place on Sunday, August 10 from noon to 4:00 p.m. at the picnic shelter on Mt. Philo summit

Significant Events/Meetings:

Georgetown Climate Center Meeting of State Leaders on 111d Rule: Georgetown facilitated discussion between 15 progressive states (with an initial conversation with representatives from EPA and the White House) to discuss possible joint comments in support of, but recommending some changes to, the new rule announced to limit GHG from existing power plants. Although we are exempt from the rule (having no such plants in Vermont) it is very important that we stay involved in these discussions as we need to ensure that the rules don't create disincentives to regional approaches to meeting state GHG goals and that we are not cut out of RGGI, and that we can still sell our RECs. This is a very complicated rule, and I am happy to brief you on the nuances of our concerns if you would find that helpful.

Vermont Gas Soil Management Plan: Vermont Gas submitted a Soil Management Plan for the Addison Natural Gas pipeline project. The plan enhances the Oil and Hazardous Materials contingency plan to account for the potential of encountering hazardous materials during the construction project. It proposes a tiered approach, starting with mapping hazardous sites and utility poles that have been treated with Pentachlorophenol, identifying potential encounters and planning for such contingencies in advance of the construction project. Vermont Gas submitted the plan in response to our request to provide such planning and identification of proposed management methodologies. Such planning not only mitigates the possible environmental damage, but also minimizes the potential for construction delays due to unforeseen circumstances.

Interagency Meeting re: Wood Burning Devices: David convened a meeting with leadership from ACCD, PSD, Health, and FPR to discuss an emerging policy idea mirroring the "cash for clunkers" automobile program but designed to encourage Vermonters to part with their old woodstoves by offering rebates for new cleaner burning stoves. Each of our respective agencies or departments is enthusiastic about replacing old, dirty, woodstoves with newer, cleaner ones for a range of reasons: (1) improving air quality and reducing health impacts from particulate matter; (2) helping Vermont woodstove manufacturers sell more new stoves; (3) growing the market for the use of Vermont firewood; (4) reducing dependence on oil for heat; and (5) improving the efficient burning of firewood. We agreed to form a technical work group to develop options for implementing and funding such a program so that we can present to the Governor for his consideration.

LIDAR Funding: VTrans and VTDEC received notice this week from the US Army Corps of Engineers that the *Vermont Statewide LiDAR Initiative to Support Flood Risk Management* received a grant award of \$75,000 through the Flood Risk Management "Silver Jackets"

Program. This project leverages another \$700,000 from VTrans, VTDEC, USGS, NRCS, USFS, and Central Vermont Regional Planning Commission towards completing LiDAR mapping for the entire state. This amount of funding will complete all mapping in the Lake Champlain Basin and some areas along the spine of the Green Mountains further to the south. The collaborative proposal was submitted by VTrans with support from DEC and included a Letter of Support from US Senator Leahy. This project represents the fifth collaborative LiDAR mapping project with long-time funding partners including the Lake Champlain Basin Program, VTDEC, VTrans, USGS, NRCS, USFS, and the International Joint Commission.

SUMMARY OF KEY DEPARTMENT ACTIVITY

ANR Office of Planning and Legal Affairs

Potential New Wind Energy Project: OPLA and F&W staff have been contacted by a representative of a potential wind energy project in Franklin County. ANR has not received a site plan or any materials associated with the project, but the general location of western St. Albans/Swanton has been identified as the site of a possible 6-turbine facility.

Kingdom Community Wind Re-Vegetation Plan: OPLA staff accompanied staff from F&W on a site visit to Kingdom Community Wind to discuss with GMP options to re-vegetate areas of cut slopes that were originally designed to be near vertical, but are in fact at more moderate slopes and capable of supporting organic material and vegetation. GMP and ANR reached a conceptual agreement and GMP will develop a plan and timeline proposal for ANR review. Actively facilitating the re-vegetation of these areas will reduce the wildlife fragmentation effects of the project, reduce stormwater runoff and improve the overall aesthetics of the site.

Champlain Valley Solar: The Agency entered into an MOU with Champlain Valley Solar (Docket 8248), a 2.2 MW solar project proposed in Middlebury. Among other things, the MOU provides for protection of state significant wetlands and potential habitat for the endangered Indiana bat. It also includes reporting requirements intended to provide the Agency with data necessary to conduct an analysis of GHG impacts. A technical hearing for the project will be scheduled in the near future.

BED/BTV Solar: The Agency and Burlington Electric Department agreed to the terms of GHG reporting requirements for BED's 500 kW solar project (Docket 8265) to be located on the top deck of the parking garage at BTV. It is anticipated the Board will issue a CPG shortly.

Hardscrabble Solar: The Board issued a CPG for the Hardscrabble Solar project (NMP-3832), a 500 kW group net metered facility. The Agency requested, and the Board included, conditions to minimize any potential impacts to the state threatened eastern rat snake.

Westminster Solar: The Board issued a CPG for NextSun's 500 kW group net metered project in Westminster (Docket 8211). The Agency requested, and the Board included, reporting requirements intended to provide the Agency with data necessary to conduct an analysis of GHG impacts.

Solar Technical Assistance: OPLA staff provided technical assistance and coordinated staff review of proposed 150 – 500kw net metered solar projects in South Burlington, Royalton, and Colchester.

New Applications: Week of July 28, OPLA received 4 new Sec. 248 applications and 6 new Act 250 applications.

Environmental Conservation

Morrisville Hydroelectric Project: We filed comments with FERC on their draft Environmental Assessment and proposed operations for the three generating facilities in the Morrisville Hydroelectric Project under a new FERC license. Conditions recommended by FERC for the Cadys Falls and Morrisville facilities essentially were the same as the Agency's recommendations. However, FERC recommended that the Green River facility be operated in hydro peaking mode and allow the winter drawdown to continue. Our comments reiterated the findings from our analyst and the flow-habitat study results that indicate these modes of operations have a negative impact on aquatic habitat and biota.

Village of Essex Junction: An investigation revealed that during construction activities at the facility last summer, operators caused a significant discharge of un-disinfected wastewater. In a separate unrelated incident, a tank containing sodium bisulfate used for de-chlorination had not been re-filled, and as a result, the facility discharged effluent above the permitted chlorine residual effluent limit. To resolve the matters the Village agreed to pay a \$22,625.00 penalty.

Daniel Foss and Angela Yartz: The owners of property in Hyde Park placed fill and a mobile home on a section of the property within wetlands and had also conducted grading and dredging on other portions of the property within the wetland in order to drain it for use without permits. Also, an inspection of the new wastewater system authorized by the permit revealed a number of violations involving construction, sampling, testing, and inspection conditions of the permit. During a follow-up inspection, Agency personnel observed effluent surfacing from the wastewater system. The Environmental Court issued a decision affirming the violations, imposing an \$18,026.00 penalty, and imposing the requested remedial directives to address the wetland and wastewater systems.

Champlain Water District: A \$1,750,000 drinking water state revolving fund loan was awarded for construction of a new 1,275,000-gallon storage tank on Water Tower Hill in the Town of Colchester to replace a tank past its useful life; and to provide additional storage for average daily demand, minimum fire flows, and reasonable regional growth during the life of the new asset.

Town of Hardwick: A \$1,800,000 drinking water state revolving fund loan was approved for construction of a new 300,000-gallon storage tank off Hastings Lane, a new transmission main extension to the storage tank, and a new booster pump station to serve the Pearl Street area. Additionally, the project includes new water meters with remote radio read capability town wide. We expect the loan award to occur in early August.

Tire Recycling: Gates Salvage in Hardwick received ANR certification for a scrap tire recycling facility. It represents the first in-state recycling market for scrap tires in Vermont in nearly 20 years, and offers tire dealers, fleet managers, solid waste districts, and ultimately the public, a closer option than tire processors in Maine, Massachusetts, or Quebec, where Vermont scrap tires have typically gone.

Solid Waste Twitter Feed: The official Twitter feed for the Solid Waste Management Program (@VTrecycles), and the only program specific Twitter account for DEC, has topped 100 followers this week. The account was initiated in late March 2014. Tweets include food waste reduction tips, photos of great recycling container set ups across the state, free training opportunities through webinars, and other informative announcements related to press releases. Followers of the VTrecycles account include Representative Peter Welch, Casella, CalRecycle (California Agency), and sister agencies with the State of Vermont among many others.

Fish & Wildlife

Connecticut River: Staff participated in a two-day examination of the Connecticut River downstream of Wilder dam via canoe, to identify transect locations and verify habitat typing related to the instream flow studies being conducted by TransCanada for the relicensing of its Connecticut River hydro projects, Vernon, Bellows Falls and Wilder. Study design details were also discussed with TransCanada and its consultants. The instream flow studies will be a significant element in determining instream flow recommendations for the hydro projects. Staff also prepared study proposals for demonstration flow assessments at Sumner Falls and the Bellows Falls bypass. These unique sites do not lend themselves to standard flow modeling and require the use of alternate methods.

GMP: Staff reviewed GMP's plan for studies to be conducted as part of the Mollys Falls hydropower project in Marshfield. Staff also met with other ANR personnel to discuss the plan. This facility is owned by GMP and is unlicensed since it pre-dates the Federal Power Act. The operation of this project has long caused frequent and extreme flow fluctuations downstream, which concerns the Department since this type of flow regime is typically damaging to aquatic life. ANR and GMP signed a MOA in 2012 to set forth a common understanding of the status of the Mollys Falls hydro project and the parties' future intentions with regard to regulation and operation of the project. GMP would like to make alterations to the spillway at the reservoir and will need a Certificate of Public Good (CPG) from the PSB. That will provide a permitting venue for making changes. The MOA calls for the initiation of a study planning process in 2014.

Rare Plant Found: On the border of private and National Forest lands at Bryant Mountain Hollow, Salisbury, staff found an extant population of the State Historic (SH) plant, Burdick's wild leek (*Allium tricoccum* var. *burdickii*/*Allium burdickii*). As of 2012, this taxon is listed in Flora Conservanda as historic throughout New England (Maine, New Hampshire and Vermont), and here in Vermont, it was only documented once in Vermont from a specimen in Brandon roughly a century ago. Also on private land at this site are a dozen other new-found populations/subpopulations of threatened, rare and uncommon plants.

Wildlife Management Area Administration: Staff completed an annual funding agreement for work by FPR staff on WMAs. This is now being signed by both commissioners. We should have a final, signed agreement this week. WMA Administration; Corresponded with FW staff regarding compliance documents needed for Annual Agreement with USFWS for Federal Aid funding; discussed next steps needed for stewardship of state endangered plant at Wenlock WMA; updated FY14 District V WMA expenditures spreadsheet and re-allocated Capital funding for FY15 projects; reviewed/edited narrative descriptions for two recently acquired WMAs for posting on the FW WMA locator webpage.

Deerfield Wind Project: Staff toured the Hoosic Wind Facility in Florida, MA which is operated by Iberdrola. The facility has 19 turbines that came on line in Dec. 2012. It is located on land adjacent to the VT border and USFS land and occurs on a ridgeline that runs another 10 miles north to the proposed Deerfield Wind project where we are doing a bear study. It occurs at a similar elevation and in similar high density beech forest. What struck staff the most was the large amount of clover openings that have been created. This is essentially now one big food plot for wildlife. Also, the operator said they have plans to propose linking the two projects eventually.

Batten Kill: Staff accompanied Cynthia Browning, Executive Director of the Batten Kill Watershed Alliance on a site review of habitat enhancement projects planned to be carried out in the river later this summer. Projects are located on the lower river in Arlington. We also visited a couple F&W owned parcels that have invasive plants (Tartarian honeysuckle, glossy buckthorn, autumn olive, wild parsnip) and discussed options for their control. Later, we dropped in on the channel restoration work being done on the Roaring Branch in connection with rebuilding the Kelley Stand Road in Sunderland which was lost during the tropical Storm Irene flood. Unacceptably high levels of turbidity were noted where in-stream excavation was being done to install rock vanes without any measuring to control the discharge being undertaken. Extent of the discharge was evident in excess of a mile downstream. This was reported to the regional River Management Engineer.

Forest, Parks and Recreation

Land Transactions: We are working with the Department of Buildings and General Services in developing a marketing strategy and related material for the proposed sale of the Lafreniere Sale parcel at Camel's Hump State Park in Bolton, and expect to begin marketing this property to prospective buyers later this summer. **Leases/Licenses:** Staff met with representatives of Stowe

Mountain Resort this week to discuss their proposal to develop an aerial adventure course at the resort. The site proposed for this facility is located within a wooded portion of the ski lease area near the base lodge at Mount Mansfield, and would be the first such facility on state land. The Division continues to provide information to the State Auditor's Office as part of its ongoing investigation of Vermont's state ski leases. New long-term license agreements have been executed with Vermont Public Television for its electronic communication facilities at Mount Ascutney (Ascutney State Park) and Killington Peak (Coolidge State Forest).

Long Range Management Plan: Final proposed long-range management plans for the Kingdom Heritage Lands (West Mountain Wildlife Management Area and Plum Creek Private Timberlands) have been submitted to the ANR Lands Stewardship Team and the F&W and FPR Commissioners for review and approval. The proposed final long-range management plan for Atherton Meadows and Knapp Brook WMAs have been approved by the ANR Lands Stewardship Team and will be presented later this week to the FPR Commissioner for review and to the F&W Commissioner for approval and adoption.

Encroachment at Green River Reservoir: Division staff are working closely with The Nature Conservancy and the Vermont Housing and Conservation Board to resolve an encroachment at Green River Reservoir State Park involving the construction of a power line across a portion of the park that serves a private camp on adjacent property owned by Howard Manosh. The power line was constructed in 2012 without the approval of the Department or TNC and VHCB, which co-hold a conservation easement on Green River Reservoir State Park. The Department recently sent a letter to Morrisville Water and Light and Mr. Manosh outlining our concerns and requirements for resolving this situation.

Park Attendance: State Park visitation is now 14% ahead of 2013 to date. The percentage is declining due to the poor spring 2013 weather and performance. It is still, however, an indication of a very successful 2014 season.

Successful Event at Mt. Philo: An event was held last weekend at Mt. Philo State Park to celebrate the establishment of the Will Hagedorn Fund to collect donations to support additional staffing at the park. Will's family and friends have committed over \$7,000 so far to be deposited with and managed by Vermont Parks Forever.

ADA Event: A celebration of the 24th anniversary of the Americans with Disabilities Act was held at Branbury State Park last week. Coordinated by the Vermont Center for Independent Living, the event drew a number of disability advocates along with staff from Vermont's congressional delegation.

Social Media: The Vermont State Parks Twitter account now has over 10,000 followers and the Facebook page has over 27,000. The new trail running blog series appears on the State Parks website starting this week.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: August 1, 2014

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

Regional Initiative: Massachusetts ended its legislative session early this morning without passing their Clean Power bill to authorize them to purchase large scale hydro and class 1 renewables. They are regrouping, as are the other states. Without MA purchase of generation, cost share for transmission is highly unlikely – even if VT was to go along, which over the last couple of weeks I’ve been telegraphing is not likely. Without transmission of hydro, gas pipeline is off too. I suspect we are back into the “Coordinated Procurement” effort on hydro, and a market solution to gas problems working with ISO. A joint Governor’s statement is drafted, generally still supporting the region working together, but a new paragraph needs to be drafted to deal with the MA situation, and they will not know how they wish to proceed until Wednesday at the earliest, and the states will need to evaluate their response to MA proposal. More detail on regional initiative work under Regional Policy section below.

VGS: Construction on Phase I has begun in Williston. Department’s response to CLF’s

petition to the board to require a permit amendment and enjoin work due to cost estimation increases was due yesterday. We opposed any amendment of the permit, or reopening of the proceedings in a manner that risked or caused further delay to construction. Instead, we proposed quarterly cost reporting, addressing any rate impacts of the increased costs in rate proceedings this fall, and a \$35,000 fine for failing to “monitor and report” on costs in a timely manner. VGS quickly responded and agreed to all. I think this was the best method to show our displeasure, retain credibility with the board and process, and still keep the project moving. Hopefully, this works. A detailed investigation of “what they knew and when they knew it” would not be pretty. David Gram called already with questions, as apparently CLF and AARP each relayed to him their criticism of the Department’s response (as we were advised of cost estimate increases in March). On a more positive note, ANR and DOH and we have agreed to a final Soil Management Plan to address potential PCP issues during construction. Monkton is not satisfied with the plan. However, the state agencies think it’s good and will tell the Board so today.

VY: Working with VDEMHS, we’ve drafted a proposal for EPZ funding that I hope to forward to Liz and Sarah and AGO by the end of the day. I will be verbally describing it generally to Twomey, but make sure he knows a formal proposal is still under review. The ISFSI pad CPG application has been postponed until October to enable Entergy to complete the engineering work. It will also give us time to decide how to respond to statements in the application that Entergy VY intends to use funds from the DTF to accomplish this work. Though that issue is not properly before the Board, we have to strategize about how to handle it there. We have a meeting next week with Bill Mohl – these issues are likely to come up. Other actions: NRC granted Entergy VY relief from Fukushima upgrades (we had not opposed these exemptions in light of closure); NRC noticed the VY requested waiver for on-site Emergency Management in the Federal Register and so we have 60 days to respond. (This is the main leverage for negotiating the EPZ zone and funding noted above).

Meetings this Week:

July 28 – Chris lunch meeting with Jim Volz; PSD hosts interagency State Renewable Energy Initiative follow-up meeting

July 29 – PSD/Neighborworks meeting; Chris and Jim Porter participate on conference call with Michel and Diane Guite; Chris meets with Todd Bailey re Stilebrook and Iberdola; Chris meets with Don Rendall, GMP; Darren meets with Rep. Rebecca Ellis, and attends solar summer tour event in Waitsfield

July 30 – Chris attends 2-day ECOS-Step conference in Washington, meets with congressional delegation staff; Darren meeting with James Moore of SunCommon; Darren participates on DOE call with congressional delegation staff

July 31 – Darren meeting with George Twigg, EVT

Meetings Next Week:

Aug 4 –Randolph Herald interviewing Chris for a profile piece.
Aug 5 – Chris meets with CLF on regional initiative; climate cabinet; Darren lunch with June Tierney, PSB
Aug 6- Darren attends Solar Summer event in Middlebury; Chris attends 5th floor Entergy meeting
Aug 7 – Chris attends press event at Cabot for EVT peak initiative
Aug 8 – Chris meets with President of Senegal

Media: a number of stories on CEDF grants/Solar Summer event in Waitsfield; Darren spoke with John Herrick at VTDigger on solar and peak capacity issues; Chris spoke with John Herrick about wind issues generally and Vt Gas penalty, and with David Gram on Friday about VY and VGS.

Everything Else:

PERD

Net-metering

- Met with Nathan Phelps from VoteSolar and discussed our NM report. VoteSolar offered resources and assistance with portions of the report. One area that seemed promising was to allow them to help with an analysis of “best practices” required under §8010(d)(9).

Net Metering Activity 7/18/14 – 7/25/14

	Registrations*	Applications	CPGs Granted
Count	0	0	31
kWAC	0	0	454.702
Ave Size kW	0	0	14.667

Cumulative Capacity of Registrations and Applications Submitted

Year To Date		Total Since 1999	
2013 kW	2014 kW	1999 – 2014 kW	% of 15% CAP
5510.66	8469.67	46982.72	~ 31.3%

*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

Entergy Identifies its Appointees to the State Nuclear Decommissioning Citizens Advisory Panel
The State Nuclear Engineer was notified that Chris Wamser, Site Vice President for VY and Mike Twomey, Entergy Vice President for External Affairs will represent Entergy on Vermont's newly-formed Nuclear Decommissioning Citizens Advisory Panel (NDCAP).

Additional Information on Kewaunee Complete Spent Fuel Pool Offload by the End of 2016
As noted in last week's report, the Kewaunee Power Station, a single-unit Pressurized Water Reactor in Wisconsin currently undergoing decommissioning, has submitted a plan to the Nuclear Regulatory Commission (NRC) in which all of its spent fuel assemblies would be transferred from the Spent Fuel Pool (SFP) to on-site Independent Spent Fuel Storage Installation (ISFSI) dry casks by the end of 2016. The plan, if approved by the NRC, would allow a complete SFP to ISFSI transfer less than 3 years after Kewaunee's final defuel. (Complete SFP to ISFSI transfers typically occur 5 to 7 years after final reactor defuel to allow for substantial radioactive decay in the spent fuel assemblies before transfer.) The State Nuclear Engineer has received more information on the plan from the NRC. The plan depends upon Kewaunee's ISFSI vendor, NEC International, receiving a first-of-a-kind approval from the NRC that would allow transfer of spent fuel to its dry casks after spending only 2.5 years in Kewaunee's SFP. Currently, NEC International's dry casks are only licensed to accept spent fuel that has been stored in an SFP for at least 4 years. The plan appears to depend upon design features that are likely unique to smaller Westinghouse-designed Pressurized Water Reactors such as Kewaunee. There is no guarantee that the NRC will concur with the conclusions reached in NEC's proprietary supporting analyses necessary for this aggressive SFP to ISFSI fuel transfer plan to be approved. The State Nuclear Engineer will review additional details of the Kewaunee plan should they become available for potential application to VY's decommissioning.

A Proposed Amendment to VY Emergency Plan Would Reduce Emergency Planning Zone Down to the Site Boundary Effective April 2016

As reported in the Brattleboro Reformer on July 28, Entergy has submitted a Permanently Defueled Emergency Plan for NRC approval that would reduce the VY Emergency Planning Zone (EPZ) from the current 10 mile radius surrounding the VY site (& 50 miles around the site for Ingestion Pathway EPZ purposes) to the VY site boundary. Entergy formally submitted this EPZ reduction proposal in early June as part of letter BVY 14-033, which discusses VY Site Emergency Plan (SEP) changes that would be implemented 15.4 months subsequent to VY's final shutdown at the end of 2014 (i.e. late April 2016). These SEP and EPZ changes ARE NOT part of the VY Emergency Plan changes that the NRC have made available for public comment between now and August 21. Those plan changes, discussed in last week's Engineering Report, were submitted to the NRC in Entergy letter BVY 14-018, which proposed changes primarily intended to cover the VY permanently defueled period from January 2015 through April 2016

and do not propose a reduction in the EPZ. The NRC is still currently reviewing SEP changes proposed in BVY 14-033 and has yet to announce a public comment period for these proposed changes. The PSD is in contact with the NRC to monitor these and all other VY SEP and Operating License changes and will provide input as necessary during these processes.

2014 Vermont Gas Systems Addison Transmission Pipeline Construction

Construction contractors for Vermont Gas Systems Inc. installed the first segment of pipe for the Addison Transmission Pipeline Project in Williston this week (approximately 450 feet was installed on Monday and an additional 400 was prepared for installation on Tuesday). The company is presently mobilizing equipment and crews in several other locations along the project trajectory; however pipeline facilities have only been installed in Williston.

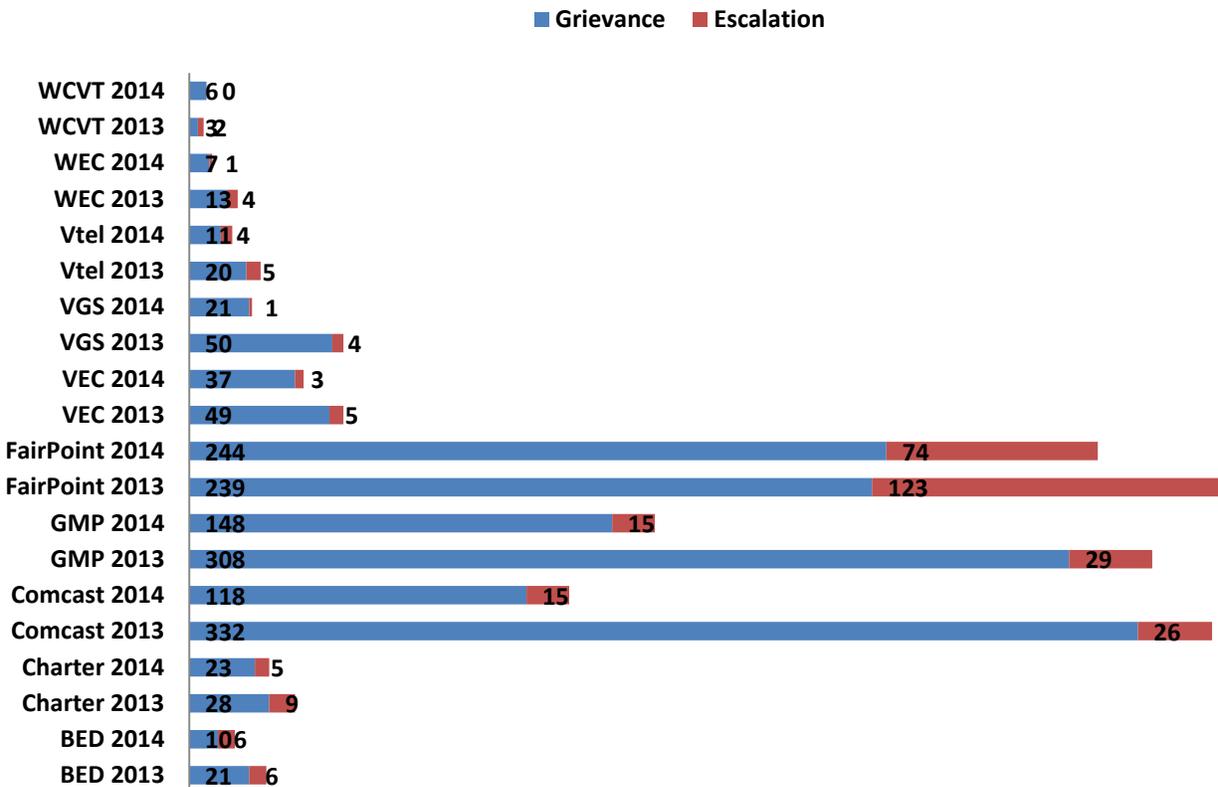
Vermont System Planning Committee (VSPC)

The VSPC held its quarterly meeting on July 23 in Montpelier. One of the first topics was an update on the New England Governors' Infrastructure Initiative (GII), which is a regional initiative to look at the supply of electricity and gas to the New England region as a whole, rather than each state individually. The VSPC subcommittee on Public Participation has reviewed the available GII materials, and decided that the VSPC will monitor the issues but not make any recommendations or offer any approval or disapproval of the GII work at this time. The Forecasting subcommittee is gathering information that will be used by VELCO as it develops its new Long Range Transmission Plan (LRTP). The Forecasting subcommittee is also working on setting up a data repository on the VSPC web page of historical data compared to actual data, to assist members to be more informed about inputs into the forecasting process. The data will include historical rates and rate revenue, loads statewide sales, population, economic data, solar data (total capacity and impacts) end-use saturations and savings. On a regional level a report was presented on the ISO-NE distributed generation forecast working group (DGFWDG) which is looking at the process of including DG into the forecast of loads. A discussion was also held on the ways to make sure that capacity suppliers are paid and how to penalize them when they fail to supply capacity when it is called for. At the present time only about 79% respond during a contingency.

CAP

CALL DATA

Number of Complaints Investigated, by Company YTD 2013 and 2014



CONSUMER COMPLAINTS

Complaint topics included, but were not limited to:

- (2) Broadband access, (6) service
- (1) Comcast not providing PEG Access
- (5) FairPoint phone service outage restoration delay
- Question regarding how much a consumer needed to pay to avoid having basic phone service turned off
- Question regarding whether the merger of two propane companies has to be approved by the Board

OTHER DIVISION ACTIVITY

Lifeline & MOU on Agency responsibilities: CAPI met with DCF and the tax department to discuss the responsibilities of each agency for the Lifeline program. DCF will draft an MOU, which CAPI will review with appropriate parties at PSD. We also discussed issues related to getting wireless ETCs to the point where they can offer Lifeline to VT consumers. Primarily, lack of responsiveness by DCF has delayed wireless ETC implantation. Following this meeting, DCF moved on some of the stalled issues.

Payment Arrangement practices and need for PSB clarification: Through the investigation of a consumer complaint, CAPI became aware that FairPoint is sending 5-day disconnection notices to customers with payment arrangements who do not pay their current charges by the due date. CAPI's position is that if current charges are unpaid, a utility should send the usual (PSB ordered) 14-day disconnection notice, and a 5-day notice should only be used when a consumer does not make an agreed upon payment on the arrearage in the payment arrangement. FairPoint's position is that current charges are a required part of a PA in all of the company's service territory and all charges and payments should be treated the same once a PA is in place. Further exploration showed that other, though not all, utilities operate similarly to FairPoint. CAPI brought the issue to the Telecom division and both divisions agree that it may make sense to petition the PSB for clarification on how to treat current charges in payment arrangements – specifically, whether the normal 14-day disconnection period can be replaced with a 5-day period when current charges are not paid when a payment arrangement is in place.

Winter Fuel Messaging: Members of CAPI met with Matt Cota, Executive Director of the Vermont Fuel Dealers Association, to discuss the upcoming winter months and messaging efforts to consumers regarding winter fuel use and preparedness. Discussed providing information to consumers that facilitates their decision-making around fuel pre-buying. Specifically, including in the August Fuel Price Report a quick-look comparison of 10-year pricing of fuel each August and January.

Public Advocacy

Barton Solar – Docket 8148 – The petitioner requested extension of a standard-offer contract commissioning milestone, which the PSD supported and the PSB granted very quickly thereafter. The petitioner filed a response to the Menards' request that the petitioner's Motion to Approve Substantial Change and to Amend the CPG should trigger a re-evaluation of the CPG and that the process begin anew. The PSB set July 28th as the comment deadline on the petitioner's motion. Based on the engineering division's and our aesthetic expert's reviews, the PSD determined there were no concerns with the changes and informed the PSB of such.

NextSun Solar – Park Street – Docket 8194 – The petitioner provided a noise assessment reflecting the project change. Based on the modeled sound level results at the closest property line, the PSD does not have any issues.

NextSun Solar – Main Street – Docket 8195 – The petitioner provided a noise assessment reflecting the project change. Based on the petitioner's assertion that the final inverter will not have noise emissions higher than the modeled inverter and that they will build the sound barrier described in the noise assessment as a mitigation measure, the PSD does not have any issues and will inform the PSB.

Champlain Valley Solar – Docket 8248 – The petitioner, ANR and PSD reached agreement on all issues and entered into an MOU after requesting a short extension to the MOU deadline. According to the procedural schedule set in this docket, the technical hearing is scheduled for August 8th.

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 PFD is problematic in a number of ways, not the least of which is that it took more than a year to issue since the time of briefing. Most problematic is the rejection of interim relief while the avoided cost rate setting proceeding is taking place, as this leaves QFs with no means of interim recourse. The Department is developing comments on the PFD, to be filed August 4. The Department is also developing avoided cost rates, to be filed August 7, well in advance of the hearing officer's proposed deadline. The priority is to move the process forward quickly and in a way that is consistent with the Board's obligations under PURPA.

Hardwick Electric & Hill Farmstead Dispute – No Docket – Hardwick and Hill Farmstead Brewery have had an ongoing dispute about upgrades to the system that are needed to accommodate Hill Farmstead Brewery operations. The Department met with Hardwick on July 24 and Hardwick is scheduled to supply additional information to the Department this week. Hill has separately supplied information to the Department on its projected loads. After reviewing the engineering data, the Department's intent is to attempt to facilitate a negotiated resolution to the dispute in mid-August.

GMP – 3rd Q 2014 Power Adjustor – No Docket – GMP is filing its quarterly power adjustor filing on July 30. The result is that GMP will return \$3.5 million to ratepayers. The proposal, which appears generally acceptable, is for GMP to return \$2.2 million this quarter and hold on to the remaining \$1.3 million to offset major storm costs incurred, but the costs of which would not be recovered until Oct. 1, 2015. The Department will review the filing once it is made.

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

Charter Cable CPG Renewal – Docket 7820 - The Department participated in settlement discussions with the Vermont Access Network ("VAN") on July 24th. VAN anticipates sending its comments on the Department's proposed conditions by the end of this week. 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, during the week of August

3rd. Public hearings are 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.

Appointment of a Natural Gas Energy Efficiency Utility - Docket 7676 – Parties met again informally to discuss a draft Order of Appointment (OOA) for VGS. Little progress is being made as VEIC appears to be very intransigent on the concept of eliminating the Fiscal Agent process for VGS. Deadline for parties to file a draft OOA is August 18, 2014.

Chelsea Solar 2.0 MW (Std. Offer) - Docket 8308 – Prehearing conference now set for August 7 may be deferred. PSD has retained an aesthetics consultant who is reviewing the file. This project is to be immediately adjacent to another proposed 2.0 MW solar project by the same developer (the latter project had been rejected by the PSB but that decision was overturned by the Vermont Supreme Court) so there may be aesthetic implications for this project on that basis. PSD has been contacted by adjoining landowners about some deed restriction matters.

Bridport Solar 2.0 MW (Std. Offer) - Docket 8234 – A Technical Hearing was held on 7/28/14 based on a stipulation. The hearing was uneventful and a CPG is anticipated shortly.

PSB Rule 5.100 – no docket - PSD met with ANR legal counsel and Billy Coster to discuss potential proposed changes to the Board's Net Metering Rule to address concerns of ANR and PSD. ANR agreed to summarize portions of the rule where we wish to propose amendments and PSD will then make first draft of language changes. Many proposed changes are simply to eliminate ambiguity, but some are substantive changes regarding completeness determinations, extension of review deadlines and changes to conditionally waived criteria.

Penn Energy Clarendon Solar – Docket 7647 – A post-CPG site visit was conducted. The project generally looked good. The Board staff present was particularly interested in the accessible areas of danger if one breached the 7' chain link perimeter fence, and indicated that the Board was concerned about public safety when reviewing proposed fencing at solar facilities

VY Spent Fuel Storage Facility (ISFSI) – Docket 8300 – Entergy requested, and the Board granted, a postponement of the prehearing conference scheduled for July 30 to October 29, 2014. Entergy sought the postponement in order to finalize engineering reports for the construction of the ISFSI.

VTel Richmond 248a Application – Docket 8162 – The Department submitted a brief supporting issuance of a CPG for the proposed new monopole facility. Briefing was limited to a discussion of aesthetics and project conformance to the land conservation measures contained in the Richmond Town Plan.

Addison Expansion—Docket 7970—The Department has reviewed the draft brief of Vermont Gas to be filed in connection with the Lyons appeal at the supreme court, and we have

determined that the narrow procedural issues presented will be argued most effectively by the company proceeding alone without the presence of the Department. There are aspects of the Board's order that have negative implications for public input and as public advocate we would have to defend those in a way that Vermont Gas would not. Vermont Gas has provided a soil management plan for review. The relevant state agencies met on July 30 and will advise the Board on August 1 that the plan is acceptable, with certain agreed upon revisions. The hope is that the Board will promptly review the plan and lift the construction stay issued on July 25 with respect to the VELCO ROW. In response to Vermont Gas's capital costs increase notice, CLF, the Palmers and Kristin Lyons have asked the Board to enjoin further construction and order that the company seek an amended CPG. The Board has requested comments on this filing. We have asked the Board not to further delay construction as it would only exacerbate the cost increases. In a follow-up filing, we will request quarterly financial reports for both phases and are entertaining the idea of asking that a penalty be imposed for failing to timely report the increases to the Board.

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 Castonguay. Vermont Gas's rebuttal testimony is due August 1. 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.

Noise Investigation – Docket 8167 – The PSB held a third workshop on July 29, focused on health impacts of sound. PSD, VDH and ANR all made presentations, along with REV and some experts on behalf of project opponents. The polarized nature of this issue became very apparent as the workshop progressed, with experts arguing with each other during the question period. Steve Therrien suggested that his family could move in with the Public Advocate since they have been suffering for three years without any assistance from the state. No further events are scheduled at this time, and it is not clear what the Board will do next.

Finance and Economics

Electric

Swanton –Electric Department has filed for an overall rate increase of 7.42% or \$490,499, to take effect September 1, 2014. The increase is primarily attributable to increased depreciation expense and changes in power supply costs driven by the effects of expiring power contracts and fluctuations in the price of wholesale energy. We have met with VPPSA to review the filing; have requested documentation that would support the proposed adjustments; and, are reviewing the testimony and accompanying spreadsheets. PSD recommendation is likely to be due on or about August 16, 2014.

Gas

VGS 2014 Base Rate Filing – The Company filed its preliminary cost of service on June 30, 2014 (was due on June 27) for the October 1, through September 30, 2015 rate year. The filing is

requesting an overall rate increase for its firm customers of 2.34% or \$2,007,874. The Department has begun a review of the filing; has had teleconference discussions with VGS staff on the filing; and, issued two rounds of discovery. Our recommendation is due on September 26, 2104.

Telecom and Cable

Charter Communications CPG Renewal- the Company has petitioned for a renewal of its CPG and to extend its service coverage areas. Following a settlement meeting with Charter the Department presented a proposed revised list of 40 CPG conditions including 7 new conditions. The original Charter CPG had 74 conditions. Finance related CPG conditions were modified, combined and simplified in the proposed settlement. Charter has not responded to the Department's proposal. The Department due date was extended to August 15, 2014 to accommodate scheduled public meetings in July and supplemental discovery questions to Charter Communications. In the mean time we have begun the preparation of pre-filed testimony.

Water

Colonial Estates Water – Emergency Rate Increase Request: Colonial Estates Water has called and asked about the methodology to file an Emergency rate increase request. Staff is assisting the company with its inquiry, and asking about the emergency need for a rate increase.

Vermont Water Utilities has submitted a petition for a 46% rate increase effective September 1, 2014. Staff has begun a review of the filing and has found potential flaws in the case pertaining to depreciation and the rate base/return calculations. Additional information has been requested. A tentative recommendation has been drafted to open an investigation. Our recommendation is due by August 15, 2014.

Vermont Water Utilities has filed a petition (Section 108) seeking authorization to enter into a loan agreement in the amount of \$55,000 to finance work required by the State. Staff has begun a review. Within the Petition there is also mention of a short term bridge loan of \$35,000 for which VWU believes it does not need Board approval. Staff questioned the basis of this and submitted a request for documentation to VWU for both the bridge loan and the 55K loan. Our recommendation is pending.

Telecommunications

2014 Telecom Plan - The Department intends to have a draft 2014 Telecom Plan posted on our website on Monday, August 4. A press release will be issued which also lists the locations for three public hearings to be conducted the week of August 18. We are scheduling a joint legislative hopefully for the last week of August and should have a plan in place by September 1.

Burlington Meeting with Verizon – On July 24th telecom staff attended a meeting in Burlington City Hall regarding a proposed Verizon telecommunications facility on North Winooski Avenue and the significant expansion Verizon plans of its services in Burlington with a corresponding

investment of capital to improve its network. Following the City’s opposition to the North Winooski Avenue project, the DPS suggested a meeting among interested entities. An executive, engineers, attorneys, and a site acquisition specialist from Verizon attended, together with representatives from the Planning and Zoning Office, the Mayor’s Office, the City Attorney’s Office, and the Community and Economic Development Office (CEDO).

Verizon presented information about the rapidly increasing data demands from individuals and businesses. Verizon described its coverage strategy and plans to upgrade and expand its Burlington telecommunications network. The City expressed its desire to maintain Burlington’s character, style, and historic preservation and explained its close attention to permitting and building design standards. The City made a strong recommendation to identify creative methods to reach capacity and coverage, including pole mounted, building integrated, smaller panels, or similarly less obtrusive installations. The City also expressed the importance of high speed, reliable broadband coverage to its economy and economic development.

Verizon and the City left the meeting with several items to negotiate before the DPS or the parties request action on the application for the proposed North Winooski Avenue project that is currently before the Public Service Board. Verizon will mount a “mock up” of the proposed installation on the buildings at the North Winooski Avenue location so that all parties may observe the visual effects. Verizon will continue work with the State Historic Preservation Officer to redesign a proposed Lake Street telecommunications facility. Verizon will work with the CEDO to identify potential properties where additional “macro” cells can be located. Once such sites are identified, and assuming they can be leased and meet Verizon’s RF needs, Verizon will continue to work with the City filings with the PSB.

Wireless Telecommunications Facilities (248a) Report –

A summary of DPS comments and recommendations filed in the past week about wireless telecommunications facilities:

Comments filed	Applicant/Location/Type of Filing	Brief Synopsis and DPS recommendation to the Public Service Board
7/28/2014	VTel/Newbury/follow-up on <i>de minimis</i> application	DPS rec'd approval now that VTel modified base equip pad and equip so they don't extend > 10' from the silo

Defining good cause and substantial deference – Pursuant to a directive in the recently passed Acts 190 and 199, Telecom staff are drafting comments to the Board regarding the definition of “good cause” and “substantial deference” as used in the 248a statute. The statute states that the Board shall find, “[u]nless there is good cause to find otherwise, substantial deference has been given to the land conservation measures in the plans of the affected municipalities and the recommendations of the municipal legislative bodies and the municipal and regional planning commissions regarding the municipal and regional plans, respectively.”

Regional Policy

New England Governors' Infrastructure Initiative

- State and NESCOE staff met with United Illuminating, National Grid, and Northeast Utilities to discuss a draft RFP for transmission and generation. The distribution utilities provided feedback regarding the NESCOE-drafted RFP.
 - In particular, the utilities argued that the states' analysis of potential benefits was incomplete as it relied solely on reduced energy costs and ignored the value of reduced Renewable Energy Credit and capacity prices. Vermont and Connecticut staff indicated that several states were not inclined to base project selection on too many criteria for which the value estimates can vary considerably, and noted that individual states could take specific positions during review of the proposed contracts regarding which benefits should be considered.
 - Utilities also indicated that, at a minimum, 90 days is necessary for an adequate review of any responses to the RFP. Several states have argued for a 30-day or less review of the responses.
 - Finally, utilities expressed concern with the idea that transmission cost is a significant factor in the selection of generation projects. Staff from several states made clear that transmission cost would be a decided factor for most of the states in agreeing to fund any transmission infrastructure.
 - Vermont distribution utilities were aware of the meeting but choose not to participate.
- Three members of Massachusetts' Global Warming Solutions Act Implementation Advisory Committee resigned in protest of Governor Patrick's support for a bill that requires Massachusetts utilities to purchase power from large hydro. The last date of the Massachusetts legislative session is July 31; to the extent that the Massachusetts bill does not pass, states will need to determine alternative approaches to addressing natural gas constraints in the winter.

Winter Reliability Program

- Comments on ISO-NE's proposed winter reliability program are due at FERC by August 4. NESCOE has circulated draft comments supporting the winter program but requesting that there be a comprehensive going-forward review of solutions to future winter reliability concerns.

Capacity Supply Obligation Deferral

- ISO-NE filed proposed market rule changes that would allow a resource that has received a forward capacity market supply obligation to be able to request that FERC grant a one-year deferral of the obligation. Resources would only be allowed to file a request with FERC if ISO-NE determined that the resource was needed for reliability purposes; the resource must also adequately demonstrate to FERC that the resource is not able to come on-line according to its supply obligation schedule due to events beyond that resources control.
- The filing is intended to help Footprint Power, a 600 MW gas-fired plant north of Boston. Construction on the plant is being delayed due to litigation and if ISO-NE cancels its supply obligation, it is expected that it will cost the Boston area and greater New England hundreds of millions of dollars in increased capacity costs.
- Massachusetts is trying to seek NESCOE support for the ISO-NE filing. One concern is that ISO-NE pushed the proposal through with minimal stakeholder input and did not take an alternative approach of requesting a one-time waiver, rather than a market rule change. NESCOE has frequently argued that insufficient stakeholder process is sufficient reason for FERC to delay or deny a proposal by ISO-NE or generators. Staff proposed that NESCOE try to draft comments that support the end result due to significant ratepayer detriment in the absence of any action, while acknowledging that there were procedural concerns with ISO-NE's filing.

From: [Recchia, Chris](#)
To: [Richards, Alyson](#); [Mishaan, Jessica](#)
Cc: [Springer, Darren](#); [Hughes, Michelle](#)
Subject: RE: Weekly Report ... Supplement
Date: Friday, August 01, 2014 5:10:35 PM

I lied... Supplement 2: FairPoint just agreed to the Department-recommended IRP requirement (currently in place and that we wanted to continue) we were arguing about

CR

Christopher Recchia, Commissioner
Public Service Department
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chris.recchia@state.vt.us

From: Recchia, Chris
Sent: Friday, August 01, 2014 4:58 PM
To: Richards, Alyson; Mishaan, Jessica
Cc: Springer, Darren; Hughes, Michelle
Subject: Weekly Report ... Supplement

Sorry – a couple of items just in...

Media: Taylor Dobbs of VPR called regarding the VGS filing and our recommendations. Think I handled that satisfactorily, but we'll hear what he does this evening. But found out from him [Phase II costs are being revised up \\$10M](#) according to Steve Wark through Dobbs – I actually think this is a good thing, appropriate timing (at least not late) and a large portion of these costs will be borne by IP as I understand their agreement.

FairPoint: Strike and IRP – NH Governor's office seems to believe strike is imminent and contacted its EM office because their phone service is with FairPoint. I've spoken with VDEMHS and suggested they call Beth to get some comfort about emergency response in the event of storms and outages. I did that last week and she says they have contractors on call for that so she felt good about their capability to respond to outages in the event of a strike. I do not believe Vermont is as heavily dependent on FairPoint as NH seems to be – Neither Joe Flynn or Jim Porter were significantly concerned about the State's communication abilities in the event of a strike or outage.

On another matter, the PSD had been working with FairPoint toward the goal of filing a successor incentive regulation plan with the Board this afternoon. The IRP is essentially a mirror of the existing IRP with different dates. There is a letter agreement between the PSD and FairPoint, to be signed and filed with the IRP, that deals with issues that CAPI sought based upon some continuing areas of service quality. CAPI has made reasonable requests. We have requested that FairPoint agree to **continue** publishing in its annual service filing (usually published in the phone book) a notice that explains that customers are entitled to a bill credit following an outage but that the

customer has to request the credit. FairPoint does not want to agree with our request and we have insisted. At this point the IRP and MOU will not be filed today – perhaps Monday.

Vilsack Visit August 28th? - USDA RUS Grant seems to be moving positively based on my conversation with Leahy's office yesterday. Jacob Smith says Vilsack is coming up August 28th (probably already arranged with Governor's office) and so we all hope he is bringing checks with him then... Do you guys know about this visit?

OK, that's it for today (really!)...

- Chris

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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 1, 2014
Subject: Weekly Report

Fire Safety

Issues / Updates:

The division received \$17.5 million in new construction valuation collecting \$97,500.00 in permit fee revenue.

A 72 year old male has died in a condominium fire in St. Albans. The male was handicap and was known to smoke in bed. VSP has more detail on this. The building was equipped with code complying CO and smoke alarms.

The Fire Academy will be receiving a \$205,700.00 from FIREACT Grant. This money will be used to purchase cascade filling station at VTC Burn Building, forcible entry trailer, SCBA equipment, 15 sets of turnout gear and 20 spare cylinders and odd and ends. This money will be well spent.

Yesterday we had a handicap individual seriously burned in a condominium fire in St. Albans. Investigators from VSP/Fire Safety conducted an investigation and the cause as of yesterday morning was not known however the individual smoked.

The Commissioner of Tourism contacted me yesterday and we are going to meet to discuss an issue around the inspection of rental property. The legislators in 2006 authorized 4 fire marshal positions to conduct existing residential inspections. In our ski areas like Killington we have a large number of homes (5-7 bedrooms) being rented out to large groups without having been inspected. These huge homes are constructed with no permit and are second homes in a number of circumstances. We contact the property owner or in many circumstances the property management company and schedule appointments to inspect the homes on a pro-active basis. According to the Commissioner owners are dropping the property management company and simply advertising on line. Commissioner Megan Smith is really concerned that the State is losing tax dollars (rooming & lodging) because the owners are advertising on line thus they are not paying taxes. This issue is stemming from one person in Killington who

owned several buildings and when our Rutland Office mailed the owner a letter to schedule an inspection he was upset that we were going to inspect it with only a week notice. I personally spoke with the individual and extended out the inspection date one month

Emergency Management/Homeland Security

Issues/Updates:

Significant flash flooding occurred in the towns of Chester and Andover this week. The Williams River resulted in localized damages, but monetary damages do not appear to approach the state threshold of \$1M for requesting a federal Preliminary Damage Assessment.

Director joined VSP command, National Guard and VIC staff for a threat briefing from the National Counterterrorism Center, Office of the Director of National Intelligence.

Planning Chief is working with the Commissioner of Public Service on the development of the RERP proposal for future expenses.

The Planning Chief observed the hostile action-based exercise at Vermont Yankee this week. This exercise was valuable as we continue to develop the plans for hostile action-based scenarios.

A selection has been made and a conditional offer for the vacant Exercise Planner Position. We are awaiting decision on whether or not we can proceed from HR.

Secret Service and the Senegalese Nationals did their final walk through of the SEOC in anticipation of the visit from the President of Senegal.

There are currently 176 "open" large projects from Irene which remain to be closed out (down from 209 in November 2013). That means we have been closing out an average of one PW per week. We need to leverage our entire PA Team's resources to average two to three close-outs per week. For comparison, there are 29 open large projects from all of the five federally declared disasters since Irene, combined.

Legislative Contact:

Responded to an inquiry from State Rep. David Deen of Westminster regarding the status of Westminster's PW2424 (Covered Bridge Road), for which a close-out version is being developed which will hopefully include additional funds to cover the bridge approaches which were not covered in the original PW. The new town manager also contacted Agency of Administration about this PW.

Responded to an inquiry from Congressman Welch's office regarding Bennington's appeal decision.

Vermont State Police

A Troop

FF

26 total arrests, 6 DUI

Williston began Charlotte Contract

SA TJ Donovan visit to Williston barracks

17 Directed Patrols

Several reports of day time burglaries throughout troop area.

Troopers responded to a serious injury crash in East Montpelier at a route 2 paving project. Workers were towing a large compact roller with a pickup truck which rolled out of control into oncoming traffic. Passenger in vehicle two sustained serious foot leg injury and was darted from the scene.

BCI

NUSI, 56 year old female alleging sex assault by 84 year old male, interviews scheduled for Monday.

LCSIU, Assist to AG's Office on ICAC warrant in Weathersfield

CUSI, Det. Trooper Sweitzer assisted Shelburne PD with a child death (homicide), 2 year old boy, case officer is Essex PD.

Case preparation and depositions in Maxfield Homicide, Lamoille County

Suicide, 67 year old male in Cambridge shot himself in the head outside his residence. He was soon to be reporting to jail on federal tax evasion charges, 5-10 years.

Assist to Uniform Division, Middlesex on a burglary, serology obtained

Assist to Uniform Division, Middlesex on a burglary, multiple interviews conducted
NUSI, L&L/bullying case involving teenagers

Intake for multiple assaults on staff at the new State Hospital in Berlin. Potter awaiting further instruction from SA on reality of any prosecution, a tour has been set up on Monday 7/28 for BCI Middlesex and Hango.

NUSI, sex assault investigation involving a 59 year old female vulnerable adult and a 74 year old male perpetrator.

Assist to Lt. Whitcomb on 1971 Lake Champlain Jet crash. DNA sample taken from family member to compare with skull fragments that washed up on shore 3 years ago.

Untimely, East Montpelier, 96 year old male, natural

Untimely, Fairfield, 53 year old male, cirrhosis of the liver, natural

Completion of Peduzzi file reviews (6 years' worth), completing 5-10 pending suspicious files

Multiple SOR photos

B Troop

FF

14 total arrests, 3 DUI

One vehicle crash into a garage in Waterford. Suspect, Craig Stevens, fled the scene, but was located by Trooper and processed for DUI, DLS & LSA.

Trp. arrested Brenden Shannon for domestic assault, simple assault and agg. Assault (3-victims).

Trp. arrested James Hollenbeck for Fugitive from Justice.

Troops conducted multiple sex offender registry checks all found to be in compliance.

Search warrant on a residence in Bradford. Troops had been investigating a possession of stolen property in the Bradford area. Investigations lead them to a local business man. On arrival to the residence they located several marijuana plants in the yard. Search warrant was executed and over 100 plants were located.

BCI

Backgrounds are wrapping up with arrangements for final interviews of the applicants being made. One applicant has taken a position with PA state Police and OPD has been made aware.

Det. Sgt. Annis has worked all week preparing the case book for the Newport City Stabbing Death. SA will have complete book this week for review.

Det. Sgt Cornell went to MA this week to meet with the family of the victim in the officer involved shooting in Brattleboro. Meeting went well according to Sgt. Cornell.

Death Investigation, 77 year old male died while having dinner at the Lake Morey Inn located in Fairlee, VT Natural.

Death Investigation, 57 yr old female died at her residence while sitting in a chair. Her son spoke with her in person, mowed the lawn and then found her deceased. There were no signs of trauma. Autopsy scheduled for 7-28-14 occurred in Derby, VT

Correctional Center Case received this week consisted of the following:

Cocaine located in the bathroom at the facility

Fraud regarding an inmate's account ID being ascertained and money being taken out.

Follow up with threatening letter received from an inmate regarding someone trying to pay him to beat up someone.

C Troop

FF

17 total arrests, 2 DUI

Missing 2 ½ year old from Sudbury (quickly found shortly after resources notified in the home by the parents)

Responded to a party at a fishing access and issued several PMB's and a citation for Furnishing Alcohol to Minors.

Tprs. assisted the USDA and Vermont authorities with conducting a search warrant to test the water quality at a local farm, they had information the animals were being made sick by bad water and the owner was not taking care of it.

Troopers executed a search warrant in Shaftsbury. Three individuals were arrested as a result of this search.

BCI

Continued investigation of 2007 reported sex offense in Addison, interview conducted.

Finishing up 3 Specials

Cold case from 1942. Deathbed confession from accused in 1994 was recently reported to VSP. Accused's wife disappeared without a trace on 06/10/42 leaving behind two babies. Several interviews conducted, historical research done, and follow-up continues.

3rd party report of children possible being abused by grandmother

Follow up with state's attorney regarding evidence in Leicester attempted murders (Foley).

Work on Labartino homicide/discovery

Discovery for Wisell homicide finalized

Worked on Pelletier homicide/ discovery

Call out to Granville, NY for possible Jon Schaff remains seen in river. The skeleton remains were found to be an animal.

New case - arrested Henry Lewis for transporting drugs into the correctional center and false information to a police officer.

Meeting with Assistant US Attorney- Burlington. Motion to suppress hearing on child pornography in Federal Court- motion denied.

Contacted resources for victims from above hearings after learning they were having trouble dealing with being assaulted.

Case Follow-up: 15 year old male allegedly having a sexual relationship with a 25 year old female in Clarendon.

Case Follow-up: 14 year old female allegedly exchanging sex pictures with a 17 year old male in Pittsfield.

New Case: 7 and 10 year old brothers allegedly being physically abused by their father in Rutland. Both children interviewed.

New Case: 7 year old girl tested positive for HPV in West Rutland. Child was interviewed.

New Case: Online luring of minor in Bennington. Suspect is from MA.

Assigned missing person Crystal Hughes. She is still missing but all leads point toward NYS. We continue to work with NYS authorities and VT DCF.

D Troop

FF

14 total arrests, 1 DUI

Tpr. arrested one on an outstanding warrant in Chester

Tpr. stopped a mv on I 91 in Rockingham; arrested one for possession of heroin & cocaine.

Complainant called 911 saying someone in another vehicle had taken a gun and shot at his vehicle. The caller was unsure if he was shot and/or his vehicle. He was instructed to pull over where Tpr's met with him. MSP was issued a BOL for the possible vehicle involved. During the interview the complainant never saw a gun and just only heard a loud bang. He was not injured and there was no evidence his vehicle was shot. MSP stopped 2 vehicles matching the vehicle's description and no weapons/ammo was located in either vehicle.

Follow up to crash investigation on 7/21 in the town of Newfane. Tpr. re-interviewed and cited 18 yo operator for negligent operation from a single car crash that had occurred on Grimes Hill Road.

Arrest for C+N, LSA, and DLS. Subject was involved in a serious Motor Vehicle Crash in which his passenger sustained serious injury. Subject fled the scene, but later turned himself in.

BCI
Springfield Shooting Follow- up

Applicant Background – Completed and submitted x4

Cellular phone extraction

Jail (inmate) assault case

Whitingham shooting follow up

Moore homicide (cold case)

Interview for Lewd Acts, Jamaica, VT

Suspected Child Abuse,

Evidence review and report update, Poss of child Porn, Westminster,
Follow up on Hill Homicide case (author two search warrants and review medical records from subpoena)

3 SOR photo updates

3 death investigations- completed

Prison assault

TOPS

Dignitary Protection detail

Assist to NIU in Rutland w/arrest round up.

Assisted Bennington police depart with CRT and CDR down

Arson

Arson investigation in Burlington involving a couch/car. This was the second such fire in a week where a discarded couch left on the curb was set on fire. On the first we were not called. VSP took over the first arson as well and obtained Burlington FD Battalion Chief Barry Simays' report and photos.

Fire Investigation in Alburgh. Cause of the fire is unknown but believed to be accidental and most likely the result of some work the elderly owner was doing in the garage. (Lamothe)

Fire investigation in Fair Haven. Fire destroyed a shed adjacent to a home owned by an elderly female. The Fair Haven PD officers who responded evacuated the female and used a garden house to keep the house from becoming involved. The shed was destroyed and the cause is unknown. It is suspected the fire was intentional and the neighbors, who are constantly in trouble with the police and causing problems, could possibly be responsible for the fire. (Sutton)

Fire investigation in Northfield. Fire occurred at a single family residence. It is believed the fire was the result of an electrical issue. (Sutton)

Fire investigation in Alburgh. Fire occurred at Warner Prime's residence, a retired US Customs Inspector. Fire was the result of a lightning strike. The lightning struck a tree and then electrified the water line going into the house. (Lamothe and Hill)

Fire investigation in Cornwall. Uniform troops called after discovering a burnt vehicle in a field. The vehicle was totally destroyed. Troops suspect vehicle was stolen and are working on leads. (Sutton)

Assist uniform troopers by stopping a DUI BOL vehicle.

Public Presentation at a kids camp in Westminster. (Otis)

Arrest of both suspects involved in the 7/10 fire at the Champlain College building in Burlington. Interviews, photo line-up, tips from the arson tip line and coordination with Burlington PD, Probation and Parole lead to the arrests

POLY/ICAC/CSST

Finished CSST reports and books for Newport Stabbing

Finished CSST reports and books for St Johnsbury Shooting and suspicious death

Finished CSST reports and books for St Johnsbury shooting

12 Autopsies including one of baby death/homicide in Shelburne, CUSI investigation

1 inspection



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Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: August 1, 2014
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Interest to 5th Floor from BGS Directors:

Berlin – VT Psychiatric Care Hospital:

New Construction: The second wing has begun accepting patients. Still working on cleaning up the project and budget numbers and finalize project closeout. Also still working on facility issues that have come up since occupancy. Trees are one issue, and patient damage and required repairs are another.

Other News/Capital Projects:

AG/LAB: Site Selection meetings being held this week to finalize preferred site. Preparing documentation/information for presentation to Institutions Committees. Proposals from A&E Teams are due this Thursday with selection/scoring to occur on Monday, August 4th to recommend award immediately thereafter.

Vermont Information Centers Division:

Assuming we strike a deal with the Lamberton Group at Exit 7 to host a State-sanctioned Visitor Center as part of their new facility, we anticipate the possibility of being able to justify closing Randolph South as early as the fall of 2015. If we are successful closing Randolph South, we would see a savings of \$250,000 to our operating budget. Closing the center will not be without some significant discussions that I am sure will be of interest and concern to various legislative committees as well as to the Town of Randolph and neighboring communities. It will be important that we demonstrate that the service void

created by closing Randolph South can be mitigated adequately at the new Exit 7 facility in order for this to be seen as a successful transition strategy.

AllEarth Solar and GMP Solar:

The new layouts for both the Vergennes site and Springfield Correctional site have been reviewed and approved. The land leases need to be signed.

120 and 133 State Street PPAs need to be signed.

GMP has identified Windsor Correctional Facility as a viable site for further investigation for a 5 Megawatt solar farm. We need to decide if this is something we want them to pursue further.

Significant Events/Meetings:

Capital Complex Commission: Met with the Commission on Tuesday to discuss proposed new State House lighting on paver walkways, the proposal to return 110 State to its historic paint scheme and reviewed/approved the 4 Governor Aiken Avenue pedestrian bridge. The Commission also discussed the City of Montpelier's proposed/approved diagonal parking plan in front of the State House. City Manager, Bill Fraser, gave an overview to the Committee.

Tree Removal – VT Psychiatric Care Hospital: Met with Mike Kuhn, Ira Moser and Jonathan Rutledge to discuss the stand of mature trees to the left of the Hospital when facing the front of the facility. DHM and BGS staff recommend harvesting all the trees to protect the property and for safety reasons. Permission of the Berlin DBR is necessary to do the cut and replanting likely deemed necessary.

Security: Jason Lassiter declined offer due to wife's work situation. Back to drawing board to look for Director of Security.

FINANCE AND MANAGEMENT

Issues Update:

Commissioner Reardon and the budget office are preparing the response to the FY 2015 general fund rescission following the updated consensus forecast. Agencies and Departments will need to respond with their plan to reduce general fund spending by 4% by Friday, August 1. However, several departments have already provided responses and the budget office is reviewing.

As of the afternoon of July 31, 2014, the food fight fund has received \$167,149.64 in donations from 1,114 individuals/organizations. SomeofUs.org contacted us this week indicating that they have a planned donation of \$78,000.

HEALTH CARE REFORM

Green Mountain Care:

Waivers:

- 1) Staff work group - Robin held the first staff level waiver work group meeting, which includes staff from DVHA, AHS, GMCB, and AOA. We made good progress in getting the team up to speed on what waivers we would be seeking (ACA Section 1332/Medicaid 1115 consolidated waiver & a CMMI all payer waiver) and the policy parameters related to those waivers. The goal with this group is to support the leadership negotiation team with specific research and analysis, including preparing the actual waiver documents.
- 2) CCIIO - Robin & Michael met with the new head of CCIIO, Mayra Alvarez, and our state officer, Dawn Horner, to brief them on our current thinking related to Green Mountain Care. The meeting was worthwhile and went well, although we left with concerns about timing and their bandwidth to move quickly.
- 3) Sec. 1332 Strategy – For the Governor’s meeting with Secretary Burwell, Robin will prepare a briefing memo with concrete “asks” to move us forward. In addition to meeting with Secretary Burwell, we should arrange meetings with the heads of OMB and the heads of Treasury. Robin made a request of Paul Dioguardi from HHS Intergovernmental Affairs to assist with this. He has indicated they are working on identifying the right people. Three “asks” we should make are 1) a single point of contact across all 3 agencies (HHS, Treasury, OMB) for the Section 1332/1115 waiver; and 2) a process which begins with an memorandum of understanding, which we’d like to have in place late in 2014/early 2015 – this document would identify the assumptions & methodologies for calculating the necessary federal contributions and would provide guidance in lieu of substantive rules (which are not even started yet).

GMC Financing:

The finance plan work is picking up considerable speed. Here are some high notes.

Data: Various state departments and contractors are furnishing Professor Gruber with data, a process that will continue into September.

Gruber met with the team from RAND working for the JFO. Overall, the goal is to agree on common data assumptions, limit redundancies, and avoid any public bickering about the data come January. (Similar to the goals of the consensus revenue forecast process.) Both sides felt the meeting was positive. Michael, Robin, and Lawrence will meet Friday to debrief with the JFO on these data issues.

State staff and contractors developed survey questions to gather additional Vermont specific employer data for Gruber’s modeling. (This will be one of many Vermont data sources for his model.) The UMASS survey center will take these questions and create an online survey to be distributed to Vermont businesses. DOL will help distribute this survey, as they do with the fringe benefit survey, but it may be helpful to have the four major state business groups and other trade groups help with the dissemination of the survey. We anticipate the survey being ready to go immediately after Labor Day.

Tax Modeling: Michael presented the GMC finance and tax reform ideas to Gruber, UMASS, and Wakely over the past two weeks. The response was quite positive. We are now into second level tax considerations. Key issues below:

- Design the business tax transition strategy
- Design the secondary tax, i.e. how Medicare recipients would pay
- Build a tax model that can follow individual families through both income tax reform and GMC tax imposition to determine system winners and losers and the relationship between the two changes
- Refinement of sales tax reform options
- Consideration of whether the corporate income tax could be usefully updated in light of GMC related revenue system changes and the potential loss of a key corporate taxpayer
- Discussion of whether the system needs to balance in year 1 or whether it need to balance over a 2 or 3 year budget period

These design issues, and many more, will need to be hashed out by early September to prepare the model.

Treasurer: Michael Costa met with the Treasurer's staff to finalize our asks for Beth. (1) Identification of other state entities who may have their OPEB/retiree obligations decreased due to Green Mountain Care and convening of those groups for a discussion. (2) Identification of state funding sources and amounts that support these retirees, as they might be repurposed for Green Mountain Care. (3) Thoughts on an approach to communicating with the bond ratings agencies prior to the finance plan's release so that one of the agencies does not comment on the GMC plan in a way that makes legislative consideration and passage more difficult. (4) Beth's view on sufficient GF reserves. This seemed appropriate since the GMC financing project has expanded into revenue reform more generally. (5) Collaboration with Tom Boyd on operational issues, specifically reserves and cash flow. None of these items are new, but Michael felt that he had not made his requests sufficiently clear in previous meetings.

SIM Update:

The SIM Team's Quality and Performance Measures Work Group voted out their recommendations for the Shared Savings Program Year Two measure set. This recommendation goes to the Steering Committee next week for discussion. Due to the tension between those who want to add measures and those who want to limit new measures, the SIM team will solicit additional public comment throughout August. The goal is to finalize the year two list in September.

We submitted our quarterly progress report to CMMI on July 30th (available here: http://healthcareinnovation.vermont.gov/sites/hcinnovation/files/SOV_Q5_Report_to_CMMI_7.28.14_FINAL.pdf) and will file a three month no-cost extension on July 31st. The no-cost extension aligns all of our payment models with the federal reporting and evaluation timelines for ease of reporting with CMMI and puts all of our payment models on the same timeframe.

Significant Events/Meetings:

Working Vermont Meeting: Robin Lunge & Michael Costa meet with several union groups to understand their concerns. Overall, they support using the state employee plan as the benefit/cost-sharing model for Green Mountain Care (this would add a little under \$300M to the price tag). We

discussed the supplemental market and what type of supplemental plans they might be interested in, so that we could better understand their perspective. Dental and vision coverage is an obvious supplemental market, but some unions would want to reduce cost-sharing in some fashion. We should expect the Taft Hartley unions to ask to be carved out – this is about 5000 people. It is possible they could align with large employers who are self-insured (“ERISA” employers), who will want the same thing. The other union groups aren’t in that camp, however – they just want to make sure their members do not lose overall compensation. They also expressed an interest in doing something for lost compensation, but didn’t have specific suggestions. We will continue to talk with them to a) bring them along and b) understand their interests and possible disagreements with our positions.

Michael and Robin met with several think tanks and federal agencies while attending NGA this past week. Michael left convinced that we are asking all the right questions through our tax plan designs, but the project will be severely hampered unless the feds can provide meaningful feedback on the tax issues prior to December.

HUMAN RESOURCES

Legislative Issues/Contacts:

- JFO and Leg Council have both requested new positions. The Administration is not inclined to provide pool positions unless positions are given back to replenish the pool. Michael Clasen is scheduling a meeting with JFO and Leg Council to talk about the process and expectations.

Evolving Issues:

- Significant work has taken place implementing a temporary freeze on management request for classification review and hiring. Conference calls with DHR staff with detailed instructions to Agencies and Departments was prioritized to ensure a smooth transition to new temporary processes.
- DHR currently has or soon will have vacancies in key positions, all which are unrelated to each other. Our Commissioner departed last week, our Labor Relations Director has resigned (after more than 30 years of service), our ANR/AGR Field Operations Director has resigned (after numerous years of service) as well as two other HR Administrator openings due to resignation and transfer. Although we risk the loss of significant institutional knowledge, it also provides a unique opportunity to position ourselves differently in service delivery. Our focus will be to more closely align ourselves to provide strategic value to the Agencies and Departments we serve.
- Staff from Workforce Development and Labor Relations met with Diane Dalmasse and several other DAIL (Voc Rehab) staff to discuss the Vermont Internship Program, classified service trainee jobs, temporary employment, and use of volunteers, and how they might be used by DAIL in their efforts to provide creative work readiness opportunities, skill training, and employment related opportunities for their clients. It was a very positive and productive meeting and a perfect example of the types of opportunities that exist for DHR to strategically partner with Agencies and Departments.

- Awaiting news on the status and budget of the Workforce Expansion project. Job descriptions have been finalized, positions have been created and a rebranding kick off meeting has taken place. Additional research is underway regarding equipment and furniture. A meeting with BGS to discuss the status of a lease with College of Fine Arts is scheduled for next week. Once approval is received from the Administration, recruiting can begin.
- The State prevailed on a VSEA/employee Labor Board Classification appeal.

INFORMATION AND INNOVATION

Nothing to report.

LIBRARIES

Nothing to report.

TAXES

Nothing to report.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: August 1, 2014
RE: Boards and Commissions Update

Pesticide Advisory Council: Casey Darrow has agreed to serve on the Pesticide Advisory Council. I will include him in the next round of appointments to fill the seat of a person with practical experience in commercial agricultural production.

Vermont Veterans' Home Board of Trustees: APPOINTED: Harry J. Percey from Bennington: The Vermont Veterans' Home Board of Trustees conducted an election to select a Classified Employee to serve on the Board of Trustees. The election took place on July 23rd. Three names of classified employees were on the ballot and the member selected by a wide majority was Mr. Jamie Percey. Although not required, Mr. Percey is a Veteran.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Michael J. Hogan, Commissioner of Liquor Control
Date: August 1, 2014
Re: Weekly Report

Status of Governor's Priorities: 2015 Rescissions sent to Sec. Administration

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!
- 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: Have a great weekend.