

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

Sent: Friday, November 18, 2016 10:05 PM

To: GPS

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

Subject: Weekly Reports - Executive Privilege 11 18 16.pdf

Attachments: Weekly Reports - Executive Privilege 11 18 16.pdf; ATT00001.txt

Highlighted Weekly Attached (note there will be no weeklies next week due to Thanksgiving).

Gov - See All Payer update in AOA. Lawrence should we be concerned about timing here?

Gov also see Public Service item on AG report (this is what I sent you note about earlier today). In other news Public Service filed in the wind sound docket and advocated to keep decibel levels where they are currently at 45.

See DFR EB5 updates, update on Westminster Crackers in ACCD, and updates in AHS on VHC (looks good), DCF lawsuit settlement, and Brattleboro Retreat.

Sue, Scott and Pepper some notes flagged for you.

Thanks,
Darren

WEEKLY REPORTS

Checklist
11/18/16

Darren Springer

- Agency of Commerce and Community Development – Lucy Leriche
- Department of Financial Regulation – Michael Pieciak
- Public Service Department – Chris Recchia
- Agency of Human Services – Hal Cohen

Sue Allen

- Agency of Education – Rebecca Holcombe
- Agency of Transportation – Chris Cole
- Agency of Natural Resources – Deb Markowitz (**no report this week**)

Sarah London

- Department of Public Safety – Keith Flynn
- Agency of Administration – Trey Martin

Jessica Gingras

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

Laura Gray

- Agency of Agriculture – Chuck Ross
- VT Commission on Lottery – TBD

James Pepper

- Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Lucy Leriche, Secretary - Agency of Commerce and Community Development
Date: November 18, 2016
Re: Weekly Report

- **Clean Water:** We are nearing the end of the public process for determining which revenue sources will be included in the report to the legislature. While we know that raising \$70 million per year will have an impact on our economy, we are comforted somewhat by the competence and thoroughness of the process. Treasurer Pierce, and the team from DEC are all really doing a fantastic job with a near impossible task.
- **Forest Integrity Study:** All the recommendations are now on the table for changes to ACT 250, and local land use law. The study group will deliberate the master list beginning today, Friday the 18th of November. The outcome of the election has cast more uncertainty on the eventual outcome of this study committee.
- **Equine Economic Impact Study:** Heidi Krantz approached me for money to pay for an economic impact study of equine activity on Vermont. I declined, but also gave her some coaching about how she might want to frame her pitch to private funders and philanthropy.
- **Vermont Chamber Citizen of the Year Award Dinner:** Bill Stritzler, owner of Smuggler’s Notch Resort won the award this year. Speeches came from Lisa Ventris, Bill’s daughter, Lisa, Winn Smith from Sugarbush and others. To a person, everyone agreed that the award was well-deserved. The dinner was held at Smuggler’s Notch, and was jammed packed.

DEPARTMENT OF TOURISM & MARKETING

Megan Smith, Commissioner

- **International Travelers to New England:** Below is the overview from our final 2015 research for DNE. Vermont’s dependence on the Canadian market and slight slip in visits over the past few years was helped by the overseas increase.

2015 Overseas Arrivals to New England

| | 2014 | | 2015 | | Percent Change |
|----------------|--------------|-------------------|--------------|-------------------|----------------|
| | Market Share | Arrivals in (000) | Market Share | Arrivals in (000) | |
| Total Overseas | 5.53 | 1,932 | 5.68 | 2,181 | 12.9% |

Note: Percent change is based on rounded arrivals.

- **Total U.S. Overseas Market:** In 2015 a record 38.4 million overseas visitors traveled to the United States. Overseas arrivals to the U.S. grew by 9.9% over 2014 arrivals.
- **New England registered record overseas arrivals in 2015.** New England was visited by nearly 2.2 million overseas visitors (excluding Canada and Mexico) that indicated they stayed in the region during their visit to the U.S. in 2015. New England arrivals in 2015 increased 12.9 percent. New England registered growth in arrivals from all world regions, with the exception of Africa, the Caribbean, and the Middle East.

COMMUNICATIONS ♦ Philip Tortora, Director of Communications

- **Media Coverage:** We are working with our PR colleagues at WixHill in London on a December FAM trip for Lonely Planet writer Orla Thomas and photographer Mark Read. Highlights of their trip will be visiting the Winter Wassail Weekend in Woodstock and the Woodstock Inn, and spending time in the Waterbury/Stowe areas.

MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **VermontVacation.com:** VDTM updated the homepage rotator to include the World Cup slide that pushes to the [winter page](#), and the Holiday Shopping slide that pushes to the [Shop Local page](#).

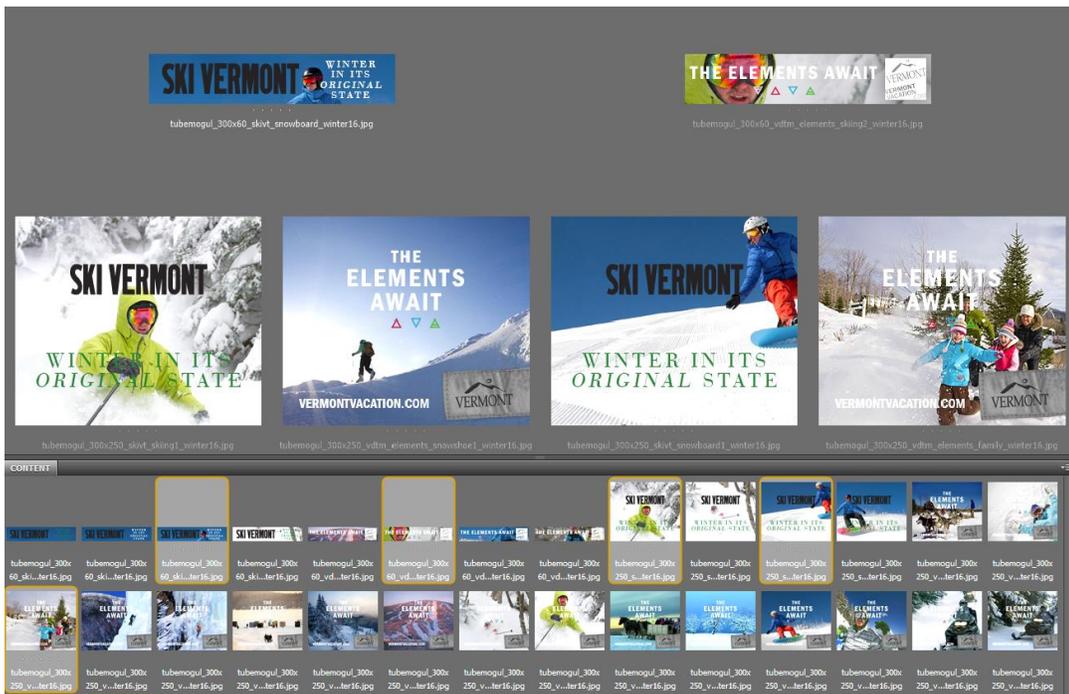
In addition to adding the World Cup as a slide, and pushing it to the [winter page](#), VDTM added the Audi FIS World Cup module to that page, which should help visitation to the World Cup landing page on Killington’s website.

VDTM added two choices, Byways and Historic Sites, to the RFI form on VermontVacation.com. This should help manage the number of brochures being sent out to consumers in a more accurate and trackable way, saving the agency money in printing costs over time.

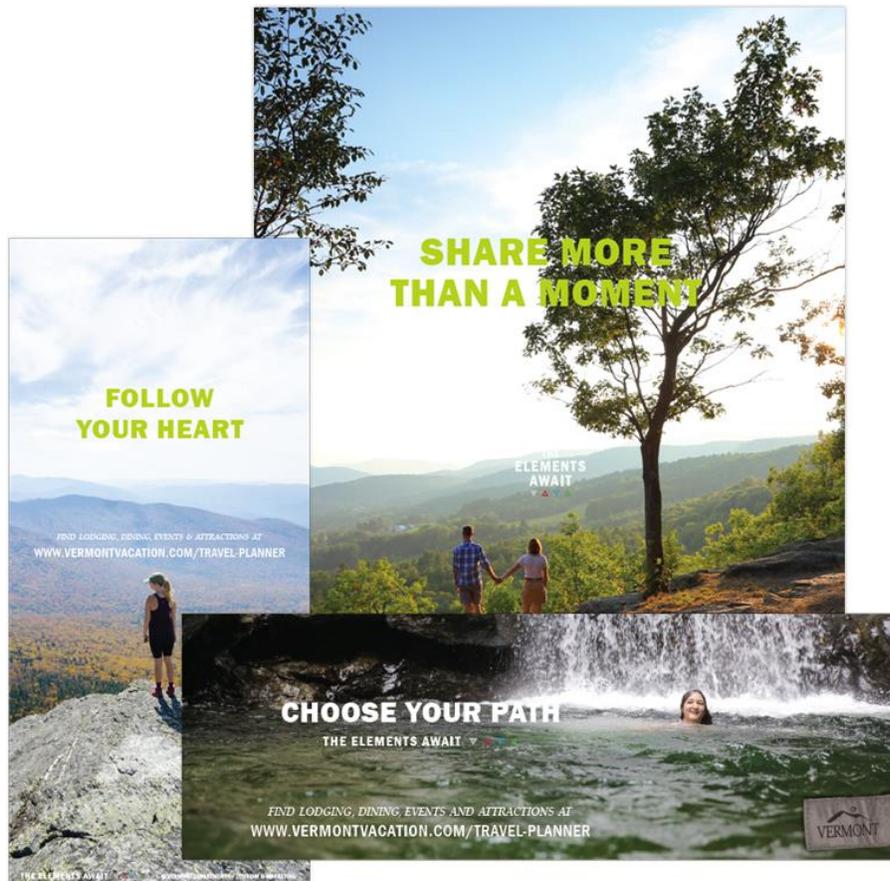
- **Winter Campaign:** VDTM launched the winter campaign earlier this week, and can be viewed by going to [VermontVacation.com/winter](#). VDTM added tracking pixels to the website to help track the performance of the winter campaign.

MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator





- Summer/Fall Vacation Guide | Remnant Ad Placements:** David assisted the chamber by offering them with last minute ad placements. These insertions were offered to VDTM of those remaining after all other insertions were placed.



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

- Advertising:** Total sales for the week ending November 12 were \$13,366.48, a significant increase from the previous week's \$7,365.01.

- **Calendars:** We received an appreciative call from a customer in the Netherlands, who did not give her name, expressing gratitude for "the magnificent scenes and photography in the 2017 wall calendar." The caller said that a friend has been mailing calendars to her for more than 20 years, that there are very few Vermont calendars that she has seen in her homeland, "but the 2017 calendar has surpassed them all."
- **Economic Development Marketing:** A large portion of staff time was spent working toward completion of the website launch.
- **Fishing Guide:** Staff Is pushing this project to the finish line, particularly with proofreading.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Joan Goldstein, Commissioner

- **Workforce Development:** Held first steering committee meeting with the Vermont Business Roundtable to implement a college and career readiness program for the state. We have good participation from Rutland, Brattleboro, Burlington, BDCC, South BTV k-12 superintendent, VSAC, GBIC, REDC and the Agency of Education. The idea is to form an employer collaborative modeled after the US Chamber Foundation's Talent Pipeline Management Academy. It dovetails nicely with the workforce needs assessment currently underway. The US Chamber representative will be here 12/5 to 12/6 to meet with employers and the steering committee to help us understand how to execute this in VT. There is an expense paid academy starting in January where we can send reps from VT to learn how to facilitate these groups for successful outcomes.
- **Confidential – Westminster Foods:** Listened to the Westminster Foods VEGI application presentation to the VEPC Board and met with Bob Abramowitz afterwards. They were awarded the \$194k in incentives but they are still unsure as to whether that would be enough to bring the gluten free bakery here to VT from VA. It will cost approximately \$2mm to make the move. His feedback on the VEGI process included the 'all or nothing' aspects of VEGI make it difficult for the business to estimate the more likely numbers (they committed to 20 new employees but it will be more like 50) since, if they do not reach their targets, they do not get any incentives. If we could amend that to a pro rata share earned it would be easier for businesses to make estimates which yield a better incentive - thereby helping them make the decision to stay. This is an example of a company that owns several heritage brands: Gold's mustards and horseradish, U-bet chocolate syrup, to name but a few. They will be fairly acquisitive going forward and we must recognize and have reflected in our programs the fact that these businesses which own a portfolio of businesses have many choices on where to locate their acquisitions. If we cannot compete with other states, we lose out on the lifetime value of these employers.
- **Confidential - EB-5 – Southface Village:** Southface Village does not want any correspondence between the Regional Center and USCIS - whereby such correspondence pertains to their project offering – released to the press. It is equivalent to releasing information about a private placement of securities to the public. Such disclosures to the press would have a detrimental impact on their ability to raise funds in the overseas markets. If we do this it would prevent other projects from choosing the VT Regional Center as confidential information about their project, capital structure, etc. is at risk of being divulged to the press.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Vermont Wins Top Award at the European Captive Services Awards:** Dan Towle, Director of Financial Services, and David Provost, Deputy Commissioner of Captive Insurance, accepted the top award for the 'Captive Insurance Non-European Union Domicile of the Year'. The award was given out in Luxembourg prior to the opening of the European Captive Forum. Vermont edged out Bermuda, Cayman, Guernsey and Delaware to win the award. A press release went out including quotes from Governor

Shumlin. This award comes on the heels of Vermont winning the “Top US Domicile of the Year” in August for the fourth time earlier this year. Vermont has over 60 captive insurance companies with parent companies headquartered in Europe. The award is given to the top captive insurance domicile in the world outside the European Union that has “outperformed their competitors and demonstrated the highest levels of excellence in the captive insurance industry,” in servicing the European marketplace.

- **Captive Owners Summit New York:** Dan presented on the keynote opening panel of this event held last week in New York. Dan spoke on the negative effects of self-procurement taxes on captive insurance companies and what companies should do to navigate in these uncertain times. Dan was also a group leader on two roundtable discussions on the ‘Benefits of Captives and Justifying their Value’.
- **Vermont Captive Insurance Association and State of Vermont Minneapolis Roadshow:** Last week Dan was in Minneapolis, Minnesota for a day long educational and business development event. Dan spoke on two separate panels that included a Risk Manager from Hormel and Wells Fargo. These events have proven to be very successful for Vermont to both develop new captives, but also to help retain our existing clientele. Around 75 registrants attended this event. Several prospects were in attendance that may prove to turn into new captives.

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Met with Imerys Talc along with Kristie Farnham to check in on their training project which has been delayed for almost one year due to permitting issues. We are going to work with them to create a new VTP application as the old grant is about to expire and we want to get them onto our Intelligrant platform. Imerys also has a clearer idea of their training needs and are happy to create a new application.
- North Hartland Tool just received approval for their VTP grant to include training in lean manufacturing and skill upgrades with their CNC machinery.
- Composites BHS, Northwest Medical Center, Vermont Castings and Vermont Wood Studios all have applications in Intelligrants at varying stages.
- Met with Konrad Prefab along with Kristie Farnham and Bob Flint as the company is starting to get orders and are concerned about keeping up with production needs. They are looking into a VTP application to help with training.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Deputy Commissioner Hanford

- **Vermont Community Development Board:** Held a conference call board meeting to review and approve a \$239,299 CDBG-Disaster Recovery enhancement to an existing \$5.5M project “Red Clover Commons”. This enhancement will allow the removal/demolition of 4 flood damaged properties in the Floodway and help restore the floodplain along Whetstone Brook in Brattleboro.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **Public Service Department:** Chris and Annina met with PSD staff to discuss:
 - working with VCGI and the RPCs to create maps and data to help communities identify sites appropriate for renewable energy facilities

- developing the guidance to help communities create energy plans that earn ‘substantial deference’ in the siting of renewal energy facilities (due in January)
- assuring PSD and ACCD planning funds are coordinated and used efficiently
- coordinating tasks related to a legislative report (Act 56) on solar screening bylaws (due in January)

State Designation Programs Report

- **Hancock, Tax Credits:** A 2016 Downtown and Village Center tax credit project in Hancock was recently highlighted in [Seven Days](#). Hancock’s General Store was impacted by Tropical Storm Irene and closed. It then sat vacant for two years until new owners purchased the property in 2013. They were awarded state tax credits to help offset the costs of code-mandated upgrades and façade improvements and the store re-opened this fall.
- **Springfield, Better Connections:** Richard, Gary and Jackie Cassino (VTrans) met with Springfield’s town manager to get an in-depth tour of the downtown, discuss ongoing initiatives, and share how VTrans and ACCD can support their efforts as part of the Interagency Initiative. Later in the evening, we participated in a community forum at the Hartness House for [streetscape master plan](#), where consultants shared redevelopment options for several underutilized downtown buildings, discussed ways to improve walking and biking and offered recommendations to strengthen the connection between Main Street and the Black River. The community meeting was well-attended with over 100 community members, including state reps, local and regional leaders, and residents. Learn more about the event, in the [Eagle Times](#) and [Rutland Herald](#).

HISTORIC PRESERVATION ♦Laura Trieschmann, State Historic Preservation Officer

- **230th Historic Roadside Marker Placed in Vermont:** Braving the hail and cold winds on Veterans Day, Laura attended the dedication ceremony for the General Edward H. Ripley roadside marker in Mendon. The ceremony included 78 people, with a group of Civil War re-enactors—who actually fired their historic rifles, and remarks by the president of the Mendon Historical Society, our SHPO herself, and Civil War historian Jack Anderson. Thank you to Senators Flory and Collamore for also attending. A very organized parade moved from the burial site of the General’s horse, Old John, to the new marker for the unveiling. The history-crazed residents of Mendon initiated the research and placement of the marker last February and planned the dedication for Veteran’s Day, the 177th anniversary of the general’s birth in Rutland.



- **Theron Boyd Lease:** Several members of the team reviewed a draft lease agreement with an adjacent property owner for portions of the Theron Boyd property. The c. 1786 barn is to be included in the lease agreement, to be used for agricultural purposes once again. The house is to remain under the direction of

VDHP and is not included in any lease agreements. The goal of this lease is to create a longer-term agreement with this lessee, which will help with the preservation and stewardship of this highly significant property and the brook. This is the last of three leases Dale Azaria has been working on for VDHP at this Historic Site; thank you so much Dale.

State Archaeologist

- On Wednesday, Jess travelled to Searsburg to meet with Dr. Robert Lout to learn about a remarkable series of historic archaeological features on his property and on adjacent TransCanada land. The remains included the foundations of houses, mills, a hotel, and other buildings from the 1800s. He wanted to make the State aware of these remarkable remains so that they might be considered in the future, possibly in discussions involving TransCanada dam relicensing.

Barn Preservation Grants

- The FY 2017 Historic Preservation grant applications are in! This year, we received 33 applications from 13 of Vermont's 14 counties, requesting roughly \$404,000 for \$200,000 in available funding. Last year we received 48 applications. The Advisory Council will meet in February to award the barn grants.

Historic Sites Section Chief & State Owned Historic Sites

- **Coolidge Site:** We received the excellent news that Caravan Tours will be returning next season with 87 motor coaches! We usually don't hear from this company until late April, so it's great to know this so early in the game.

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

- A resident of Chambers MH Village in Hartford contacted CVOEO about sewage surfacing under her mobile home. They correctly referred her to the town health officer and Environmental Conservation, but she had a question about whether "the State" was allowing the park owner to bring more mobile homes into the park due to long standing sewer problems. Arthur reached out to ANR's regional office and found that the park owner had received a permit more than 10 years ago, to replace the park's sewer lines, but it's unclear if the project was done.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Regular CDBG

Existing Grants

- **Town of Bennington:** The grant agreement for the Bennington Historic Rehabilitation Project is ready to be offered. The VCDP award of \$500,000 will be used for rehabilitation work for 26 units in 3 locations in Bennington (119-121 Pleasant Street, 233 School Street, 316 and 318 Safford Street, and 50 and 100 Carrigan Lane). The buildings were constructed in the late 1800's and renovations included site work, accessibility improvements, energy efficiency upgrades, general repairs, and appliance replacements. This past summer, Shires Housing was the target of an enforcement action from the Attorney General's Office regarding compliance with the State's lead paint laws. The issue has been resolved and there was no violation of any HUD or EPA lead paint regulation.
- **City of Barre:** The City received a \$19,830 Planning Grant award in February of 2015 to assist Granite City Grocery (a proposed Owner/Member controlled Coop) with organizational development, membership recruitment and business and facility planning. There is still no grant agreement and little movement had happened since a meeting of all parties in March 2016, primarily due to the identified potential site at that time failing to be suitable for the store. The overall problem is an inability to find a site in the downtown that meets the current recommended business model of having dedicated parking and room for expansion. Staff have asked for an update on the situation and confirmation that the draft grant agreement project description remains valid, and it looks the grant agreement might be offered in the near future.

Technical Assistance to Potential Applications

- **Town of Castleton:** Nathan traveled to Castleton to meet with the Town Manager, representatives of the Windy Hollow Mobile Home Park coop and their consultants to discuss their project and VCDP application to assist in funding the acquisition, and rehabilitation of water and onsite septic systems within the mobile home park. A representative from USDA-RD was also at the meeting to discuss the loan/grant program that the park will need to pursue as part of their efforts. The park consists of 40 units (mostly double wide homes, with permanent garages and other out structures) that are located in and around former slate quarries. They are targeting our February CD Board meeting, but with the need to complete income surveys of the households to determine eligibility and the need for the coop to seek traditional water and wastewater funding sources it is not clear if this will be feasible. The current park owners are interested in selling the park to a company that quarries slate and the potential closure would have a drastic and costly impact on the current residents as relocating their homes would be expensive due to the need to split the homes and then transport to a new suitable site.

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ JOHN E. ADAMS, DIRECTOR

- **Agency of Education & Data:** John met with Wendy Geller, Director of Analysis & Data Management at the AOE to discuss data governance issues and the future use of GIS at the Agency. The agency is in the process of hiring a statistician with GIS skills, who will likely represent the AOE on the Enterprise Geospatial Consortium. VCGI will work with AOE to update school districts boundary changes as they occur.

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

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Michael S. Pieciak, Commissioner, Department of Financial Regulation
Date: November 18, 2016
Re: Weekly Report



Securities Division:

Jay Peak:

- **Permanent Injunction Order** – We are still waiting for the federal judge’s final order regarding the permanent injunction. Four weeks ago, the judge insinuated the order would be issued within the week. We are anticipating a good result when the order is issued that will leave Mike Goldberg in place and allow him to make longer-term decisions regarding the properties, including their sale.
- **Receiver’s Fees** – Mike Goldberg will be filing a motion requesting payment of professional fees this month. The total request will equal approximately \$1.5 million, broken out as follows:
 - \$40k for the receiver’s Canadian counsel (helped secure approximately \$2 million held in a Jay Peak Canadian bank account), Gowling WLK
 - \$50k for the receiver’s immigration counsel, Klasko Immigration Law Partners
 - \$400k for the receiver’s forensic accountants, Kapila Mukamal
 - \$400k for the receiver’s counsel, Levine Kellogg Lehman Schneider and Grossman
 - \$600k for the receiver’s firm, Akerman LLP

Note: Mike Goldberg agreed to significantly reduce his normal rate when appointed receiver. Further, this request includes all professional work performed since the receivership was established in April 2016 (Quirios’ recent \$1.4 million request for attorney fees covered only the last four months).



- **Receiver's Report** – Mike Goldberg plans to file a report shortly updating the federal court on the operations and finances of Jay Peak. This will be a follow-up to Goldberg's first report filed on August 12, 2016. The report will not have any major surprises and will show the resorts are in strong financial condition compared to budget. We will forward a copy of Goldberg's report when he provides it to DFR.
- **Unpaid Subcontractors** – The first round of payments from the Citibank settlement for the unpaid subcontractors are still on track sometime over the next 6 weeks. 35 percent to 40 percent of claims will be paid then with the remainder hopefully being paid out during the winter.
- **State Law Suit Rumor** – Goldberg received a call this week from a Boston attorney requesting that he join a lawsuit against the State of Vermont relating to Jay Peak. Goldberg of course declined and is uncertain as to whether the lawyer plans to press on with the suit without his participation. Out of caution DFR informed Bill Griffin at the Attorney General's Office.

Insurance Division:

Winter Safety Press Conference: Commissioner Mike Pieciak will represent DFR at a press conference Monday hosted by AAA Northern New England intended to remind Vermonters to be prepared for winter driving conditions. As Thanksgiving approaches, AAA predicts about 2.2 million New Englanders will be on the road and urges drivers to slow down, plan ahead, give plow trucks plenty of room and be ready for adverse conditions.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: November 18, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

Act 130 Report from the AG – Very bad draft report received from the AGO on the rate case with GMP. It failed to discuss what happened in the rate case and spent all 33 pages regurgitating AARP criticisms of Alt Reg. I am calling Bill Griffin and we are meeting with him next week.

VGS - We are evaluating the viability of a settlement with VGS on their rate proceedings. I will be discussing conditions with Don Rendell and we'll see if they have an appetite for settling in the manner we need, which is to do another cost of service evaluation in the spring after the pipeline is completed, and then we can commit to a 3 or 4 year path forward under alt reg.

Meetings This Week:

Nov 14 – NECPUC Board meeting, NARUC

Nov 15 – VPR interview, VY

Nov 16 –

Nov 17 – Mary Powell meeting, Act 174 meeting,

Nov 18 – VPA Fall Conference

Meetings Next Week:

Nov 21 –
Nov 22 – VCRD Board Meeting, VY Decommissioning Monthly meeting
Nov 23 –
Nov 24 – Thanksgiving Holiday
Nov 25 – Thanksgiving Holiday

Media: Mike Faher on NDCAP and VY, Press Release on Siting Standards, Various media on VY announcement; AP (Dave Gram) on VY, Wind, E-911

Public Official Contacts: None

Everything Else:

PERD

Act 174 / RPC Planning

- Act 174
 - Discussed upcoming (11/18) VPA Planning & Zoning forum session with VPA organizers. Our panel, with Jim Sullivan, will be discussing the standards. We'll likely use the presentation from VLCT, with added slides from BCRC.
 - Continue to respond to questions on meeting the standards from the RPCs.
 - Responded to request from CVRPC to be part of their regional energy planning steering committee – but asked to be involved less formally, given our responsibility to review plans for conformance with the determinations standards.
 - Discussed training materials with core RPC energy team (made up of planners from the pilot regions). The responsibility of RPCs to find ways to accommodate wind targets in partnership with their municipalities is proving to be a difficult area of discussion.
 - Sent VT Conservation Design layerfile to ACCD to include on their Act 174 map portal. Had multiple discussions about appropriate layers to use, and what to call them. Communicated with EAN about appropriate map layers to use in their Dashboard/Atlas, in an effort to continue to make it compatible with the standards.
 - Distributed the Department's guidance document to RPCs and select town planners. At the moment, guidance only addresses the "Analysis and Targets" section of the Determination Standards. It will be expanded to cover the other sections at a later date ("Implementation," "Mapping"). Recipients are being asked to review and provide any feedback re: areas needing elaboration or clarification but the main substance and structure of the document is final.
 - Worked closely with EE team to determine whether data on home weatherization could be made available to regions and towns for their planning processes.
 - Staff has begun collecting data on the number of weatherized homes by town from the Building Energy Goal Tracking Working Group per Act 89 requirements, this data will be utilized to aid RPCs in their planning.

Energy Efficiency Utility Activities

- Staff reviewed VEIC’s draft filings for Total Resource Benefit QPI adjustment based on changes in Avoided Costs and VEIC’s draft filing on the EEf’s Semi Annual Cash Flow Analysis.
- Demand Resource Plan Proceeding
 - Staff discussed the following with VEIC
 - Staff started drafting a recommendation to the Board suggesting that both DPS and VEIC’s proposed definitions related to Peak Demand reductions should be included in electric modeling outputs. Staff agreed to draft comments due to the Board on December 9.
 - Staff reviewed a motion for reconsideration filed by Conservation Law Foundation (CLF) requesting the Board amend statements in an Order related to restrictions on use of Thermal Energy and Process Fuel funds. Contrary to the Board’s Order, CLF contends that state statute does not dis-allow TEPF funds to be used for transportation related initiatives. One central issue is that the statute does not define “process fuels” specifically. Historically, staff have understood process fuels to be limited to fuels used in industrial processes, not transportation itself as a process. Some additional Board process is anticipated on this issue; a conversation with Board staff has indicated that the Board will issue a memo soon requesting comments after the Thanksgiving holiday.

Evaluation

- Behavior Pilots – EVT has informed staff that they plan to make significant changes to the Home Energy Reports due to negative customer feedback, including likely removing the neighbor comparison information. They have been in discussions with OPower and weren’t sure they would want to go forward with such drastic changes as the neighbor comparison is the main component of the HER’s, but OPower has finely agreed. Due to the significant changes to be made EVT is planning on another somewhat lengthy program pause, with a relaunch in the spring. Staff have offered to consider adding questions to the upcoming evaluation survey about what customers would want to see as far as changes to the report if EVT would deem that as useful in their redesign of the reports. They are discussing this possibility and will get back to us. The evaluation survey is expected to be in the field in January.

Heat Saver Loan/Thermal Energy Finance Pilot

- Sent draft *Program Report* to participants for review. PERD staff intend to finish the draft, write a press release and issue the final report next week.
- Finalized and submitted new quarterly budget report to VLITE; learned that there is a possibility that DPS may be able to submit a request for additional funding to continue supporting the Heat Saver Loan program. Will need to check in with the director in December.

Clean Energy Development Fund

- Added Same Sun of Vermont to the Windham Solar Finance Program’s list of installers. This brings the list to a total of 11 solar PV companies now participating in the program.

- Began working on outline for CEDF annual report. This year, the initial thinking is that the report will revolve around the CEDF 5 year Strategic Plan and what transpired since the plan was approved in 2012.
- Clean Energy Industry Report – Coordinated with finance division staff to learn about new contracting requirements for the department. Since completed last year, the previous contractor has gone on to win a national contract from DOE to conduct an energy survey using the Vermont project as a model. The data from this survey will be available to the public once completed. As a result, CEDF is able to contemplate low cost options for completing the next edition of the report for next year.
- Worked with VEIC on contract amendment for the administration of the SSREIP.
- Worked with VEIC and Division of Air Quality on the forms and grant process for the Stove Change-out component of the SSREIP. Set to launch the incentive on 11/28/16.
- Approved the final report and grant invoice from Windham and Windsor Housing Trust for \$20,000 as part of their \$111,000 project to install a pellet boiler for an affordable housing project in Brattleboro.
- Here is an aerial drone video of the McKnight Lane housing project (Vermont’s first net zero affordable housing community). The CEDF provided grants to support the installation of the PV systems on each home – visible in this flyover video:
<https://youtu.be/SvboQzSvXIs>

Renewable Energy

- Met with ACCD to discuss Act 56 solar screening bylaw report, due to the Legislature Jan. 15. ACCD has compiled the most up-to-date list of towns that have adopted such bylaws, and it is our responsibility to outline the use of those bylaws in 248 proceedings.
- Standard Offer Program – Parties submitted second round of comments responding to Board’s request for recommendations on how to integrate “Preferred Locations” pilot into the 2017 auction. DPS filing made one point: the procedures for certifying whether a project qualifies as “Preferred” should be consistent with the procedure ultimately developed for Net Metering applications, which are subject to the same definitional categories.
- Staff met with representatives from several utilities to discuss implementation and interpretation issues regarding the new net metering rule. The meeting will likely result in comments from the utilities that we may then support.

Power Supply

- WEC Rate Case
 - Reviewed draft filing to be submitted to Board on November 15th for rate year ending December 2017. WEC’s expected power supply costs are around \$6.27 million, up by around 3% from test year. This is expected to be offset by REC sales worth somewhere around \$2.5 million though there has recently been an approximately \$10 drop in prices in the last week and WEC is rethinking assumptions. Otherwise the main drivers are:
 - Transmission charges, expected to increase around 9% overall in large part because of increases in GMP wheeling tariff and RNS tariff.
 - Capacity charges, expected to increase by 70% because of price jump in FCA

8 taking effect in June. WEC is short about 6 MW.

Dockets and 248 Review

- PSD filed discovery questions in Docket 8827, a petition by GMP to invest in hydro facilities from Enel located outside of Vermont.
- 8673 – GMP Digester - Met with Commissioner and staff to discuss GMP’s digester. In a meeting with the Commissioner and Deputy, GMP offered a guarantee of 16.9 cents levelized over a 25-year period with the first “true-up” occurring after 10 years. Staff is still waiting on a specific terms sheet which describes the guarantee in more detail as well as for answers to discovery questions submitted to GMP on 10/25. Also note that due to higher-than-anticipated interconnection costs, the capital budget of the project recently rose from \$8M to \$9.4M. This is a very significant jump, and should be discussed in detail with GMP.
- 8794- GMP innovative services. Staff discussed timeline and program structure internally and agreed that while there are likely several alterations to this program which would result in its success, the program as proposed by GMP is concerning in several regards. The timeline for this docket may be insufficient to fully resolve these issues. The program would be more beneficial to ratepayers as well as easier to administer if it were a straight subsidy program similar to program proposed by other utilities, or a loan (rather than equipment lease)-based program. A lease program could be acceptable if it were properly designed.

Other Items

- Met with VEC regarding their TOU and net metering tariffs. VEC agreed to work closely with CAPI and PERD on marketing for their TOU rates and to complete a review of the success of these rates after a two-year period. They also expressed concerns about one aspect of the Board’s NM rules. For systems that are grandfathered in, would customers receive VEC’s retail rate or the blended retail rate for power sent back to the grid? Staff agreed to add this issue to filings.

Finance & Economics

Electric

GMP PSB Docket 8827 - Petition of Green Mountain Power for approval to invest in hydroelectric generation facilities outside of Vermont. Valuations from the PSD’s appraiser were received, which in some cases significantly different from GMP’s. GMP’s proposed O&M expense forecast and the differences in the analyses are being reviewed. Allco Renewable Energy has made a motion contesting GMP’s acquisition of the non-Vermont facilities.

WEC: WEC provided a preliminary draft of its upcoming rate case, indicating an increase of 6.96%. WEC indicates that it expects to file on November 15. Staff has started a preliminary review.

Energy Efficiency Utility

VGS Gas Energy Efficiency Charge (EEC): Gas EEC Rate Calculation for 2017 – VGS is proposing an increase in the Gas EEC of 13%, equivalent to an overall increase in firm rates of .4%. This is due to; a 3% increase in the PSB approved budget, half of the under collection of \$380,000 in 2016 and inclusion of \$118,000 for the DRP which was not included in the budget. VGS is proposing to collect only half of the under collection in 2017 and the rest in 2018. A draft version of VGS calculations was reviewed. No action from the PSD is required at this time.

Regional

St. Lawrence Contract

- On November 15, the New York Power Authority and the Neighboring States entitled to power at cost-of-service rates finalized contract language. Under the contract Vermont receives 1 MW of energy and capacity for a 15-year term. The cost-of-service rate is approximately \$5/MWh, although this rate can increase or decrease with changes to the inputs to cost-of-service. The contract states that Neighboring States can claim renewable energy credits associated with the deliveries, although it explicitly states that NYPA and any requesting state must separately negotiate any terms associated with transferring the RECs. NYPA has stated that it intends to charge states for the RECs.
- Pursuant to 30 V.S.A. § 211, the Governor and the Public Service Board must approve the contract. Staff will work with PA to prepare a petition for the PSB.

Allco Petition for Enforcement at FERC

- Staff separately discussed the Allco petition with Public Service Board staff and Green Mountain Power's attorney. PSB will be hiring outside counsel and responding to the complaint. DPS staff will also file a separate response. GMP is debating whether the respond.
- PSB and DPS staff filed requests to extend the deadline for responses to the complaint. FERC set a deadline of November 25, PSB and DPS requested that this deadline be extend to December 23.

Coolidge Solar

- Staff is preparing testimony in the Coolidge Solar 248 case to address the potential for the project to curtail existing renewable generation. There is insufficient information to determine the extent that this could occur, and the testimony is to flag the issue for the PSB and note that it should be considered when reviewing the System Impact Study, which will be completed after technical hearings.

Engineering

Second VY Independent Spent Fuel Storage Installation (ISFSI) Construction Activities

Internal component assembly for six additional spent fuel dry storage casks that arrived onsite over the 10/30 weekend was completed on 11/9. There are now 12 fully assembled, but empty, dry casks staged on the existing ISFSI, along with the 13 casks that already contain spent fuel. Demolition of the west ramp for the existing ISFSI pad was completed on 11/10. Disassembly of the 150 kW former Security Diesel Generator was also completed. Teardown of the former North Warehouse (within the footprint for the second ISFSI pad) commenced on 11/14 and was

completed by early afternoon on 11/15. Removal of debris from the warehouse continues.

Public Advocacy

VGS Rate and Alt Reg Filings – Docket Nos. 8710 & 8698

On October 31, the Department filed surrebuttal testimony from our three direct witnesses – Schultz, White, Baudino, and a new witness Brian Winn. The testimony focused on the prudence issue, and largely maintained the status quo. Discovery was served on the Department on November 8. Responses are due November 22. No significant issues have come up to date with discovery. On November 9, VGS reached out to the Department in an effort to settle the case. VGS's initial position made few concessions. To date, staff has had no further direction to engage and has reported that to the Company. A meeting is scheduled for November 21 to discuss cross and trial strategy with AARP.

GMP Hydro Acquisition – Docket No. 8827

GMP has proposed to acquire 4 Vermont and 10 non-Vermont dams from Enel. This docket is a request for a CPG for the 10 non-Vermont dams. A schedule was issued last week. Discovery was served on November 10. Allco has requested to intervene. GMP opposed. DPS took no position.

GMP Alt Reg – No Docket

Staff had a meeting with AARP on November 10 to discuss GMP's alternative regulation plan in advance of GMP's request to extend it by a year. This meeting was agreed to at the end of this year's base rates proceeding. AARP is of the opinion that any request to extend the alt reg plan should be opposed except for a power adjustor. AARP recognized that the merger savings platform is a complicating factor.

Separately, on November 15, the AG provided a draft report on the DPS's ratepayer advocacy. The draft report is highly critical of the alt reg process and recommends a 3 year pause. Staff had anticipated that the report would focus on the base rates filing carried out this summer, consistent with the legislative direction. The AG instead performed a more general evaluation of alt reg, and was structured around evaluating AARP's critiques of the process.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685

By the November 18th deadline, the PSD will file non-petitioner surrebuttal testimony. Bill Jordan intends to draft testimony addressing the station controller and PSD review of the SIS as a post-CPG filing. Ed McNamara intends to draft testimony addressing the minimum interconnection issue. The PSD will not submit additional testimony on need. John Woodward is drafting a § 202(f) letter stating that the project is consistent with the CEP.

Otter Valley Solar in Pittsford – Docket 8770

The PSD anticipates filing a second round of discovery on Petitioner by the November 17th deadline.

SunE Solar Rutland – Docket 7957

The CPG holder was ordered to show compliance with testimony (incorporated into the CPG) that it would preserve a 20-foot fire lane. The compliance affidavit did not demonstrate compliance and the fire chief was particularly concerned for the safety of the occupants of the

onsite building. The PSD learned yesterday that the fire chief filed a letter with the PSB (without coordinating the timing well). The letter stated the supplemental fire equipment required by the stipulation (which is yet to be filed) will provide adequate fire protection service in lieu of the 20' fire lane. The PSD informed the petitioner of the letter. The PSD and the petitioner quickly worked out final language changes and signed the final stipulation to be filed shortly. The stipulation resolves all issues including setting a sanction amount.

Pownal Park Solar, LLC (formerly Triland's project) 2.2 MW Solar in Pownal – Docket 8610
Pownal informed the PSD that it has received all required approvals and intends to commence construction.

TDI New England Clean Power Link Project – Docket 8400

TDI filed ISO-NE's section I.3.9 determination that the project will not have a significant adverse effect on the reliability or operating characteristics of the transmission owner's transmission facilities, the transmission facilities of another transmission owner, or the system of a market participant. The PSD has accessed and is reviewing the SIS (which is apparently being kept confidential). Under the provisions of the MOU, the CPG is conditioned upon Board review of the I.3.9 and SIS as a post-CPG compliance filing, subject to review and comment by the PSD, GMP, VELCO, and BED regarding ongoing section 248(b)(3) compliance, or whether any identified subtransmission or transmission system upgrades require further review and/or approval by the PSB. The PSD is analyzing the filing and plans to submit comments by the November 28th CPG-imposed deadline.

GMP Innovative Products Tariff Filing – Docket No. 8794

The Department provided GMP with two additional sets of discovery questions on November 4, 2016. GMP provided (incomplete) responses to these discovery requests on November 11, 2016. The Board issued a schedule for this case on 11/16, calling for non-petitioner testimony by 11/30, GMP's rebuttal testimony by 12/20, and a technical hearing January 3 followed by briefing. The Department is scheduled to meet with GMP on November 17, 2016 to discuss the concerns raised by the proposed tariffs.

ER Thurston Farm Solar East 500 kW Solar Group Net-Metered Facility in Orange – Docket 16-0046-NMP

The Board scheduled this matter for a site visit on November 8, 2016 in response to the Department's comments. The Department attended the site visit and filed post-site-visit comments on November 14, 2016. The Department's aesthetic and orderly development concerns were substantially alleviated by this visit.

Aegis Renewable Energy, Inc. "Aegis Solar Fontaine" 480 kW Solar Group Net-Metered Facility in Williston – CPG #16-0047-NMP

This Project is sited on a retired sand pit surrounded by a heavily forested area. The Department filed a comment letter on November 14, 2016 raise a number of system stability and reliability concerns to be addressed with the utility. The Department also requested an inverter clarification and update to the reports relying on the old inverter data.

Swanton Met Tower Penalty Investigation – Docket 8561

This case involves a meteorological tower constructed in Swanton, allegedly without prior Board approval. On November 9th, the Board's hearing officer issued an Order granting the Department's Motion for Partial Summary Judgment and denying Swanton Wind's summary judgment motion. The Order requires parties to propose a schedule for the penalty phase of the proceeding. The Department is conferring with other parties on a potential schedule.

Petition of Robert Garthwaite to Revoke CPG #NM-1771 – Docket 8774

This case involves a complaint that the holder of the CPG, David Blittersdorf, did not construct the turbines in accordance with the CPG application. Mr. Blittersdorf is required to submit a supplemental affidavit that is fully responsive to the Board's previous inquiries by November 23rd. The parties submitted a stipulated proposed schedule to the Board on November 14th, which anticipates a discovery period following the submission of the revised affidavit and a site visit on December 15th.

Permanent Wind Noise Rulemaking – No Docket

The Department filed additional comments in response to initial comments and proposals from other interested persons, as well as an amended proposed rule that proposes a 45dBA exterior sound level limit at nearby residences. The Department's comments focused on areas of agreement among the initial comments – most notably a general support for pre-construction sound modeling and the rejection of the implementation of an interior sound standard. The comments also highlighted the lack of agreement on the appropriate sound limit, the use of setbacks, and whether to address infrasound and low frequency sound in the rule. The Board will hold a workshop to discuss these issues on December 2.

Swanton Wind Rule 4.100 PPA – Docket 8571

The Hearing Officer held a status conference and set a schedule to respond to GMP's motion to dismiss the rule 4.100 contract at issue in the proceeding. Responses to the motion, which the Department supports, are due on November 28, and further replies by December 8.

Great Bay Wheeling Issue – Docket No. 8781

On November 2, a hearing officer rejected a motion to dismiss a Great Bay petition seeking relief from wheeling charges assessed by VEC on Great Bay's QF facility (which is operating under a contract under the now superseded version of Rule 4.100). On November 14, VEC filed a motion for interlocutory review by the full board. DPS opposed the VEC motion to dismiss (along with Great Bay) and will likely oppose the request for interlocutory review given that additional facts are necessary to fully evaluate the issues raised, particularly the intersection of a FERC jurisdictional OATT and the Board's Rule 4.100.

GMCW Noise Investigation – Docket 8613

Georgia Mountain Community Wind, LLC filed comments opposing a Hearing Officer report and recommendation to the Board that GMCW be ordered to offer Melody and Scott McLane attenuation testing at their residence pursuant to the GMCW complaint resolution protocol. The GMCW comment largely reiterates the arguments that the Hearing Officer rejected in his report and recommendation. The Department did not file comments in response to the report and recommendation. The parties now await an order from the Board.

GMCW Icing Investigation – Docket 8734

The Department filed a response opposing GMCW’s motion for reconsideration of the Board’s order finding that GMCW twice violated the project’s winter operating protocol by operating the turbines under icing conditions. The Department argued that GMCW had failed to establish any basis for the Board to alter its order, as GMCW’s motion sought only to relitigate settled issues with the same arguments that the Board rejected. The parties now await a ruling from the Board.

Otter Creek Solar, LLC dispute re interconnection with Green Mountain Power Corporation – Docket 8775

This case concerns a dispute among GMP and a solar net metering developer over GMP’s treatment of a solar project for which the developer changed its location and GMP subsequently deemed the project’s application withdrawn for reason of a “material change.” On September 15th, Otter Creek filed a letter withdrawing its petition, explaining that it no longer needed to seek interconnection at an alternative location. On November 9th, the Board issued an Order granting Otter Creek’s withdrawal of its petition and remanding the proceeding to a Hearing Officer “to investigate whether a generator that loses or forfeits site control of the property underlying a proposed project still has a viable project for purposes of maintaining its position in a utility’s interconnection queue.” The Clerk has been directed to schedule a status conference to determine further proceedings.

Otter Creek 4.99 MW Solar in Rutland – Docket 8797 – Otter Creek 2.2 MW Solar in Rutland – Docket 8798

These are two of five dockets in which PSD and ANR jointly filed a motion for an order to show cause, along with a memorandum in support of the motion. As required by the Board, ANR and the Department are working on legal briefs (due on November 28th) addressing the Petitioner’s assertion that Otter Creek has legal authority to clear the land, as well as the principal issue raised in the Show Cause Order - whether the conduct of a third party landowner can constitute “site preparation” or “construction” within the meaning of Section 248(a)(2). Reply briefs are due on December 5th.

GMP 248(j) Petition for Upgrades to the Barre North End Substation – no docket

GMP filed a petition on October 21st requesting approval for a number of upgrades to its Barre North End Substation. The Board has not yet set a deadline for comments.

Special Contracts (no docket):

- BED-Burlington Business Association Seasonal Lighting Services Contract (Special Contract) – BED submitted a letter on November 4th requesting expedited approval for a special contract with BBA for seasonal lighting to be located in the Church Street Marketplace. The Department submitted a letter recommending approval of the request on November 8th. On November 15th, BED filed a revised contract with minor changes to show corrections made between a draft and final version of the contract, noting it had conferred with the Department and received the Department’s approval on the revisions.
- VEC Special Contract with Richard and Sherry Pion – Special Contract No. 1016 – VEC has requested approval of a contract with the Pions as part of its Tier 3 Clean Air Program. The contract will enable the Pions, who own residential property in Lowell, to

replace fossil fuel generators with electric services that will require up to 250 kVA of capacity. In order to supply service, VEC needs to install a 1,600 foot single-phase line and a transformer. The Department's recommendation is due on November 21st.

Telecommunications

Public Records Request

Staff responded to a public records request. The request was made by a prolific public records requester. The request was for records related to Pericle Communications. Pericle was hired by the State of Vermont in 2010 to map cellular voice and data coverage. Staff has some records responsive to the request, but many of the requested records are likely held with the Vermont Center for Geographic Studies. Some of the requested records do not exist. Staff drafted a response, which notified the requesting party to ask VCGI for the records the Department does not possess.

ECFiber Connectivity Grant

In 2015, the Department awarded ECFiber a grant to serve locations in Royalton with fiber based broadband. The Royalton project is behind schedule. The project requires a permit to cross the railroad line in two places. ECFiber is awaiting permission from the railway owner to do work across the railway. Staff followed up with the railway to determine the cause of the delay. It appears that the necessary paperwork was incomplete. The situation appears to be resolved.

Comcast CPG Renewal - Docket 8301

Comcast's CPG renewal docket has already proceeded through technical hearings and briefing. However, the Board issued an order requiring that Comcast comment on Dig Safe violations that occurred over the past two years. Comcast filed their response to the Board on October 28, which, in part, indicated that some information in Dig Safe NOPVs issued by the Department was inaccurate. Telecom Division staff consulted with Engineering Division staff regarding Dig Safe violations. While the Engineering Division has concerns about some Comcast violations, the Department informed the Board that Comcast's Dig Safe violations do not rise to a level that warrants remediation through a CPG renewal process. The Department informed the Board that it will pursue independent action through the Board if Comcast's Dig Safe performance deteriorates.

FairPoint Petition to Investigate 5903 Service Metrics –Docket 8701

FairPoint has petitioned the Board to allow it to modify its existing service quality metrics and reporting requirements. FairPoint is requesting that it be permitted to report on service quality only for addresses where its customers do not have access to an alternate landline provider. FairPoint is also requesting that the Board modify the troubles cleared metric so that it is measured at 48 hours instead of 24 hours. The Department submitted its prefiled testimony on October 20 and FairPoint served discovery requests on the Department on October 28. The Department provided responses to discovery on November 8th, and FairPoint's next round of testimony is due November 23. The Department has also met with FairPoint to discuss possible settlement of the issues presented in the docket. Although the Department has agree to reconsider several recommendations, there are still areas of significant disagreement. FairPoint is strongly opposed to the Department's recommendations that FairPoint be required to report separately on service quality for customers with medical conditions and that FairPoint be required to provide

enhanced bill credits of \$5 per day for outages that exceed 72 hours. The Department has indicated that it is not willing to back away from these recommendations, but will continue to discuss potential settlement alternatives with FairPoint. The Department intends to present a list of counter-proposals to a settlement offer from FairPoint, but is not willing to compromise on most of the larger issues.

Verizon § 248a Petition for new tower in Waterbury Center - Docket 8601

Verizon has had an application pending since last October for the installation of a new tower on a parcel of land located adjacent to the Stowe-Waterbury town line. The application is opposed by several groups of neighbors. The Town of Waterbury and ANR have also both intervened in the docket, and are seeking to have Verizon move the facility location. Attempts at a settlement for a change of the facility location have thus far failed. The Town of Waterbury served discovery requests on the Department which are directed at the Department's RF expert. The Department is reviewing those requests, and must provide a response by December 5. The Town of Waterbury and the neighbors have also indicated that they intend to depose the Department's RF expert, which is expected to occur on November 30.

Connectivity Initiative Grant Round II: On Monday, November 4th, Telecom and Connectivity staff issued the Request for Proposals for the second round of Connectivity Initiative grants for 2016. There is \$550,550 available in this round of grants. There are currently 29,836 addresses that are considered to be conditionally eligible for grant funding. A conditionally eligible location is any location that has not been verified to be served or unserved at 4/1 Mbps or may be eligible for service through another federal or state funded program. Connectivity Initiative grants are awarded to Internet service providers that agree to extend service to designated areas least likely to be served through the private sector or through federal programs.

Consumer Outreach: Staff has scheduled a Connectivity meeting with the town of Peacham, planned for December 12th. Staff produced a presentation for the meeting, along with detailed GIS maps of the current telecommunication infrastructure, which will help to inform the community of current service options and assist in the discussion of future potentials.

2016 Broadband Data Collection Initiative – As part of the statutory mandate 30 V.S.A. § 202e (e) which requires the Public Service Department to submit an annual report of the state of broadband availability in Vermont to the legislature. Staff has followed up with all of the providers on an individual basis, if data existed, by sending most the providers maps of their territories and a list of addresses that PSD considers served along with offering any assistance needed to compile this information which was due September 30th. 24 providers have responded; 14 have provided updated service area information, two providers have had no changes in the past year and the remainder were requests for further information on how to submit or requested extensions. Staff has completed data updates for three of the providers that have submitted information. Staff is continuing to work with the wireless providers and the FCC to determine whether the annual data submittal to the FCC can be utilized in this endeavor as it is considered confidential.

Coverage Co extended coverage map

Staff received a preliminary statewide coverage map from CoverageCo after fully reviewing this

submittal, a response with a list of modifications was generated and sent. The modifications included a more refined map, currently the coverage map is rather ambiguous with 300-foot pixel resolution, coverage in some areas appear to extend out beyond five miles and there appears to be no coverage in the direct vicinity of several poles. Staff also requested that the next iteration only show where coverage is currently, stable and will not be changing due to re-locations. CoverageCo responded and appeared agreeable to the modifications requests but did not receive a timeline of when the new coverage map would be sent.

CoverageCo Project

Vanu CoverageCo is a company who was awarded the VTA and EDA Resiliency Projects to provide cellular service in unserved areas of Vermont.

Project Activities:

Previously CoverageCo commissioned 24 new sites and submitted invoices for 18 sites. The Department has completed field testing on all 24 sites. 22 sites were found to be operational with no problems however 2 sites failed. There appears to be a latency issue at those sites caused by the distance of the backhaul. CoverageCo is working on the issue.

The Department visited the Readsboro resiliency site to investigate an outage issue that continues to occur at the site. Some anomalies were discovered and Northern Reliability will be consulted to investigate the issues found.

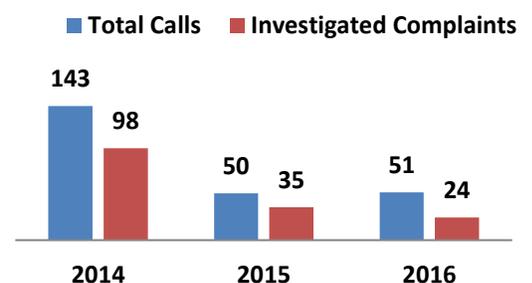
Telecom Cell Site Project

The Department is researching all known and available documents relating to land, building, or towers that are licensed by a state agency or sublicensed by the licensee. A database is being created to capture all relevant information at each site location, especially the revenues that are being generated. Over 125 documents have been reviewed and recorded completing the first round of reviews. The second round will be to clean up the data and correlate the results to other known reports that have been generated.

CAPI

Charter Disconnection Notice- Recent complaints have raised issues about Charter Communications compliance with disconnection rules. Specifically, the notice that Charter is using does not seem to adequately describe the current process the company uses to disconnect customers. CAPI brought these concerns to Charter and the company has pledged to have an internal discussion and work with CAPI on necessary changes.

Calls to CAPI
Same 7 days each year



CASES OF THE WEEK

CAPI took in a call from Morrisville Water & Light which had questions about whether they could pull a meter on a business account at the request of the account holder. Ordinarily there would be no question about doing so but MWL said they were told by the account holder that the property is being used by someone for business purposes, and

the account holder does not want the person there. MWL was hesitant to pull the meter (which the company routinely does when someone asks to cancel service) as this might be construed as the company being used as a means of eviction, which is not compliant with state eviction law. CAPI agreed that MWL is not bound by Board rules regarding providing a tenant notice of a pending service turn-off and the opportunity to have service put into the tenant's name, which Board rules require for residential accounts but not for business accounts. So, it would appear that MWL would be able to turn service off and pull the meter at the request of the account holder. However, Board rules are silent, and state law is not clear, as to whether MWL afterward would be required to put service on in the name of the business occupant, if the person requests this but the property owner does not. The situation is complicated by there being several accounts in the current account holder's name located on, or in the vicinity of, the property that includes the account in question, most of which are residential accounts and one that is a business account. At the time MWL contacted CAPI, there was some uncertainty as to whether the account in question was one of the residential accounts onsite, or the business account. MWL said they would confirm which, and take the appropriate action based on what type of account is the subject of the turn-off request --- either providing notice to the tenant if a residential account, or not, if a business account.

POST CPG COMPLAINTS

CAPI received a referral from the PSB from a consumer in Londonderry about a solar project being built one sixth of a mile from her home. The consumer is concerned about the noise from the construction and that she and other neighbors were not aware of this project. It is not clear at this time if she is an adjoining landowner.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: November 18, 2016

Scott

Secretary Update:

We are making good progress on the Community Profiles. The prototype is now ready and the community will be able to access it through a website link within the next few weeks. At this time, the Community Profiles have extensive data for twenty indicators. On the website, those interested in this data will be able to see trends over the last number of years and can make comparisons from one community to another. Over the next few months, we will be doing training and workshops, and obtaining input from community members to add additional data indicators. Eventually, we hope to have 40 or more indicators. We are planning on a press release by the second week of December to kick off the prototype.

AHS staff and departments are ready for transition. Myself and the commissioners were scheduled to meet with Neale Lunderville to discuss creative program and budgetary options. The meeting has been postponed until November 30th. Except for individual meetings with a few AHS staff, transition contacts have been limited. Again, we're ready to do a smooth and effective transition.

I sent out your joint statement with Governor-Elect Phil Scott regarding Vermonters' concerns after the presidential election. I attached the announcement to a message I sent to all AHS staff that emphasized the importance of continuing to treat all Vermonters with respect and without bias. I've heard back from several staff with 99% positive responses and appreciative of my message and yours.

This week, Steven Pappas, The Times Argus Editor, asked to interview me. He did an article about me two years ago as I began my tenure as Secretary of AHS. He wanted to review my thoughts about the last two years, discuss the accomplishments as well as the challenges ahead.

Sue

Vermont Department of Health (VDH):

Opioid Prescribing Rules

The Department filed two rules with the Legislative Committee on Administrative rules that will affect prescribers of opioid in Vermont. The rules impose conditions on the prescribing of opioids for acute pain and more frequent checks of the Vermont Prescription Monitoring System. These measures are intended to drive down the frequency of such prescriptions and decrease the potential for substance abuse and diversion. The Department hopes to appear before the Committee on December 1, 2016 and have the rules go into effect on January 1, 2017.

Narcan Update

The 20th pilot site where Narcan is available to community members was enrolled on Wednesday at the Chittenden Clinic in South Burlington. VDH has received a large order of Narcan to have in supply in response to the recall of the older device that had been in use.

Fentanyl Field Testing

Guidance for law enforcement officers for conducting field testing of suspected fentanyl is completed and with a graphic designer for finalization. Printing of the guidance documents and availability for roll-out of the materials will be the week after Thanksgiving.

Two of the naloxone pilot sites are willing to conduct testing of the field test for fentanyl for drug users. BAART in Berlin and the Turning Point in Barre were trained and helped develop guidance for the project. Materials are under development and this program should be ready for initiation by 12/1.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH is at full census of 25 again this week. Commissioner Reed and VPCH CEO, Jeff Rothenberg, presented to Health Reform Oversight Committee this week on nursing issues at VPCH. The committee was brief on the overall VPCH occupancy rate of 98.2% this calendar year despite ongoing narrative that the hospital is unable to be at full capacity due to permanent nurse staff vacancies. VPCH also reported an increase in permanent nurse hires since nursing salary adjustments went into effect in May of this year, resulting in a 25% decrease in reliance on traveling nurses. The Chief Nursing Officer at VPCH also announced their retirement this week. This upcoming change in clinical nursing leadership represents an opportunity to both update nursing administration and oversight expectations and make additional inroads with the cultural shift in nursing care at the hospital. Recruitment for a new senior nurse leader will begin soon.

Emergency Departments

This week saw 29 people in need of inpatient care with 5 remaining for admission. There are currently 4 involuntary adults waiting for hospitalization, with the longest wait of 8 days being admitted later this afternoon. There was 1 court ordered adult inpatient evaluation who was placed this week. 11 voluntary adults were also all placed this week. There were 3 children needing inpatient admission this week; and one remains with a likely placement at Brattleboro Retreat later today pending a planned discharge. The Children's unit has seen increased acuity over the last several weeks with the adolescent unit being capped at 15.

The overall occupancy rate in the adult inpatient system of care has been averaging 97% occupancy, while the child and adolescent inpatient system of care has had an average occupancy of 91%.

Boarders in Emergency Departments

UVMC has initiated a practice of sending DMH care management "mental health boarder" numbers that reflect any person presenting to their Emergency Department for an issue categorized as "mental health". Thus, the number publicly promulgated to the media is artificially inflating their communications of individuals "waiting" in their ED for mental health services since it includes all individuals who may be referred for some type of screening or mental health evaluation.

DMH Care Management has communicated that this reporting change is inconsistent with the numbers of individuals who are waiting for inpatient beds and that the reporting only serves an inflammatory purpose for the public, who would be led to believe that the numbers reflect people waiting for inpatient care. DMH will be following up with UVMC in efforts to work more collaboratively with the hospital on actions that, over the long term, better address and more accurately reflect inpatient care needs.

Department of Corrections (DOC):

Population

The Department's incarcerated population averaged 1762 for the previous week. Last year at this time, the average was -6 under the current number.

The Department's incarcerated male population averaged 1613 for the previous week. Last year at this time, the average was +5 over the current number.

The Department's incarcerated female population averaged 149 for the previous week. Last year at this time, the average was -11 under the current number.

The Department's overall detainer population averaged 419 for the previous week. Last year at this time, the average was -22 under the current number.

The out of state population is currently at 266. Last year at this time, the out of state population was +5 over the current number.

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

Vermont's Developmental Disabilities Services Division's (DDSD) Supported Employment Program awarded the ZERO PROJECT INNOVATIVE POLICY 2017 award

Vermont has been awarded this recognition after the Project reviewed 48 nominations from almost 30 different countries from across the world. We are grateful to Bryan Dague of the UVM Center on Disability & Community Inclusion for nominating the VT DDSD. The recognition focuses on aspect of our DD Act and how we moved workers out of workshops and into their communities. They were especially impressed with how we promote individual choice and voice and our work on community inclusion.

The Zero Project is an initiative of the Essl Foundation; an Austrian charitable foundation that was established in March 2008 and endowed with adequate financial resources to ensure the long-term, annual presentation of the Essl Social Prize and other social activities. Each year The Zero Project researches a theme from the UN Convention on the Rights of People with Disabilities (UN CRPD) and then publishes a report and a conference based on this theme. Held at the UN in Vienna, this event typically brings together over 400 delegates from more than 50 countries. The Zero Project 2017 is focusing on Work, Employment, and Vocational Education and Training.

Department for Children and Families (DCF):

Update on Child Care Closing in Hartford Vermont

Richard Dinsmore was arrested and taken into custody by law enforcement on Tuesday for sexual molestation of minors; he was arraigned Wednesday and is being held without bail. Richard is the husband of child care home provider Linda Dinsmore of Hartford Vermont. Linda Dinsmore is also under criminal investigation related to Richard's behaviors. The family care home has been suspended indefinitely pending investigations from law enforcement, Family Services Residential Licensing and Special Investigations and the Child Development Division.

DCF Lawsuit Settlement

A settlement has been reached through pre-suit mediation in a Dezirae Sheldon lawsuit. Dezirae's biological father, Willis Sheldon, was the Plaintiff in this case. The settlement is for \$500,000; a portion of this money will be going to a trust for Dezirae's half-sister Destiny.

Department of Vermont Health Access (DVHA):

Blueprint for Health

Blueprint Interim Executive Director Beth Tanzman provided testimony to the Health Reform Oversight Committee on Monday, November 14. Senator Jane Kitchel requested this testimony, asking for specific information about how general medical providers are expanding treatment for opioid addiction and about the role of the Blueprint for Health in organizing and supporting the Spokes of the Hub & Spoke program. Beth reported on the growing number of physicians providing medication assisted treatment and described how care is organized in the Spoke settings. Department of Health Deputy Commissioner Barbara Cimaglio provided testimony on the Hub programs, along with Tom Dalton from the Safe Recovery Program (needle exchange) operated by the Howard Center. Committee members Lippert and Kitchel had many questions about the management of the Hub wait lists and questioned whether "treatment on demand" should be articulated more clearly as the goal. Tom Dalton offered his opinion that there was no realistic plan for meeting demand for treatment.

Vermont Health Connect

The QHP renewal process continues to stay on schedule. On November 20th, 834 files will be removed from suppression and released to the insurance carriers. To facilitate this process, there will be an extended maintenance period starting at 8pm on Friday 11/18 and running until 5pm on Saturday 11/19.

Customer Support Center

With nearly 20,000 incoming calls over the last two weeks, call volume at our Customer Support Center was more than 30% higher than it was over the first two weeks of open enrollment last year, but performance was much better. Over 90% of calls were answered within 24 seconds, and our abandoned rate was less than 2%. This performance surpassed our customer service targets (75% answered within 24 seconds and a 5% abandoned rate) and was significantly better than the first week of open enrollment last year when less than 60% of calls were answered within 24 seconds and our abandoned rate was just over 10%.

Volumes had been high this summer and fall relative to last year due to Medicaid renewals, so this month's volumes were expected to be higher than last year. Our call center was well prepared to handle this volume.

Brattleboro Retreat

DVHA is finalizing a memo explaining the practice of authorizing Administrative Rate (same as acute rate) for children at the Brattleboro Retreat (BR) that are experiencing difficulty in discharge options.

Other items for consideration:

Agency of Human Services Central Office (AHS CO):

Landlord Outreach Fair

Franklin Grand Isle is holding its first Landlord Outreach Fair this Friday. The aim is to get local landlords to come and learn more about what State and Local programs can do to help their tenants be successful renters. It is being hosted in partnership by: Samaritan House, CVOEO, Franklin Grand Isle Restorative Justice Center, Pathways to Housing, Vt Foundation of Recovery and Vermont State Housing Authority. They will learn about: how rental subsidies work, security deposit assistance for low income tenants and rent right classes for tenants. The Fair will include a panel discussion, a Q & A session and refreshments. The venue is St. Albans City Hall on Friday November 18th from 11:00 am -2:00 pm.

Vermont Department of Health (VDH):

Hub and Spoke Outcomes

Last Thursday, John Brooklyn, MD, and Tony Folland from VDH conducted a webinar for Los Angeles county, CA on the development and outcomes of Hub and Spoke as LA County is committed to developing some variation of this model.

Youth Tobacco Prevention Summit

On November 9th, over 120 middle-and-high school members of Our Voices Xposed (OVX) and Vermont Kids Against Tobacco (VKAT) gathered in Lake Morey for the annual Youth Tobacco Prevention Summit. VKAT groups signed up for workshops on topics such as, Tobacco 21, Second-hand smoke, and E-cigarettes. Whereas OVX groups focused on Counter Balance and how to educate and communicate their tobacco message to the public and at the upcoming Youth Rally at the Vermont State House.

Zika Funding

The Vermont Department of Health will be applying for funding from the CDC through the Epidemiology & Laboratory Capacity (ELC) Zika supplement grant in order to continue certain Zika-related activities beyond the current grant period (07/31/2017). Specifically VDH will be applying for funds to continue: 1) advertising and education for the public and 2) conducting mosquito surveillance to determine the presence or absence of a competent Zika vector. Funding will extend these activities to 07/31/2018.

Department of Mental Health (DMH):

Essex Police Accounting of Veteran with Mental Health Breakdown

The recent reporting by police and the media of a 45-year old veteran experiencing the complications of alcohol withdrawal as a “mental health breakdown” only further contributes to an association of violence and perception of public risk with persons living with mental illness, as well as, difficulties in accessing mental health treatment services. Additionally, identifying that the person was ordered into inpatient treatment by the court, while being silent on the clinical need (Vermont citizens cannot be ordered to inpatient substance abuse treatment), only perpetuates an ongoing narrative that there is inadequate inpatient bed capacity for mental health admissions.

VPCH Patient Elopement

A 23- year old Congolese refugee, who has been hospitalized at VPCH and was participating in an intake appointment as part of aftercare service planning with the Howard Center, briefly eloped during the appointment. VPCH staff who accompanied the patient along with Burlington City Police who were notified, located the individual quickly a short distance from the offices. All risk assessments by the hospital, leading up to the elopement, indicated low risk with patient transport and participation. Return to VPCH is being arranged now.

Department of Corrections (DOC):

Federal charges

On 11/14/16 the US Attorney's Office announced the indictment of Matthew Hinton for the 9/30/15 armed robbery of the Maplefields convenience store in Fair Haven. Hinton will be arraigned on the new federal charges on 11/21/16. This charge is in addition to previously filed federal charges of felon-in-possession of a firearm and possession of a stolen firearm. Hinton was on escape at the time of the offense. He is currently serving a sentence for: Grand Larceny (x2); Burglary (x3); Escape from Furlough (x2); Forgery; Petty Larceny and Simple Assault. His current sentence structure is 29 days to 20 years with a minimum of 8/5/14 and a max of 8/24/27. In addition to the federal charges he is also pending the following state charges: Burglary Occupied Dwelling (x3) and Escape from Furlough.

Community College of Vermont Social Science Advisory Council

Annie Ramniceanu, DOC Mental Health Systems Director participated in the annual Community College of Vermont Social Science Advisory Council. She was asked for technical assistance to improve the Criminal Justice Associates Degree currently being offered. She advised them about criminal justice reform efforts, theories and practices in Vermont and beyond. The agreed upon goal is to improve workforce readiness and increase the numbers of Vermonters seeking careers in criminal Justice fields by ensuring that course content prepares them with the knowledge skills and attitudes that are foundational and necessary to perform this work.

Department of Disabilities Aging and Independent Living (DAIL):

US Department of Agriculture Meeting with DAIL

Eric Law from the US Department of Agriculture has requested a meeting with DAIL to discuss trends in services and supports, particularly bricks and mortar, for older Vermonters. They are responding to requests for purchases and renovations of skilled nursing facilities and assisted living facilities in the VT and NH area that have maxed out their USDRD loan program. Eric wants to better understand why the trend seems to be changing and what the actual needs in Vermont may be. DAIL has suggested a bigger stakeholder conversation to ensure a full perspective but we will begin with a pre-meeting to define the questions for the stakeholder group.

Administration on Community Living (ACL) Site Visit

DAIL hosted a site visit with our federal partner from the Administration on Community Living, formerly the Agency on Aging, in the Department of Health and Human Services. The ACL funds our work through the Older Americans Act which encompasses our nutrition, information and referral and healthy aging work across the state. The site visit went well and reinforced our collaborative and collegial relationship with the Administration.

VT Deaf, Hard of Hearing and DeafBlind Advisory Council Meeting

The newly created VT D/HH/DB Advisory Council met this week to discuss the two legislative reports due in January of 2017 and to begin to identify a strategic direction and plan for their ongoing work. The DAIL Commissioner sits on the Council as a designee of the AHS Secretary and works closely with the Chair and Co-Chair to guide the work of the Council. With four subgroups reporting into the group to address the full age range of individuals diagnosed with deafness or hearing impairments, it is critical to define this work comprehensively and to use it to address the changing demographic in Vermont. At this most recent meeting, the Disability Law Project let the group know that they will be bringing a complaint against Blue Cross and Blue Shield of Vermont for failing to include hearing aids as part of its covered services. This complaint will be brought under the anti-discrimination provisions of the Affordable Care Act. The National Health Law Project has agreed to work with Disability Law and potentially to act as co-counsel on the case. This would represent a significant boon for the many aging Vermonters who need hearing aids to function and to maintain active, independent and productive lives.

Department for Children and Families (DCF):

National Adoption Month Celebration

National Adoption Month was celebrated yesterday at the Lund facility in Burlington. Many families came together for a reading of the Governor's Proclamation by Commissioner Ken Schatz, eat pizza, and join in a variety of activities from building sand boxes, to yoga, to drumming. The Burlington Free Press and Fox 44/22 came and interviewed families on their experiences. This year has been groundbreaking for adoptions in Vermont – we will have finalized over 244 adoptions of foster children this year, and 44 adoptions will be finalized this week to commemorate Adoption Month. As we see the effects of the opiate crisis bringing more young and infant children into DCF care, it is heartening to see so many families open their homes and hearts to these children to become their forever families right in time for the holidays!

Department of Vermont Health Access (DVHA):

APM/ACO

Contract work is ongoing. Planning Readiness Review activities for December.

Audits

Audits currently in process, going public or up and coming – week of 11/14/16

KPMG 2016 A133 Single Audit - Medicaid Audit ongoing

KPMG 2016 SIM - audit fieldwork complete exit meeting to be scheduled. There are no repeat findings and no new reportable findings □

KPMG 2016 CAFR audit in progress

SSG Legislative VHC Assessment Review- requests for information and interviews with staff ongoing

State Auditor's Office requested status update on two VHC audit reports (Future Improvement Contingent on Successful System Development Project 4/14/2015, Status of Planned Enhancements 11/18/2015) due 11/17/16

Hot topics

Non-Emergency Medical Transport contract

DVHA testified on Monday at JFO, explaining the new Non-Emergency Medical Transport (NEMT) contract. As per Act 172, Sec. E.306.15, mandating DVHA to present to the JFO for review and approval of any new contract with an NEMT system. Few questions were asked, Senator Kitchel explained much to the committee and ultimately the contract was unanimously approved.



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**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin *PS*
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: November 18, 2016

Good News

Funny good news: Missisquoi Valley Union High School

Here is a link to a great article from Forbes magazine, [Thunderbird Beef](#), about a hands-on, community supported, all aspects of the industry agricultural experience.

Emerging Issues

Small state minimums

At the conference of state education chiefs in Baltimore, I have been talking with other small states (3-4 electoral votes is the marker we are using) to identify other states who might want to write a joint letter to USDA and Leahy/Congress as they move towards reauthorization of the Child Nutrition bill. As you know, we have a pretty acute staffing problem. Federal revenues are declining and we need a fix or this program is in jeopardy. We would like to work with other states to propose to replace the current formula with a formula that specifies the minimum FTE to implement the law, with a multiplier for the number of units to be overseen. There seems to be strong interest in states with relatively small populations.

Business support for career pathways

We have been working with the VT Business Roundtable to support a business-driven inventory of valued and necessary skills in high growth, high wage industries in Vermont. The goal is to develop data to inform the development of career pathways in these industries. This is a huge step forward in our efforts to move this work.

Blue Ribbon Commission

The current draft estimates it will cost about \$849 million to provide care for ages 0-5. That is, for five age cohorts, we would be spending over 50% of what we spend on about 14 cohorts in a public education system that we know is not operating at capacity. Seems like a nonstarter. The only way out/forward seems to be for a Governor to propose a plan for input.

HMH: State Longitudinal Data System

We set a deadline for deliverables, and told them if they did not meet the deadline, we would consider the contract breached. They made the first deadline. They are coming up for another meeting next week. We will continue to monitor.



State Board/Oliver Olsen

I called both Stephan and Oliver and encouraged them to speak to each other and look for common ground. They spoke. Things seem to be improving for now.

From: Oliver Olsen <oliver@oliverolsen.com>
Date: November 17, 2016 at 3:36:40 PM EST
To: Stephan Morse <stephan@sover.net>
Subject: Comment to Press

FYI -

This was my comment to the Bennington Banner / Manchester Journal:

"I see this as a positive step forward. I appreciate Chairman Morse's leadership in helping to develop an inclusive process that will allow for a collaborative and constructive dialog. Given the significant impact that some of these rules could have had on our communities, there were a number of people who were calling for more time to work through the detail of these rules. By agreeing to postpone the meeting planned for Manchester, and taking the time to meet with key stakeholders to further refine these rules (before scheduling formal hearings), I think the State Board of Education has an opportunity to find consensus. Most importantly, I hope this new process will result in a proposal that looks after the interests of Vermont's children."

Media Contacts:

Kayla Collier, Stowe Reporter: Kayla asked for the NAEP and NECAP data by school. Haley pointed her to the NECAP results by school on the AOE website. NAEP only provides state and national level results.

Rebecca Reese, News 7: Rebecca asked for statistics about GEDs. Haley referred her to the 2017 Budget Book.

April McCullum (Burbank): April called Brad James to ask him about PICUS. Brad gave her some background information.

Tiffany Pache, VTDigger: Tiffany asked to speak with Secretary Holcombe after her upcoming trip to Washington, D.C., the list of Act 46 study committee proposals coming before the SBE in December and January, and whether the AOE contacted stakeholders regarding the proposed independent school rules. The list of proposals is too fluid to share at the moment and Haley referred Tiffany to the SBE and their legal counsel for questions regarding the independent school rules.

Amy Ash Nixon, Caledonian Record: Amy asked for a comment and information about the proposed independent school rules meeting at ICAR. Haley referred her to the SBE and their legal counsel.

Chris Mays, Brattleboro Reformer: Chris contacted Brad James with questions about how Act 60 might change funding with Act 46. Brad explained that funding basically won't change, but rather the number of budgets would. Brad later explained the difference between sending and receiving districts and how merged structures would simplify governance.

Darren Perron, WCAX: Darren asked for someone from the AOE to talk with WCAX about homework-free schools, including whether the agency sees an increase in this, sees it as a benefit, etc.

Executive Privilege

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

NOTES FOR GOVERNOR

Thanksgiving Week

I will be out of the office next week visiting my son who has been living in England for the past six months, playing professional soccer and conducting a post-graduate soccer internship. I will be back in the office on the 28th. I have access to email while I'm in England/Ireland. Rob Ide is acting Secretary in my absence.

AASHTO Annual Meeting

I attended the Board of Directors meeting at AASHTO and Vermont was one of three states that received an award for Excellence for Innovation. We have been working hard on creating a culture of innovation at VTrans and its nice for the employees to receive some recognition.

Vermont Forensic Lab

I requested a meeting with VSP and BGS to better understand this project and to ensure the funding from the GHSP for the Forensic Lab meets their timeline for standing up the lab. The physical improvements to the facility on the Waterbury Campus are funded through the Capital Bill, but the laboratory equipment and positions are funded through AOT's budget supported by the GHSP. We made some minor tweaks to the funding regarding timing and I believe we are lined up for success for this project if we continue to meet the BGS timelines for construction. This project is critical for successful prosecutions of drugged driving.

Middlebury Tunnel

We had a good meeting in Middlebury on Thursday night; there was the same skepticism from the small opposition (two people), but the Selectboard and public are supportive of the project. Our Accelerated Bridge Program Manager, Wayne Symonds (gifted engineer), did an excellent job conveying the technical aspects of the job and why the project as currently designed is the best value for the State and provides the least disruption to Middlebury. Earlier in the day, I spent an hour with Angelo Lynn, answering his questions and trying to explain what the real issues are with the project and the technical considerations. It was a good conversation; a little frustrating at times, but

in the end we were able to convey our points on the need for factual, balanced coverage and our willingness to be completely transparent. An open question for us is how long he is going to carry these two guys' water and why he is being so one sided in his reporting. There may be a local connection between them that we are unaware of at this time. Time will tell.

NOTES FOR STAFF

Preclearance Legislation

Senator Leahy's office is optimistic that preclearance legislation will pass during the lame duck season in one of the appropriation mini-buses or some other vehicle. I have informed his staff that we anticipate the Canadians paying for the capital upgrades on their side of the border, but they will need to find funding to pay for the CBP Officers who will work at the facility. Despite the CBP's insistence of the third party payer, it's not reasonable to expect the Canadians to pay when they are paying for the capital upgrades. Leahy's office agrees with this analysis and we will work with them to provide a mechanism that provides the funding from the federal treasury.

Interstate Commercial Activities Rulemaking

ANR is preparing a response to the FHWA Docket requesting comments re: Commercial Activities at Interstate Rest Areas. Their submission will be part of a multistate comment focused on provision of electric vehicle supply equipment (EVSE) at the facilities. VTrans staff followed up with BGS and recommended their comment focus on "vending" of Vermont products and offered to assist in review of draft language. Comments are due Dec 27, 2016.

Quechee Gorge Suicide Prevention

VTrans staff continued correspondence with local stakeholders regarding legislative requirements and met with the Technical Advisory Committee regarding proposed barrier alternatives. They also met with municipal staff, local fire/rescue/police, and chamber staff to provide a study overview and the proposed barrier alternatives. We are continuing to work internally regarding sign fabrication and installation of signs. Public meeting was held on November 16, attended by 30 and went very well.

Permit 40823, US 5 – Hartford (Group Five Investments)

This is a reconstruction of a former gas station, across from the VA Hospital, to a new Dunkin Donuts Restaurant. A Letter of Intent (LOI) was issued on January 2016 and development of this project has basically stood still until the past couple of weeks. We have subsequently been informed that the town issued a zoning permit for construction to begin, and it is understood that a grand opening is scheduled for January 2017. **This has a very high likelihood to become problematic with opening of a new store and incomplete or inadequate improvements in place.** Construction plans have not been submitted for review and many outstanding items (design of US 5 reconstruction to accommodate a left-turn lane including a sidewalk, temporary traffic control plan, permanent signage plan, construction estimate and surety bond, inspection agreement,

etc.) are needed prior to issuance of the Section 1111 Permit. This segment of US 5 has previously been a high-accident segment.

Shelburne Parking Lot Lease

In the continuing saga of the Town of Shelburne and their dislike of rail, the Town Manager is insisting that VTrans honor Mr. Wulfson's offer to lease them state property free of charge contrary to State statute. We have explained to him that Mr. Wulfson was not authorized to offer to lease him State property free of charge as it violates state statute. Representative Webb meet with rail property management staff who showed her the lease we were offering the town and compared that to a lease we have with the Town of Bennington for the same purpose. She was satisfied that we are treating Shelburne the same as any VT town.

Solar Garages

VTrans has executed a Power Purchase Agreement (PPA) and Lease under which All Earth Services will construct and operate solar net metering projects at VTrans garages in Royalton, Lunenburg, and Rochester. VTrans will retain the renewable energy credits (RECs) and will receive reduced energy bills as a result of this project. The parties modeled the PPA and lease on a similar project that the parties undertook for the Fair Haven Rest Area in cooperation with FHWA and that is now operational. All Earth Services will the install the solar trackers at the garages included in this project this fall.



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: Joe Flynn, Deputy Commissioner of Public Safety
Date: November 17, 2016
Subject: Weekly Report

Priorities:

FEMA HQ's determination (issued 11/10) that Vermont's revised "General Stream Alteration Permit" will be recognized as "codes and standards" for PA eligibility represents a successful culmination of a 4+ year dialog with FEMA.

Administration

All Division first quarter financial meetings are completed.

I had discussed the possibility of using the State's Equipment Revolving Fund (ERF) to finance the VSP camera project (body and vehicle cams) with Nick Foss and Emily Byrne several weeks ago. Nick followed up yesterday with information about how the process would work for pursuing this avenue. The AOA Finance office told Nick that our project would be an appropriate use of the ERF. Basically, the ERF allows us to amortize the cost of the project over multiple years so we would have consistent payments in our budget rather than the spike in cost every few years.

We have received some but not all of the Division's Asset Custodian assignments which we need to schedule a first meeting so we can get started on reconciling the inventory report.

Letters have been sent to those few remaining municipal agencies who we had been billing for dispatch services notifying them that we would cease charging them as of July 1, 2016, and that any payments already made would be refunded. We will be processing these refunds as soon as possible as time permits.

The exit conference for the KPMG Single Audit is scheduled for 12/1/16.

CJS

Forensic Lab-

VFL met with AOT (GHSP) and BGS to map timelines and funding for the renovation, equipping and staffing of the drug-testing project. The contractor pre-bid meeting was also held this week.

A resignation was received from DNA/Serology analyst.

Backlogs (as of 10/31/2016):
Blood Alcohol (0)
Drug Chemistry (890)
Serology (100)

DNA (casework) (152)
DNA (CODIS) (43)
Firearms (42)
Latent Prints (493)
Arson (0)

Working on decreasing backlog of drugs cases, Returning cases from 2014 and earlier and "HOLDS" that have no active request, Chittenden county cases to be returned to local LE agencies; only cases requested by the SAs office will be analyzed per direction from TJ Donovan.

Communications-

Work started on a project for Emergency Management Services to add a State Police channel to the AVTEC consoles. The addition is needed to facilitate communication with State Police in an emergency.

Technicians completed communication preventative maintenance work for AOT for personnel in Districts 4, 5, and 8.

Developing requirements for an automated real-time data backup system for the VLETS servers to meet FBI mandated data security and off-site storage requirements. Routine work on VLETS management activities.

Working with BGS and the FAA to get a radio tower permitted at the proposed site of the new North Clarendon State Police office.

Completed the research and documentation phase of the FOIA request from Stephen Whitaker. A document log and related files were reviewed by the DPS attorney. The file was transmitted to Mr. Whitaker on Monday, November 14.

The final RFP paperwork for our January 20 FirstNet meeting and technology fair was completed and submitted for processing. Estimates are it could take as long as one month to hear back from the Attorney General's office regarding approval of the contract. Promotional and planning work for the January 20 meeting will begin right away.

VCIC-

Discussions continue with staff from Senator Sanders office (Haley Pero) regarding general VCIC functions (general overview) and potential federal collaboration.

New VCIC staff (Deputy Director and Criminal Record Specialist) continue to be integrated into the office structure with a high level of success. Planning also continues for the lateral transfer of staff from the Sex Offender Registry to the Marijuana Registry pending a successful replacement search (currently underway).

The Tri-State AFIS contract proposal continues on hold pending New Hampshire approval (scheduled for late November). Otherwise discussions continue with the vendor on specific system enhancements to be rolled out as part of the pending upgrade.

Several cases have been forward to the Court Administrator's Office for pending clarification regarding questionable Sex Offender Registry orders (including posting for non sex-related offenses). This reiterates the continued need for training at the court level on this issue to avoid lengthy processing times. Primary issues continue to be registration length and deferred sentence registration. Given these continued issues it would be reasonable to expect that registry related issues may come up during the legislative session. At this time no feedback has been provided by the court but we hope to receive clarification in the near future.

It may be worthwhile to explore a cross-agency workgroup to create comprehensive solutions to the various issues affecting these orders and other sex offender registry issues.

DEMHS

US FWS Lampricide treatment set to begin at 6am on 11/16 in the Laplatte River. CWD installed the carbon filter on their intake on 11/14. CI Planner facilitated conference call on 11/18 with ANR/ DEC, DEMHS, and CWD

DEMHS hosted two-day Basic Public Information Officer Course. Audience included representatives and responders from local and state agencies.

PAO submitted Vermont's 2017 PA Admin Plan to FEMA Region 1 on 11/14.

Deputy Director and CI Planner participated in SERC meeting held on 11/16.

Southern REMPC attended School Exercise planning meeting in Brattleboro on 11/18.

EM Planner facilitated site visit and plan review at Essex Town Schools on 11/15.

EM Planner facilitated planning discussion with Oxbow High School.

EM Planner updated Vermont Principals Association on School Crisis Team initiatives.

CI Planner attended orientation briefing at National Guard range in Jericho on 11/15.

DEMHS Staff attended Drought Task Force meeting.

VT ALERT notifier training was provided to the Howard Center and the Village of Alburgh. The AHS district office in Springfield conducted a VT Alert test this week.

Fire Safety

We have sent our Assistance to Firefighters grant application to finance for review and expect the submittal at the end of this week. The grant request includes \$100,135 for the replacement of 35 sets of firefighting personal protective gear and \$369,482 to replace our rescue tools.

Ben Whalen has now taken over the VFA site coordinator duties and from this point forward will be the contact person for those areas of responsibilities.

We now beginning to write and review Standard Operating Guidelines for the Fire Academy. This process will be lengthy and include input and approvals from many different groups/people.

On Sunday 11/6, a Team Demo and presentation was done at the Bradford Fire Department to the area's Mutual Aid Departments. Local Press was on site and an article will be published in the local paper and on the Lyndonville College TV channel.

Currently the total number of sites reporting into the Tier II program is 2.442 sites.

Vermont State Police

A Troop-

FF

11 Total Arrests, 4 DUI

Early morning robbery at the Charlotte Ferry BCI and Troops working together.

Aggravated assault with a juvenile who was assaulted by several others. It is all on cell video.

Pursuit with what was later determined to be a stolen vehicle. This resulted in numerous charges to include DUI, C & N, Agg OOC, ATE, and Excessive Speed.

BCI

Arson investigation in Milton. Camp found fully engulfed in flames. Appears a transient male was staying in the camp. Male was at first believed to have been inside but he was later found at his ex-girlfriend's house. Male was extremely uncooperative and is considered a suspect in the arson. Milton PD continuing with investigation.

Untimely investigation in Charlotte. Elderly female with numerous health issues died in her sleep at home. Death ruled natural.

Untimely investigation in Duxbury. Elderly male also with numerous health issues passes away in his sleep. Det. Metayer assigned. Death ruled natural.

Untimely investigation in Alburgh. 88 year old female found unresponsive by family members. Death ruled natural. Victim had numerous health concerns and recent doctor's visits.

NUSI Investigating a recent case of an elderly female found to be a victim of a sexting case and having her nude photos being sent over the internet.

Assisted Essex County with a sexual assault victim. Interview occurred at NUSI.

NUSI accepted an aggravated assault case from uniformed troopers. 16 year old male victim was beaten and choked until he was unconscious. Victim was then lifted up and his head was smashed into a counter causing injury. Victim was punched on numerous occasions. Victim was hiding in a bathroom at school when the assault occurred. The assault was also video recorded on a witness's cell phone. Two males were located and interviewed and charged as an adult with aggravated assault. One male was charged with accessory.

NUSI assigned case of a 23 year old female alleging she was sexually assaulted twice by a known acquaintance. Search warrant and wire warrant applied for to identify the male. Female only knows his by an alias.

Drug case at correctional center. Male inmate transported heroin into the facility. Death investigation in Isle La Motte. Elderly male found deceased while working on his tractor. Death ruled natural.

Trooper applicant backgrounds assigned x2.

Sex Assault investigation in Barre City. 14 year old female disclosed to her parents that she was pressured into having sex with her 18 year old boyfriend. Det. Crick assigned.

Two juvenile females alleging they were sexually assaulted at an underage drinking party. Interviews had occurred and other witnesses to the event have been pressuring the victim's to recant their statements. Obstruction of Justice charges are pending.

4 pre-employment polygraphs for OPD.

B Troop-

FF

11 Total Arrests, 14 DUI

Public forum was related to two burglaries and a vandalism.

Search warrant on a residence in St. Johnsbury evidence of drug possession/activity was located.

Outstanding warrant for sex offender registry.

BCI

Follow up on Newbury drug overdose.

Follow up on Coventry, VT town embezzlement case.

Trooper applicant background investigations X2.

Follow up on Embezzlement case turned over to BCI from Road Troops regarding employee/girlfriend taking money.

Report of sex assault involving a 31 yr. old male victim with Traumatic Brain Injury and home aid person.

Report of Sexting case involving 14 yr. old sexting with 18 yr. old from Florida.

Accidental shooting in Vershire. Hunter accidentally shot himself in the foot with high powered rifle.

Canaan, VT 70 yr. old male with depression found deceased in his residence-Suicide by gunshot.

C Troop-

FF

6 Total Arrests, 10 DUI.

Homicide/suicide of two male subjects Shaftsbury.

Arrested one for Violation of Conditions in Pittsford.

Missing 20 year old autistic female from Weybridge who was located on the Middlebury College campus within a few hours.

DUI/Drugs Arrest in Lincoln.

Aggravated domestic warrant.

BCI

Pittsford embezzlement: ATL case witness in Bristol and obtained statement as well as case exhibit.

New case / Sex Offense – 67 y/o female called State Dispatch to report being raped by her boyfriend. Female was not cooperative when contact with regarding her report.

Addison County monthly MDT meeting / Peer Review for Forensic Interviewers

Sgt. Wilkins, Det. Notte, Pfindel & Hodges assisted MCU with murder/ suicide investigation – Shaftsbury –

Worked on pending armed robberies from Wallingford.

Applicant background investigations X2.

Sgt. Wilkins and Det. Pfindel attended CNU Training.

Case follow up on new lead in Schaff Missing person case.

New Case: Robbery at Mac's on Route 103 in Wallingford.

Arrested Frederic Fleur for aggravated sexual assault on child and lewd and lascivious conduct on child. Victim notified of arrest. Fleur held on \$50,000. Bail.

Contacted by Cheryl Gray from Hartford Special. Concerned over subject conducting own investigation. Determined it is Hartford PD conducting internal investigation on shooting.

Assault at correctional center. Inmate on inmate.

Assist to Springfield PD with Arson case, DNA match on scene evidence.

Worked of Fatal fire case.

D Troop-

FF

3 Total Arrests, 11 DUI

Responded to a single vehicle crash on I91 in Putney; resulting in DUI.

Domestic assault arrest.

Aggravated domestic assault and resisting arrest.

Illegal dumping in Dummerston; three containers of an unknown liquid were found, investigation continues.

Domestic assault.

Aggravated operation with owners consent.

BCI

EPU Detail Burlington.

Follow up on Gear for Fire Unit.

Dispatcher Applicant Background.

Possession of cocaine arrest of Krista Moffatt, stemming from Rashed Homicide investigation.

Follow-up on overdose death investigation, possible arrest pending.

VSP Applicant Background Investigation x2.

Follow up on Sex Assault-serve warrant/Facebook, return of service and discovery.

CALEA Meeting – Headquarters.

Sex Offense – Londonderry – assigned case involving 15 yr. old female victim/ 16 yr. old female offender. Non-consensual sex in shower.

One DRE evaluation reviewed.

Sex Offense – SSCF – Assisting federal investigator with procuring evidence for case.

DRE – phone interview with community resource leader in Bellows Falls regarding a symposium on marijuana effects to be held in the near future.

New case involving the possible dissemination of child pornography, report from school principal in Weathersfield advising that a 7 year old student was being shown pornography by his father, FI interview revealed no disclosures, investigation revealed this would have happened in Charlestown, NH follow-up with Charlestown and father pending.

New case at SSCF involving the assault of a correctional officer by an inmate, interviews done at SSCF

Assist to VSP Middlesex with sitting in on a FI interview at the Brattleboro Safe Place, 14 year old reported to mental health counselors that she was sexually assaulted by her father, no disclosures during FI interview.

Alleged sex exploitation of inmate at SSCF, interviewed correctional officer.

Death investigation – 75 year old female – natural causes – Londonderry.

SOR Sweep planning.

Meeting with Woodstock PD for multiple victim child porn case.



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Trey Martin, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Trey Martin

DATE: November 18, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Windsor Prison Land Survey: The survey is complete and all parties are satisfied (ANR, DOC & BGS). Documents are being drafted (easements) to establish access. We need to review the Executive Order for any adjustment.

CCTA Transit Center: CCTA and the City of Burlington have been instructed to provide a timeframe and solutions by next Tuesday's meeting to address the following issues.

1. Designating St. Paul Street smoke free per the MOU.
2. Controlling non-authorized vehicle traffic through the Transit Center (St. Paul Street)
3. Intercity connector bus passengers using 119 Pearl Street entrance porch and vestibule as a shelter and blocking our client's access to services.
4. Light to warn pedestrians of vehicles exiting the garage per the MOU.

VAEL: We are still waiting for the Judge's ruling on the briefs and the Appellant's Statement of Questions, but the Campground was sold so we are not sure where the appeal will go at this point. Our attorney is filing a motion to dismiss Pierre from the proceedings as he no longer has an interested party status. The motion is also requesting dismissal of Nancy Rice due to the distance her property is away from our project. This will leave only Kevin Doering with party status if the Judge rules in our favor. We have also received the construction documents for our review which I need to get started on. Still no word back from the District Commission on our Act 250 application.

Williston PSFS – Site Selection: I have received the priority order of the seven sites visited for the proposed Williston PSFS and will develop the report and recommendation per Legislation. There are clear reasons provided by DPS for the preferred site. Secure option on the land funding available (FY18).

Veteran's Cemetery Project: The project is going well and it is on budget at 87% completion. Site substantial completion is anticipated for November 18, 2016. A lengthy spring punch list will be attached and includes: road repairs, road edge sodding, crypt field sodding, site signage installation, irrigation system testing and watering hose bib installation. The parking lots paving work was acceptable; however, the main road has many issues, in locations the road lacked a pitched wing wedge or the storm drains were set too deep. Maintenance Building substantial completion is anticipated for December 8, 2016. The Maintenance yard fence still needs to be installed and the building's electrical work still needs to be finalized. A committee is being formed concerning the locations of Art in State Buildings and will start meeting in December.

FINANCE AND MANAGEMENT

Nothing new to report.

HEALTH CARE REFORM

Issue Updates:

All-Payer Model:

DVHA – ACO Contract:

Two things must happen for DVHA to launch an ACO program aligned with the All-Payer Model agreement.

1. DVHA and OneCare Vermont must sign a contract. The target date for signing the contract is the first week of December. There are two open issues, and the parties are making satisfactory progress on both.
2. OneCare Vermont must pass a readiness review. Staff and contractors believe that there is significant risk that OneCare will not pass the readiness review. The desk audit portion of the readiness review started this week. DVHA staff and contractors will be on-site at One-Care the first week of December to complete the review. The DVHA Commissioner should have a better sense of whether OneCare will pass the review around December 7th. The practical effect of failing the readiness review is pushing back the program start date from January 1st to the start of a different month.

AHS APM-GC Implementation: AOA staff is assisting AHS daily in implementing the All-Payer Model and the changes required by the Global Commitment waiver renewal. Two issues are stoking stakeholder anxiety. (1) The lack of information about delivery system reform investments, which is the \$209 million in capacity granted in the Global Commitment waiver renewal. (2) Uncertainty about how the Medicaid Pathway process will align with the All-Payer Model and Delivery System Reform investments. There are four main issues.

- **Speed.** AHS is moving very fast by its standards to develop materials and re-organize its processes but not fast enough for stakeholders. AOA staff is pushing AHS to release detailed materials to stakeholders next week and to follow up with meetings the week of November 28th.
- **Message Discipline:** AHS staff has trouble sticking to a simple, consistent message. Stakeholders hear different messages and become confused and concerned.

- **Resources:** The AHS staff working on these projects are not dedicating sufficient time to planning and managing the stakeholder process. This is likely due to being over-tasked.
- **\$ Expectations:** It is not clear how much money will be available for these investments and when these dollars would be available. It is difficult to know the answer to these questions without knowing the strategy for the GC Fund balance, BAA, or Governor's Recommended Budget.

SIM: Vermont's SIM project is focused on developing SIM sustainability recommendation. There is a draft sustainability plan out for public comment. This draft does not include specific information about the necessary state resources to support future activities. Those are occurring separately with the applicable departments and Finance and Management.

Health Information Technology/VITL: The AOA-convened stakeholder group has completed a proposal for revised HIT Governance and provided this to Secretary Martin for discussion with the transition team. This proposal was developed under the auspices of the HIT Strategic Plan approved by the Secretary in the Spring.

DVHA has completed the review of VITL's SFY16 expenses and is presenting this review to state leadership this week for discussion around next steps. The review indicates that there are significant issues with VITL's cost allocation methodology and compliance with federal guidance.

Medicaid Pathway: The Medicaid Pathway planning team has ramped up planning to ensure coordination with the APM team. To date the work has included convening internal and external stakeholders to develop a proposal for leadership that aligns with the APM framework and meets the goal of integrated care. This includes finalizing the scope of services, financial model, and timeline.

HUMAN RESOURCES

Significant Events/Meetings:

Working in concert with the Transition Team. We established an off boarding and on boarding process.

Submitted DEC Position Pilot approval notice to the legislature.

Received Position Pilot request from Forest, Parks and Recreation. Will elevate for approval after internal DHR review.

Coordinating with AOA and BGS on issues related to contractors paid through payroll.

Finalizing the Legal Services Study for the Legislature.

Testing continues a VTHR/Vision Disaster Recovery site.

INFORMATION AND INNOVATION

Issue Updates:

VISION Upgrade RFP

- RFP has been issued
- RFI for alternative solutions is under review

Talent Acquisition and Management – RFP

- DHR is looking to replace its Recruitment system capabilities with a SaaS Talent Acquisition and Management solution
- ABC form under development
- RFP under development
- Business requirements for Recruitment are being captured as part of the HR requirements gathering effort performed by KPMG

Preparations for yearend processing underway

- ACA Reporting modifications
- Tax updates

Web Updates:

- The Governor and Lt. Governor Websites for the incoming administrations are now built in the development environment and await training of incoming staff.
- The Agency of Education has approached DII about the prospect of VIC building a dual enrollment system for use by the AOE and state colleges. A meeting to discuss the possibility will be scheduled shortly.
- Vermont State Police have created a new data set with map on data.vermont.gov showing traffic fatalities hot spots in the state.
- The new BGS site is now live at bgs.vermont.gov.
- The new Transition site is now live at transition.vermont.gov.

Project Updates:

- **Voice over Internet Protocol (VoIP)** Transitioned 2528 lines as of Nov 14.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

Corporate Tax Reform: Just back from New England State and Local Tax Forum, where there was a great deal of discussion about corporate tax strategies, as well as corporate tax changes in New England, other states and nationally. Most notably, NH has a legislative study committee examining market based sourcing for services, with the goal to introduce legislation in 2018. VT should follow suit to avoid being the only state in the region without this change, which is considered favorable to in state business, and generally is a revenue generator. There was a great deal of chatter however that big changes in the federal corporate tax structure might be expected under Trump, so states might want to hold off on their own changes. The national changes could be good for states, since there likely would be inducement for corporations to bring offshore money back, and states could reap benefit of that repatriation if they don't reduce their own rates. Also considered likely that national discussion will include treatment of pass through entities.

Joint Fiscal Committee: Only positive feedback from the Committee on our VTax project and payment through the modernization fund.

Operations Update:

VTax Project Launch of Personal Income Tax – Three Weeks: We continue shutting down functionality in our legacy systems – three major systems will be shut off for good in two weeks, to the delight of staff. As noted, VTax will allow us to totally revamp business processes in our compliance division – as one example, this week, for the first time, collectors gained the ability to directly sort their cases by outstanding dollar amount. The biggest public impact in this phase will be for real estate attorneys and town offices in their filings on property transfer tax, and for landlords, who will be able to file their landlord certificates online. We continue our outreach efforts, including with a new hire who is developing web videos with step by step filing instructions.

FAST Cloud Hosting and Disaster Recovery Services: FAST sent its chief techie to meet with our project staff and DII to discuss their hosting and disaster services. This is a fairly new field for FAST, however they are doing these services for DC, and just passed an IRS audit. Tax believes it probably needs to hire an outside consultant to evaluate the pros and cons of this approach.

Building Security and COOP: We continue with our efforts to enhance building security in Montpelier by channeling all visitors through a first floor reception area. We are exploring whether it makes sense to hire out our cleaning services for better security (for example, to a company that does background checks). Finally, we are putting the final touches on space at Harvest Lane that would fulfill our COOP expectation to be able to deposit revenue within three days of a disaster.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: November 18, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates:

Press Issues/Releases/Contacts:

The Department has received both positive and negative feedback regarding its recent decision to include NH product pricing along with Vermont's pricing in the monthly magazine. We will use this opportunity to educate consumers about the advantages of shopping locally.

Significant Events/Meetings:

The RFP for the next step in the POS project have been sent to interested parties, and posted on the DLC web page.

DLC has procured and will install two Automated External Defibrillators – one in the Office building and the other in the Warehouse building.

Licensing season will soon be upon us, and renewals are being sent to municipalities, with an expectation of activity to pick up during ski season, and into the new year.

Summary of Key Department Activity:

Agency Issues:

The change of ownership at the Danville agency location is complete.

The Retail Operations Manager, Kim Walker, has confirmed dates and locations for three meetings around the State to present and discuss the new retail ops manual to contracted liquor agents. Meetings will take place on November 30, December 1 & 2 in Burlington, Montpelier and Pittsford (Rutland area), in an effort to accommodate stores around the state.

The Department received agreement from The Hartford Insurance Company this week on the Bond to cover outstanding costs of the defunct Pownal agency; this leaves approximately \$4,000 in costs that the \$20,000 Bond will fail to cover. The Department will continue to pursue the balance of the owed monies through small claims court.

The Department is also pursuing a payout of the agency Bond for coverage of costs incurred related to the recent failure of the Chelsea liquor agency.

Community signage code requirements for all 80 liquor store locations have been completely researched to allow for the replacement project to begin. The first step will be determining which agencies should be prioritized, and completing the required permits with towns/cities for sign replacements.

I continue to work with the Department's Purchasing Coordinator to prepare for the transition for Bailment Replenishment Ordering to implement an ordering process. This new approach will improve the balance of our warehouse inventories and improve our continuity of supply

Staffing:

The Department is preparing a request for review to DHR Classification for the Warehouse Management System Coordinator position (the Warehouse Manager), in an effort to more appropriately reflect the updated duties and responsibilities of that position.

The Department's new Director of Marketing, Theresa Barrows, started her new job Monday, 11/14. Theresa has hit the ground running; she is already involved in the Department's Facebook page updates, as well as the 802Spirits monthly magazine.

Commissioner's Commentary:

I am currently attending the Supervisory Training required of all supervisors and managers. My first class was held October 31, and I attended one last Monday, November 7th and have two remaining in December.

I will be traveling to Utah beginning November 17, and returning on November 24th.

Happy Thanksgiving to you and yours!

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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: November 18, 2016

Summary of Key Activity

Secretary Ross is pleased to report that the Required Agricultural Rules passed LCAR 8-0 and with his signature have been adopted.

Kristin Haas, State Veterinarian, was interviewed by WCAX and the Addison Independent re. the turkey die-off at a farm in Orwell. Although the bacterial infection killed half the flock, the processed turkeys being offered for sale were inspected and passed by USDA FSIS. The bacterial organism is not infective to humans.

The ARMS Enforcement Division is working with second-year Vermont Certified Public Manager (VCPM) students to create a report that will assist VAAFMs enforcement and compliance endeavors. Specifically, the project aims to (1) prepare VAAFMs for their ARMS enforcement audit, scheduled for 2020 per Act 64; (2) provide research and clarity as to how New Hampshire, New York, Connecticut, Massachusetts, Maine, Rhode Island, and Quebec conduct their agricultural enforcement activities; and (3) shed light on the relationship between IT systems, records management, and FOIA/public records requests.

Federal slaughter establishment in Grand Isle may be closing as of this week. Product retained in plant for adulteration, unsure of the outcome/disposition of this product. Pre-hearing is scheduled for Friday for a Notice of Violation issues last month.

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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: November 18, 2016

Significant Meeting:

- Kristin Haas, State Veterinarian, provided input during a meeting this week between VAAFM Secretaries and legal counsel and the Commissioner, staff and legal counsel of the Department of Fish and Wildlife. The meeting was convened to discuss the regulatory authority and disposition of two captive cervid facilities defined as “relevant captive cervid facilities” by the Vermont Legislature. Regulatory authority of both of these facilities was statutorily transferred to the Department of Fish and Wildlife at the same time, but that Department has not followed through with any compliance and enforcement activities on either property and has not completed the required disease testing on mortalities on either property. Continued discussion is necessary to fully resolve the matter, but at present, VAAFM is unable to take these tasks over from that Department and is urging them to follow through on their statutory obligation. The lack of oversight by F&W has resulted in an inappropriate double standard between cervid facilities regulated by VAAFM and those regulated by F&W.
- Assistant State Veterinarian attended the Produce Safety Alliance (Cornell, funded by FDA) hosted two-day Produce Safety training for growers and technical service providers. The second day of the course was a train the trainer course for participants to move down the path of being certified to provide required produce safety training to growers. It was an amazing group of technical service providers from Maine, NH, NY, MD, CT, and RI in addition to VAAFM (produce safety team and GAP auditors) and UVM Extension. Regional connections were forged that will be helpful as states implement the Produce Safety Rule. A regional FDA representative was in attendance as FDA has committed to have a staff member present at all PSA-hosted trainings.

Evolving Issues:

- Animal Health Section is investigating a livestock dealer who failed the most recent inspection due to lack of animal disease traceability records, required by both VT statutes as they relate to licensed livestock dealers and USDA Veterinary Services regulations relating to interstate movement and animal disease traceability regulations. The Section is considering the issuance of a Notice of Violation as this is not the first incident.
- Animal Health Section obtained sale records from a licensed livestock dealer who sold animals to an owner of a slaughter plant but has not been paid by the owner. The owner of the slaughter plant acted as a livestock packer but is not licensed as one so the Section is looking into this incidence. The owner reported that the plant will be out of business this week or next.
- Animal Health Section is working with Vermont’s lone reindeer herd owner to import one male from a farm in NY. This producer has been working since the summer to find a new reindeer to replace the one that died earlier in the year but reindeers are apparently hard to find. It is not helped her cause that any leads she has had have been from states that VT can’t import from due to their ongoing Chronic Wasting Disease or tuberculosis outbreaks in cattle or wild deer.

Press Contacts:

- Kristin Haas, State Veterinarian, was interviewed by WCAX and the Addison Independent re. the turkey die-off at a farm in Orwell. Although the bacterial infection killed half the flock, the processed turkeys being offered for sale were inspected and passed by USDA FSIS. The bacterial organism is not infective to humans.

Summary of Key Agency Department Activity

Agricultural Development:

Land Use

- Current Use
The Current Use Advisory Board held its public hearing this week. Chris D'Elia President of the Vermont Bankers Association provided comments about an ongoing issue with selling mortgages on the secondary market. This issue has the potential to impact individuals that want to purchase or refinance land enrolled in the Use Value Appraisal program because of the perception that the "lien" filed at the time of enrollment represents an unknown risk to mortgage lenders. It was clear that the lien stays with the land, but it is still perceived as a risk. A number of solutions were discussed, but there is no clear path forward at this time.
- Section 248
VAAFMM will enter its discovery questions on Otter Valley Solar Farm located in Pittsford. These questions will clarify the impacts to the agricultural soils and inform appropriate recommendations to the Public Service Board to ensure the soils are available at the end of the useful life of the project for the purposes of agriculture.
- Forestry and On-farm Enterprises
The Agency will attend the Forest Integrity Study Committee public meeting to understand proposed approaches to support the forestry industry and protect contiguous forest blocks. The approaches include changes to the Use Value Appraisal program, Act 250, Vermont Planning and Development Act (Chapter 117), and have the potential increase opportunities for technical assistance, forestland conservation, and for stronger forestry businesses in the State of Vermont.
- Determination of Regulation under Required Agricultural Practices
The Agency was contacted by the Jericho Zoning Administrator, Chris Flinn, to discuss a "farm structure" that currently doesn't house any animals and appears to be a two-bay garage. In July a property owner contacted the Agency for a determination that a proposed building would constitute a farm structure. The facts provided included that the building would be used to raise 15 pigs for slaughter that would result in over \$1,000 of sales, and therefore a determination was made that its construction came under the Agency jurisdiction. It now remains unclear if the building would be used for agricultural into the future. This property also apparently has history of zoning appeals before the Environmental Division of the Superior Court for other development on the property. The Agency, through Stephanie Smith, will stay in contact with Mr. Flinn to provide assistance as more information becomes available.

Food Safety Consumer Protection Division

Consumer Protection:

- Kristin Haas provided information re. the turkey die-off in Orwell to the VT Dept. of Health and too a town health officer, both of whom had received calls from legislators and consumers who had already purchased their turkeys for the Thanksgiving holiday.
- Kristin Haas, State Veterinarian, provided input to the USDA Veterinary Services Training and Exercise Program through participation on a workgroup tasked with developing a scaleable national tabletop

exercise focused on Unified Command during emergency response to a livestock disease outbreak. The exercise is planned to be released for use by all states in the 4th quarter of the 2016 FFY.

- Kristin Haas, State Veterinarian, advised a private company executive this week on an issue associated with feeding food scraps to pigs. He inquired as to whether food products found to have elevated coliform levels that preclude them from being used as human food could be fed to pigs. The conversation is ongoing.
- Kristin Haas, State Veterinarian, received FDA approval this week to enter into a grant agreement with the Vermont Veterinary Medical Assn. to fully implement the scope of work in the FDA tissue residue cooperative agreement. This initiative will continue for two years and will provide technical assistance and education to farmers on the topic of responsible medication use on farms.
- Kristin Haas, State Veterinarian, has begun planning the 2017 Government Relations Committee (GRC) meeting, which she Chairs on behalf of the United States Animal Health Association in her role as 2nd vice president for that organization. During the 2015 GRC meeting, Haas brought forward the topic of animal ID collection at slaughter, which is one of the bookends to a successful Animal Disease Traceability system. A national task force has since been formed to address deficiencies in this area and improve the country's ability to efficiently trace animals during disease outbreaks.
- Kristin Haas, State Veterinarian, participated in a conference call that determined the monetary award amounts to give to two practicing food animal veterinarians as part of the state-supported veterinary loan repayment program. Approximately \$17,000 was awarded to two veterinarians. The next award cycle will be Fall 2017.
- Consumer Protection Specialist Dwight Brunnette completed the inspection of the new Super Walmart store in Derby prior to their scheduled opening on November 16. The task involved working with Walmart corporate and local staff, as well as contractors from Zebra Systems, NCR and Hobart. 31 individual checkouts which combine scales and scanning systems were approved for use, as well as 3 stand - alone scales in the deli. All refrigerator and freezer units were checked for appropriate temperatures. This inspection found a milk cooler thermometer with a 10-degree error, resulting in the need for a replacement. The staffed customer checkouts are using a new electronic system of security which uses data logging for security and to prevent scale tampering. The Walmart staff and contractors were appreciative of the Agency performing these inspections prior to opening.
- Consumer Protection Staff, including Henry Marckres, Scott Dolan, David Tremblay and Sumner Kuehne attended a grower training presented by the Produce Safety Alliance in Brattleboro on November 16. Information was presented to produce growers and service providers on many aspects of food safety. David and Sumner are attending day two on November 17 to receive their "train the trainer" certification in anticipation of the Food Safety Modernization Act reviews.
- Henry Marckres, Chief, Consumer Protection, is presenting a maple off flavor workshop for the New Hampshire Maple Association annual meeting on Saturday in Tilton, N.H.

Dairy:

- The newly hired Food Safety Coordinator, Tucker Diego started in the Dairy Section on Monday the 14th and is getting settled in.

Animal Health & Welfare:

Animal Health:

- Animal Health Section continues to meet with swine producers to provide biosecurity kits and biosecurity best practices.
- Animal Health Section continues to work with current and potential participants in the National Poultry Improvement Program Plan for either annual or initial inspections and testing. Inspections include an evaluation of hygiene and sanitary conditions of the flock and base-line testing of all age-eligible birds for Pullorum, plus any additional certifications the producer is pursuing. A fee-for-service model is often followed for these producers, depending on their level of certification and testing needs.

- Animal Health Section worked with program managers from the National Poultry Improvement Program Plan (NPIP) regarding the exciting new availability of an electronic version of the interstate movement document that NPIP participants use to ship eggs, poults, day old chicks, etc. The electronic version will increase efficiency and allows section staff to approve forms on line, whereas currently the forms are mailed into the office in hard copy.
- Animal Health Field Staff
 - Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.
 - Assisted the Vermont Beef Producers Association with the loading of sale cattle to Vintage Livestock Auction in PA, and inspect the cattle to ensure proper official identification.
 - Met with Agency legal counsel at the Addison County Commission Sales to review functions of the market and how they comply with state and federal animal movement regulations.
 - Traveled to West Charleston to provide free RFID tags to a fallow deer producer and to confirm tag numbers of animals that recently left the farm. The animals were purchased by another fallow deer producer for slaughter to fulfill orders for meat.
 - Inspected a livestock dealer in Addison County and a comingling facility in Enosburg.
 - Issued certificates to an NPIP Producer who will be exporting pheasants out of state.
 - Met with a flock owner regarding obtaining official identification of sheep movements off her farm as the dealer who purchased them and moved them out of state may have done so illegally.

Meat Inspection:

- Federal slaughter establishment in Grand Isle may be closing as of this week. Product retained in plant for adulteration, unsure of the outcome/disposition of this product. Pre-hearing is scheduled for Friday for a Notice of Violation issues last month.
- Presentation for public outreach for slaughter exemptions that allow on farm slaughter is nearing completion.
- Beginning preparation for on-site review by USDA FSIS to evaluate state program: March 28-April 6.
- USDA FSIS FY 17 budget is due Nov. 28.
- Working on decentralized reallocation for food safety inspectors.

Agricultural Resource Management:

Enforcement Division

- The ARMS Enforcement Division is working with second-year Vermont Certified Public Manager (VCPM) students to create a report that will assist VAAFMs enforcement and compliance endeavors. Specifically, the project aims to (1) prepare VAAFMs for their ARMS enforcement audit, scheduled for 2020 per Act 64; (2) provide research and clarity as to how New Hampshire, New York, Connecticut, Massachusetts, Maine, Rhode Island, and Quebec conduct their agricultural enforcement activities; and (3) shed light on the relationship between IT systems, records management, and FOIA/public records requests.
 - Expected outcomes for the project are to (1) conduct a business mapping of the VAAFMs enforcement process; (2) conduct an enforcement policy and procedure gap analysis; (3) develop a Records Management Plan recommendation; (4) provide a report of the surrounding States/Quebec's enforcement activities related to the Clean Water Act and other enforcement procedures; (5) provide audit-readiness plan recommendations; and (6) provide a final project report, with findings and recommendations, to include a proposed project strategic plan (logic model).
 - This project is scheduled to be completed by June 2017.

Water Quality:

North Lake Contractor Initiative:

- Requests for payment continue to roll in and are being processed.
- Staff and supervisors continue to coordinate with North Lake contractors as projects move forward.
- Staff continue to meet every week for status updates on NLC projects.

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

- Staff continue to review numerous applications for LFO permit amendments or applications to become permitted LFOs.
- There was one Public Informational Meeting held in Windham County as part of the LFO farm expansion permitting process.
- Inspection report write-ups and edits on Medium and Large Farms are numerous and ongoing.
- Staff members continue to review inspection reports to be submitted to the enforcement team; these efforts will continue until all fall inspections have been adequately documented.
- Compliance/investigative reports are ongoing.
- Staff continue to schedule LFO and MFO inspections to meet deadlines before winter.
- 1 SFO inspection was conducted by staff in Caledonia County.
- 1 MFO compliance follow up visit was conducted by staff in Addison, 1 MFO compliance follow up was conducted in Franklin County, and 1 MFO compliance follow up was conducted in Orleans County.
- 4 LFO inspections were conducted by staff in Addison County.

Other work:

- Farm location data sets being compared and edited in preparation for uploading to database.
- Supervisors meet with staff bi-weekly to discuss progress reports.
- 1 staff member attended the mid-year training for VACD- RCPP.
- 1 staff member sought out on-line training to learn negotiation skills.
- Numerous field checks throughout Vermont were conducted by staff to verify that grant money dispersed for **Farm Agronomic Practices** (winter cover cropping) has been implemented properly.
- A supervisor continues the CAPS program.
- Staff have been researching technical aspects of Vermont's LFO Rule for future rule change considerations.
- Staff continue to attend WQ Communications meetings.
- 2 staff members attended the Quebec/Vermont Lake Memphremagog Steering Committee Meeting. Several partner organizations assemble twice a year to discuss regulatory changes, updates on water quality research, and other voluntary programs for members of the public.
- Staff continue discussions on topics in program development.

Secretary's Report:

Meetings:

LCAR – RAPs approved by the committee 8-0

Washington DC – Attended briefings organized by NASDA and hosted by the Global Food Safety Initiative and PEW regarding how the audit programs that were put into place by market forces and fruit and veggie producers over the past 15 years will be changed and updated as the Food Safety Modernization Act gets implemented. Had an opportunity to speak with some of the largest produce purchasers in the Northeast and the

country in order to understand their needs with respect to interface between produce farmers and their market; including requirements they may establish for their markets.

Washington DC – Met with Congressional delegation on issues relating to water quality funding and farm bill which will be written in 2017.

College of Agriculture and Life Sciences – Attend advisory board meeting.

Sent from my iPad