

# WEEKLY REPORTS

Checklist  
7/19/2013

Elizabeth Miller/Aly Richards

- ☐ Agency of Commerce and Community Development – Lawrence Miller
- ☐ Department of Labor – Annie Noonan
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Agency of Education – Armando Vilaseca
- ☒ VT Commission on Lottery – Greg Smith

Louis Porter/Drusilla Roessle

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

Sue Allen/Leigh Appleby

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

Sarah London/Carolyn Wesley

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

Susan Spaulding

- ☒ Boards and Commissions
- ☐ Department of Liquor Control

Other

- ☒ Irene Recovery Office

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**CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**  
**From: Susan L. Donegan, Commissioner, Department of Financial Regulation**  
**Date: July 19, 2013**  
**Re: Weekly Report**

*Susan L. Donegan*

**Captives Division:**

Captive insurance company number 996 was signed this week. United Health Services formed a single parent-pure captive to insure the Hospital Professional Liability and General Liability for UHS, its subsidiaries and health care affiliates. UHS is a non-profit health care system providing patient care in the Binghamton, NY, area.





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**CONFIDENTIAL AND PRIVILEGED: NO SHARING  
MEMORANDUM**

TO: Governor Shumlin  
FROM: Armando Vilaseca, Secretary  
SUBJECT: Agency of Education (AOE)  
DATE: July 19, 2013

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**Pre-K Press Conference:** The Governor's Pre-K press conference in Williston was attended by John Fischer, Deputy Commissioner, Manuela Fonseca, Early Education Program Coordinator and Karin Edwards, Director ISL – Pre-K through middle division.

**ESEA:** We have been coordinating with Congressman Welch and staff on the House version of ESEA reauthorization. There were 26 amendments voted on Thursday.

**Council of Chief State School Officers (CCSSO) Summer Institute:** Deputy Fischer will be in Kohler, Wisconsin Sunday through Thursday attending this institute that will focus on Leadership in Transition, Leadership in School Reconstitution, Common Core and Higher Standards Transitions. Other pertinent topics will include educator effectiveness, standards and assessment implementation, school turnaround, college and career ready standards, enhancing early learning outcomes, and capacity building. Deputy Fischer will be participating in a Deputies Leadership Commission. There will also be a lunch meeting with SBAC to discuss field test planning, progress on sustainability, and the fall collaboration conference.

**SWIFT Center (School-wide Integrated Framework for Transformation):** Next week AOE and LEA staff will be attending the SWIFT Center Professional Learning Institute in Washington DC. This is the inaugural event for work in which AOE and LEA staff will be participating for the next four years. SWIFT brings together special and general education services in a comprehensive continuum of supports and services for all students. The model uses a multi-tiered system of supports (MTSS) of increasing intensity of instruction for all students, which includes addressing behavior issues that impede their learning progress. Representatives from Grand Isle Supervisory Union, Franklin Northwest Supervisory Union and Windham Southeast Supervisory Union will be attending the institute. Karin Edwards, Director of the Pre-K through Middle School Division; Debbie Lesure, School Effectiveness Coordinator; and Patti Shane, Autism and Low Incidence Coordinator will be representing the AOE. Southwest Vermont Supervisory Union will be joining the SWIFT cohort in the fall.

**Barre City Place:** At the end of last week, agency staff were invited to a meeting in Barre to glean information on Barre City Place, specifically environmental issues, safety and security, and plans for parking. Mayor Lauzon, Police Chief Bombardier, Don Wells, President DEW Construction, and BGS representatives were present. Following the meeting, a site tour was offered. This was a great opportunity for AOE staff to better understand the plans and layout of the future AOE. I would estimate that about 50 staff attended.

**CONFIDENTIAL and PRIVILEGED**

**To: Governor Peter Shumlin**  
**From: Greg Smith, Executive Director, VT Lottery**  
**Date: July 19, 2013**  
**Re: Weekly Report**

**Status of Governor's Priorities:**

n/a

**Legislative Issues/Contacts:**

n/a

**Press Issues/Releases/Contacts:**

Just about recent prize winners

**Significant Events/Meetings:**

Rules change file with ICAR for Mega Millions Game. We have two rules in the process now, including Luck for Life game change in Sept.

**Evolving Issues:**

n/a

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**Summary of Key Agency Department Activity:**

July commission meeting was cancelled due to scheduling conflicts.

I am working with a citizen complaint regarding one of my field sales reps – current HR investigation. Should end up with satisfactory result for all involved.

Jeff Cavender, director of marketing, and I will be in Braintree, MA on Monday 7/22 with other Lucky for Life states to see new game presentations. We have seen some good ideas so far.

On Thursday 7/11 we had a successful Gov Cup Race at Thunder Road, with Lottery as the sponsor. Very well attended, good promotions done by us, and accomplished the goals using half the time of last year.

A Lucky for Life winner of \$25K had their winning ticket mixed up with another ticket by agent staff member, and thrown in trash. Ticket is required to collect money. We are working with AG office and other states involved to determine if we can create agreement to get payment made due to circumstances. At this point I do not expect any legal action from player against lottery or agent, but time will tell.

**Executive Director's Commentary:**

Keeping busy.

OFFICE OF THE SECRETARY

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**Executive Privilege**

**TO: Governor Peter Shumlin**

**FROM: Secretary Brian R. Searles**

**DATE: Friday, July 19, 2013**

**SUBJECT: VTrans - Confidential Report to the Governor**

**NOTES FOR GPS**

**Exit 12B**

This is an additional interchange envisioned for I-89 in South Burlington at Rt. 116 (Hinesburg Road). It was a hot topic from about 2000 to 2009 and had support from the airport, developers in the area who had proposed some public-private partnership ideas and the City of South Burlington but was never embraced by the Douglas Administration. South Burlington withdrew their support with the election of Roseanne Greco as Chair.

I will participate in a very quiet and preliminary conversation meeting with interested parties next week. There appears to be expansion plans being considered by Fletcher Allen Health Care at or near that location that could be contingent on traffic improvements.

**AASHTO Conference Monday, July 22.**

You are scheduled to welcome participants at a transportation maintenance conference on Monday at 8:00AM, Sheraton-Burlington. I have provided talking points to Shana but if you have specific questions, please let me know.

**NOTES FOR STAFF**

**Airport News**

At Rutland, Cape Air has filed for an Essential Air Service grant to add a 4<sup>th</sup> flight per day, this one to White Plains, NY. This has the potential to increase Enplanements at RUT by more than 7,000, or 23%.

Also at Rutland, we have been notified of FAA funding for improvements to navigational equipment and safety areas in the amount of \$12.8 million over two years.

At Newport, the permitting process has begun for the runway extension and the Terminal construction. Assuming funding from the FAA is realized, construction on the runway could begin as early as April, 2014.

At Springfield (Hartness), 46 aircraft flew in for the 12<sup>th</sup> annual aerobatic competition which was attended by more than 1,000 people. This four-day event, which is estimated to have an economic impact of more than \$26,000, was successful and safe and resulted in the sale of \$4,900 worth of fuel which is a positive for our Aviation bottom line.

Also at Springfield, a July 4<sup>th</sup> celebration that included air rides and fireworks was attended by 4,000 people.

### **Ouch! Training**

VTrans Executive Staff has received this new training that promotes respectful communication in the workplace (or anywhere, for that matter) in a diverse world. It provides strategies on how to speak up against stereotypes when they are the subject of jokes, casual conversation or any other unwanted speech that may not be accompanied by bad intent.

Strategies include speaking immediately to the remark with comments like “I know you mean well, but that hurts” or “I think that applies to everyone”, or “Are you speaking of someone in particular?” or simply “Ouch!”.

We were all very impressed with the practical nature of the training and it’s applicability to those situations that are motivated more by ignorance than ill intent toward a particular person.

DMV is doing the training and it will be extended to the districts, as well. Other parts of VTrans will also get this training in the future.

### **Preclearance at Ports, Rail Stations and Airports**

Senator Leahy is about to fire off a letter to the U.S. Department of Homeland Security, and the Canada Border Services Agency, asking for a bolstering of preclearance agreement provisions that will facilitate Porter Air flights to Burlington from Toronto, passenger rail service to Montreal from the US and the less cumbersome facilitation of tourist boat traffic on Lake Memphremagog. I think the connecting of these three issues makes a great deal of sense at this time.

**Privileged and Confidential**  
**Memorandum**

**To:** Peter E. Shumlin, Governor  
**From:** Douglas A. Racine, Secretary of Human Services  
**Re:** AHS Weekly Report  
**Date:** July 19, 2013

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**Vermont Department of Health (VDH)**

**Banned Pesticide Application in Rutland:**

The VDH, Agency of Agriculture, Environmental Protection Agency (EPA) and other institutional stakeholders continue to have daily conference calls. At this time, persons who have left their residences on the suggestion of the Department are starting to lose financial assistance. The State provided EPA with additional information on July 18<sup>th</sup> in the expectation that EPA will provide clean-up and other resources to assist these dislocated persons as well as to those that have not relocated.

**Maple Leaf Farm and Pine Ridge Expansion:**

The Board of Maple Leaf Farm has decided to withdraw from the Pine Ridge project. The various complications and delays have made it impractical for them to proceed at this time. This means that the funds allocated for Pine Ridge in the Governor's budget would not be used in FY14 for this work (\$351,500.00).

**Department of Mental Health (DMH)**

**Brattleboro Retreat:**

The Centers for Medicare and Medicaid Services (CMS) conducted an investigation over last couple of days on recent complaints reported by the Retreat and possibly one anonymous report. One of the incidents involved the police and the use of a Taser gun on one of the MH patients. We are awaiting the investigation report. The Retreat continues to prepare for the big CMS survey.

**JAHCO survey for Green Mountain Psychiatric Care Center (GMPCC):**

Commissioner Dupre attended the exit interview Wednesday. According to Commissioner Dupre, there was a very good outcome report. While the survey found multiple findings that need correction, there were no major or conditional findings. This means that they will not have to be resurveyed. The findings are basically policies and procedures. As Commissioner Dupre understands from the surveyor, once these issues are resolved, GMPCC should receive its accreditation.

**Mental Health Judicial Proceedings Workgroup:**

- Summer workgroup assigned to review Title 18 of the Vermont Statutes on mental health related to the Involuntary Treatment laws.

This workgroup held its first meeting on July 17<sup>th</sup> at the Capital Plaza. The workgroup is made up of 20 individuals from a cross section of constituents. There was a large number of the public present. This meeting focused on overview and outcomes as well as getting to the specific issues that members want to see addressed during the September and October meetings.

#### Green Mountain Psychiatric Care Center (GMPCC):

GMPCC had an issue with a patient in the community. The police were called and the patient was returned to facility. Commissioner Dupre reported that the situation was handled well by everyone. To date we have not yet received incident report. This is just a heads up.

#### **Department of Disabilities, Aging and Independent Living (DAIL)**

##### Legislative Issues/Contacts:

The issue reported last week regarding Rep. Alison Clarkson's constituent has been successfully resolved.

##### Vermont Veterans Home continues working to come into compliance:

The complaint investigation commenced yesterday. No information yet available.

##### Settlement talks on APS stalled:

Plaintiffs' attorneys have submitted an unacceptable counterproposal. Our attorneys will communicate this next week together with a settlement offer.

##### Commissioner Wehry and Survey Director Fran Keeler visit the Lodge at Otter Creek Thursday:

Butch Sutherland, Regional Manager for Public Safety and Supervisor of Division of Fire Safety has denied developer Gregg Beldock's request to license additional beds at The Lodge for frail seniors. Mr. Beldock's next step is to request a *code* variance from Public Safety. If that is not successful, he may appeal the decision to Bob Patterson, Deputy Director, Public Safety. Mr. Sutherland informed Mr. Beldock of this yesterday, who registered his outrage and indicated he would be contacting the Governor. We will tour today and reinforce appropriate next steps.

##### Report highlights challenges in providing long term services and supports:

On Tuesday, AARP, the National Association of States United for Aging and Disabilities (NASUAD) and Health Management Associates (HMA) released a new report highlighting the challenges facing states in providing long-term services and supports (LTSS). While most states saw a decline in provider reimbursements, Vermont is one of 9 states reporting increases in rates for provider support for Home Health Services and one of 12 states reporting increases in rates for provider support for Home and Community Based Services (HCBS) Waiver.

#### **Department of Corrections (DOC)**

Commissioner Pallito will be away from the office during the week of July 21. Deputy Commissioner Menard will be filling in during this absence.

##### Community High School of Vermont(CHSVT):

CHSVT was mentioned on WCAX on The :30. Students from the CHSVT work on boats at the Maritime Museum that compete in a rowing contest in Scotland.

##### Martin Messimer Investigation:

The VSP have closed their investigation into Martin Messimer's attempted suicide. According to the VSP investigator, the staff at Northwest State Correctional Center did everything correctly, and saved Messimer's life.

Mindy Champagne:

Inmate Mindy Champagne who walked away from a Chittenden County Correctional Facility work crew on July 12<sup>th</sup>, was picked up by the Burlington Police Department on July 15<sup>th</sup>. She was returned to the Chittenden County Correctional Facility.

C/O attacked by inmate at Northwest State Correctional Facility (NWSCF):

Inmate Jason Peets (who is serving 15-30 years for Assault and Robbery and Attempted Murder) was working in the kitchen at NWSCF. Peets placed a 2 quart pot of water on to boil. He allowed the water to boil approximately 1 hour and 21 minutes, while watching Facilities Food Services Supervisor (FSS) John Meshna move around the kitchen. Peets grabbed the pan of boiling water and threw it at the back of Officer Meshna. Peets then threw the pan at Meshna, and then Peets grabbed larger pans and continued to assault Meshna. Meshna pressed his officer down button and other staff responded and removed Peets without further incident. Officer Meshna received 1<sup>st</sup> and 2<sup>nd</sup> degree burns to his left side, back and chest, and a superficial cut to his right hand. The facility is conducting an internal investigation and the Vermont State Police were notified.

Population:

The Department's average population for the previous week was 2,090 inmates. The Department continued to absorb a presentenced population which averaged 414 inmates for the previous week.

**Department for Children and Families (DCF)**

Northeastern Family Institute Social Worker Arrested:

On July 16<sup>th</sup>, DCF learned that JD Mascola, formerly employed by Northeastern Family Institute (NFI), was arrested for possession of child pornography. Through NFI, Mr. Mascola worked with clients in DCF Services.

DCF's Family Services Division has been working with NFI to inform families Mr. Mascola may have had contact with during the course of his employment. Although it does not appear that Mr. Mascola had any unsupervised contact with children, NFI is making a report to the Child Protection Hotline. Based on information received, DCF Family Services may open an investigation on the basis of risk of harm to children.

Update on Utility Discount Programs:

Economic Service Division runs two utility discount programs in conjunction with Green Mountain Power and Vermont Gas. Typical success for initial programs nationally is calculated as a 10% participation rate in the first year. Vermont has surpassed this with at 20% participation rate in the first six months of the programs' inceptions.

The Green Mountain Power discount program is a 25% discount to the first 600kwhs of usage for those households with a gross income at 150% FPL. This will save an average of \$25 per month for a usual customer's electric bill. To date the program has had 10,300 applications wherein 6,950 were found eligible.

The Vermont Gas discount program is a 20% discount to the entire monthly bill for those households with a gross income at 185% FPL. This will save an average of \$17 per month for a usual customer's gas bill. To date the program has had 1,111 applications wherein 872 were found eligible.

#### Office of Child Support Credit/Debit Card Payment System & Fee:

On July 23<sup>rd</sup>, the Office of Child Support (OCS) will be presenting information on the new Child Support Credit/Debit Card Payment service to the Joint Fiscal Committee seeking their approval of a \$5 transaction fee. This new service will add functionality to the OCS Internet site giving non-custodial parents and employers the option to make payments using a debit or credit card on-line. Additionally, the service will be available to our regional offices and in court.

Currently the only options for payments are cash, checks, auto-withdrawal from bank accounts and wage withholding. The additional payment option allows a non-custodial parent to meet his/her payment obligation potentially avoiding further enforcement actions and provides the needed support to the children. To pay for this service, OCS is proposing a \$5 transaction fee which will go to the Vermont Information Consortium to cover the processing costs. The majority of OCS customers (75%) are non-public assistance cases who have the ability to pay the additional fee for the convenience of the service. In the long run, this service will reduce costs incurred by the Division now spent processing paper checks and reduce the need for OCS staff to handle cash payments both in the regional offices and in court.

#### Update on GA Housing:

Commissioner Yacovone met with advocates to gather their best thinking on how to modify the proposed emergency rules aiming to serve as many people as possible within the budget realities. The advocates do not want services to be restricted. Strict adherence to \$1.5 million will result in some very deserving individuals not being served. DCF is considering modifications to broaden eligibility and will have estimates to you shortly.

#### **Department of Vermont Health Access (DVHA)**

##### Vermont Health Connect (VHC) Update:

*Technology:* The IT development of VHC is divided into three iterations. The first will be complete on July 25<sup>th</sup>. On July 26<sup>th</sup>, VHC will have its first instructive (internal only) demo of Vermont-specific customizations. This is the first of 3 major demos that will occur between now and the Oct 1 Go-Live.

*Small Business Hotline Update:* In advance of the VHC Call Center Go-Live on September 3<sup>rd</sup>, a Small Business Support toll-free line will soft-launch in the next week by publishing the number on the VHC website. This early activation without publicity will allow us to slowly expand our capacity to serve the Small Business Community in a controlled volume environment. We will test our telecom systems, staff training, business procedures and the effectiveness of resource materials during this soft launch and adjust ongoing plans based on results.

*Premium Rates:* MVP has submitted revised rates to the Department of Financial Regulation (DFR) per a Green Mountain Care Board (GMCB) Order. Blue Cross Blue Shield (BCBS) has not yet submitted revisions, but DFR hopes to have them by the end of the week. DVHA hopes to finalize initial recommendations for plan selections by July 26 (all standard plans will be offered, but we're selecting from "choice" plan submissions). Commissioner Larson will present our initial selections to the carriers and provide them with an opportunity to respond. Final selections will be made by July 31<sup>st</sup> and officially announced shortly thereafter. Consumer tools, including the individual and employer estimators will be updated to reflect final rates.

Joint Fiscal Committee:

Commissioner Larson will be attending next Tuesday's Joint Fiscal Committee meeting regarding the approval of the Exchange Level 1C grant.

Burlington Free Press:

Commissioner Larson met with Nancy Remsen from the Burlington Free Press on Wednesday to review the Health Benefit Exchange Budget

Editorial Board Meetings:

Commissioner Larson and Robin Lunge met with the Rutland Herald on Tuesday and Vermont Digger on Wednesday to discuss the VHC implementation and public outreach efforts.

VITL Grant Agreement:

DVHA's fiscal year '14 grant to Vermont Information Technology Leader (VITL) in the amount of \$5.2 million has been held up pending approval from CMS. State staff have submitted an interim Advance Planning Document (APD) to CMS and are working with CMS staff on resolving this in the next 2-3 weeks.

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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:** July 19, 2013

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**Secretary's Top Issues:**

Arbovirus (arthropod borne virus) surveillance in Vermont began on June 17. All mosquitos trapped are tested for West Nile Virus (WNV) and Eastern Equine Encephalitis virus (EEE). No positive virus activity has been found.

A Brandon Town meeting on Mosquito Control held on July 10 jointly by the Vermont Agency of Agriculture and the Vermont Department of Health was well attended.

Good news – slaughter and processing capacity is growing in Vermont. The Agency will need to request a meat inspection position for FY 15 to meet demand. Currently unable to assist the Federal Meat Inspection program in covering facilities in Vermont due to staffing pressure.

The response to the pesticide misuse (bedbugs) in Rutland continues. As of July 17th, 30 distinct application sites have been sampled and results received. 22 sites had no detectable chlorpyrifos. 8 sites have detectable levels of chlorpyrifos.

Due to excessively wet weather corn plantings in many parts of the state have suffered. In an effort to boost growth the application of nitrogen is required. As a result, aerial applications of fertilizer were planned for about 4,000 acres of crop land in Addison County this week.

Agency is working with ANR to resolve issues surrounding ACT 250 for Ag land mitigation and special natural community of rare forest, buffers and wetlands so that the state has a formulated position prior to the applicant submitting an application to the district commission.

Representative Kesha Ram contacted both the Agency of Ag and ANR regarding the Goat Slaughter Collaborate in Colchester. They need to manage waste water from the slaughter facility and are pushing Ag and ANR to determine which is the best manner to manage this waste.

Agency Staff are continuing to draft documents for several Nelson Farm Inc farms that are not in compliance. Staff have been working with ANR, including our Agencies legal teams, to draft documents outlining water quality concerns.

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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:** July 19, 2013

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**Status of Governor's Priorities:**  
**Jobs in Agriculture**

**Press**

Tim Johnson from the Free Press contacted the Agency of Ag in regards to VINE Animal Sanctuary in Springfield and the oxen issue from last fall at Green Mountain college.

CNN reporter has been in contact with the Agency regarding Veal production in VT. Providing the position new production methods of veal in VT and that number of male calves born on VT dairy farms is lower due to the use of sex selection semen for artificial insemination.

**Significant Events/Meetings:**

Deputy Secretary for Dairy Policy Diane Bothfeld met with the Northeast Dairy Sustainability working group (Cabot, Stonyfield, Ben & Jerry's, St. Albans Co-op, Manamont and Native Energy) to discuss sustainable dairy issues affecting the northeast. Discussion centered around Grow Crop – an app for Droid and I-phone and pad for farmers to manage information input for interactive crop management. App was developed by Heather Darby of UVM Extension and will be live in the very near future. Group also committed to a rewrite the dairy farm energy handbook that was published in hard copy in 2006 by a partnership of Ben & Jerry's, Dairy Task Force (Agency of Ag) and VT Environmental Consortium. Agency of Ag will take the lead and will take the handbook to web based. Commitment from group to assist with hiring an editor to assist with the publication. Stonyfield is looking for more organic milk and is looking for input on how to assist farmers in this endeavor.

**Evolving Issues:**

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Water Quality Specialist responded to a call from a citizen concerned with the odor of manure when applied to cropland. The citizen thought there were regulations in VT that required farms to add substances to manure to eliminate the smell when it is spread.

Agency Staff are continuing to draft documents for several Nelson Farm Inc farms that are not in compliance. Staff have been working with ANR, including our Agencies legal teams, to draft documents outlining water quality concerns.

**Summary of Key Agency Department Activity:**

**Administration**

Agency is working with ANR to resolve issues surrounding ACT 250 for Ag Land Mitigation and special natural community of rare forest, buffers and wetlands so that the state has a formulated position prior to the applicant submitting an application to the district commission.

Representative Kesha Ram contacted both the Agency of Ag and ANR regarding the Goat Slaughter Collaborate in Colchester. They need to manage waste water from the slaughter facility and are pushing Ag and ANR to determine which is the best manner to manage this waste. Ag and ANR have been meeting on this issue of waste from slaughter facilities (not specifically this case) and agree on many points but there still exist sticking points that this applicant has fallen into. Both will work together to respond to the applicant and to Representative Ram.

## **Agricultural Development**

### **Food Safety and Animal Health and Consumer Protection**

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#### **Meat Inspection**

Meat Inspection continues to add growth to the program providing technical support for new operations. As a result we are looking for an additional position to meet the demand of the growing industry. The Federal Meat Inspection Act and the Vermont Statutes require that all meat and poultry products sold in commerce be inspected and passed (except for a few written exemptions). The Federal government is not equipped to be able to provide inspection for small producers spread out across the state. The State Meat Inspection Program is able to work with small producers to understand the regulatory requirements and provide the inspection services necessary for these businesses to grow. Here is a listing down of new processing for meat in the state:

- Two custom processing plants come under state inspection to process for individual farmers enabling those farmers to further market and sell their products. One plant is in Danville and the other is in Glover.
- Began state inspection in New Haven for a combination business of processing and mobile red meat slaughter.
- The Guild Commissary in Winooski has started its Winooski processing under state inspection for all of their restaurants and will be also opening a retail butcher shop in Burlington that will be supplied by this outlet.
- In Richmond, starting within two weeks, Maple Wind Farm will be operating a poultry slaughter and processing operation.
- In the near future, we are expecting a combination Red Meat and Poultry Slaughter and Processing operation to start in Wilmington, Vermont at the Adams Farm, a pork slaughter and processing operation in Orange at Sugar Mountain Farm, a red meat slaughter and processing operation that will expand into poultry slaughter and processing as well in Milton for the LaPlatte River Angus Farm, a poultry slaughter and processing operation in Berlin at the Burnelli Farm, a red meat processing and a poultry slaughter and processing operation in Hyde Park at Applecheek farm, and a pork processing operation in Bridport at the Vermont Heritage Breeders Farm.
- All of these operations fall into Vermont's contract with the federal government that is funded on a 50/50 basis.
- In addition, the program provides inspection at 6 Federal establishments under a cross-utilization agreement with the federal government with 100 percent reimbursement from the Federal Government.
- The program also provides relief inspection at several other federal plants under the same cross-utilization agreement.

With the new state inspected facilities starting up, we have had to turn down request by the Federal government to provide that relief inspection.

So the current numbers have the program covering 20 different plants with mixed operations. The program now has 7 Food Safety Specialists and one trainee to cover these operations. Slaughter operations require the specialist to be at the establishment for the entire day whenever animals are slaughtered for commerce. The Specialists that are covering processing operations will cover 2 to 4 establishments in one day. With the

geographical locations of these establishments being spread across the state, the quality of the inspections will suffer and the mandatory daily inspection required will be difficult to maintain.

### **Agricultural Resource Management**

The response to the pesticide misuse in Rutland continues. As of July 17th, 30 distinct application sites have been sampled and results received. 22 sites had no detectable chlorpyrifos. 8 sites have detectable levels of chlorpyrifos. 18 samples were delivered to the lab on 7/17 and a further 14 samples were delivered on 7/18. 4 residences are scheduled for sampling today, tomorrow or Monday. Of the original list of bed bug treatments going back to January 2012 there are 3 that remain to be contacted. The sampling effort places the laboratory at its maximum capacity. The Agency and Health continue to work with EPA to determine proper cleanup protocols and determine who will perform the cleanups. This is similar to a case that occurred in Ohio several years ago where EPA superfund authority was used to perform cleanups and reimburse residents for loss of property. Currently, Region I is working with EPA headquarters to determine if the same authority and resources can be used in this situation. The Agency and Dept. of Health will be providing information to EPA Region I to assist them in their efforts. As sampling efforts wind down in the first phase (determining where chlorpyrifos was used and what levels exist up to 18 months later) the next phase will begin. In this phase an effort will be made to better describe the contamination in those sites that have detections in order to facilitate clean up. A third phase will be initiated post cleanup to determine the effectiveness of the cleanup. To date, we have not received clean up recommendations from EPA.

Due to excessively wet weather corn plantings in many parts of the state have suffered. In an effort to boost growth the application of nitrogen is required. Due to the excessive moisture, ground equipment can cause substantial damage to fields. As a result, aerial applications of fertilizer were planned for about 4,000 acres of crop land in Addison County this week. No applications have been made to date due to mechanical problems with the aircraft. It is unclear whether or not aerial applications will be planned for next week.

### **Plant Industry Section – Entomology week ending Thursday, July 18, 2013**

Arbovirus (arthropod borne virus) surveillance in Vermont began on June 17. Two vector technicians are mostly trapping in the field and State Entomologist, Alan Graham is identifying mosquitoes in the Berlin Lab. This is the third week we have tested pooled mosquito samples. The first week 19 samples were submitted to the New York State Arbovirus Lab, followed by 39 the next week. All of these tested negative for West Nile Virus (WNV) and Eastern Equine Encephalitis virus (EEE). This week 52 mosquito pool samples were submitted. No positive virus activity has been found. Connecticut has reported positive mosquito pools (*C. Melanura*) for EEE. The Health Department is currently calibrating their equipment so that samples may be analyzed locally as well.

Test results information will be updated weekly on the Vermont Department of Health website:

<http://www.healthvermont.gov/prevent/arbovirus/surveillance/index.aspx#testing> A revised Vermont Surveillance and Response Plan is also posted on this site. Erica Berl has created a risk map which is also posted on this site. Trapping this year will mostly focus on the areas with the highest perceived risk, followed by surveillance in adjacent towns. A northwest loop in the state has been set up for trapping, if time permits. Alan Graham uploads mosquito surveillance data weekly to the Centers for Disease Control (CDC). A map of this data may be found at the following website: [http://diseasemaps.usgs.gov/eee\\_vt\\_human.html](http://diseasemaps.usgs.gov/eee_vt_human.html)

A Brandon Town meeting held on July 10 jointly by the Vermont Agency of Agriculture and the Vermont Department of Health was well attended. Alan Graham and Erica Berl, an epidemiologist from the Vermont Department of Health, presented information about the surveillance plan this year and answered questions from the public. The following day, both were on VPR Vermont Edition at noon with Jane Lindhome, answering questions from a wider audience.

Alan Graham participated in a discussion from the Vermont Pesticides Advisory Council, VPAC, on June 26, to recommend an adult mosquito aerial pesticide, should a public health emergency arise again this year.

The Vermont Department of Health is presently calibrating the RT-PCR machine at their lab and soon we should be ready to send to their lab.

Emilie Inoue, State Pest Survey Coordinator attended a Lepidoptera (butterflies and moths) identification training workshop in Amherst, MA. The in-depth 3 day training session focused on the 10 moth families most commonly associated with target pests of concern. The workshop was funded through the Farm Bill and there were participants from 8 north eastern states. This training helps to provide AAFM with the skills necessary to screen samples for agricultural and forest pests prior to shipping them to USDA identifiers, expediting the identification and response process in the event a pest of concern appears in Vermont.

**MFO and LFO Programs:**

- Staff conducted 1 technical assistance visit to assist Medium Farm Operations (MFOs) with Best Management Practice (BMP) solutions to address water quality concerns.
- Staff member attended EPA lead Concentrated Animal Feed Operation (CAFO) inspections on two MFOs in Addison County
- Staff conducted technical assistance with at a Small Farm Operation (SFO) with NRCS.
- Coordinators are almost completed with processing 60-70 Nutrient Management Plans (NMP) that were recently submitted by farms and planners as part of the NMP grant program
- Staff are processing payments for the Capital Equipment Assistance Program.
- Staff are processing payments and closing FY2013 grants for the Farm Agronomic Practices (FAP) program.
- Staff are continuing to work on a grant agreement with UVM Extension for the FAP Program in the Champlain Valley. The goal is that UVM Extension would administer a significant portion of the FAP Program which would free up staff time to focus on regulatory program requirements.

**Secretary's Comments**

## Weekly Report

### Press

WCAX, Montpelier: Interview regarding rains and farming on the 5:30.

### Meetings

*July 12*

Rural Enterprises Discussion, Montpelier: Staff discussion about an articulate new enterprise category representing an extension of AAP farm exemption.

Health Dept./Bed Bugs, Conference Call: Meeting with health dept strategy with bed bug issues.

*July 15*

F2Plate , Montpelier: Review to Altas

Agriculture Working Group, Matt Strassberg, Montpelier: Review Strassberg work on Water Quality with Water Quality with farming community.

*July 16*

Governors Retreat, Grafton:

*July 18*

Adrian Ranville, Franklin: Inspected and discussed water quality practices with AG staff and Rainville. Excellent farmer!

*July 19*

NEASDA Commissioner, Albany NY: Attended meeting to discuss Feral Milk Order reform request to Sec. Visack.

### Events

*July 18*

Friends of Northern Lake Champlain, Franklin: Spoke to farmers and water quality advocates at farm visit Tim Magnant farm. Thanked all for the important work they all do!

Kent Nutrition/Blue Seal, Richford: Attended open house, spoke on behalf of Gov. during lunch gave letter to plant manager Kizer with unplanned tour; Very important piece of agriculture for VT & New England. Company has many strategically investments in facilities, would be a great stop for the Gov. sometime.

Sheldon Museum, Middlebury: Spoke at Sheldon Museum special event regarding state of Agriculture in VT.

**CONFIDENTIAL and PRIVILEGED**

**To:** Governor Peter Shumlin

**From:** Deborah Markowitz, Secretary, Agency of Natural Resources

**Date:** July 19, 2013

**Subject:** ANR Weekly Report

**Governor Level Issues:**

**Gina McCarthy was just confirmed as EPA Administrator.** This is great news for Vermont. Gina is tough and practical, and because of her work running the state environmental programs in both Connecticut and Mass she will understand our state and regional context. We already have a great working relationship with Gina from her prior position as head of EPA's air division.

**De-delegation Petition settled.** Thursday, the EPA will make public the Corrective Action Letter which is the resolution of the CLF de-delegation petition. The petition was brought against the Douglas administration, asserting that DEC was not implementing the Clean Water Act program in conformance with the law. (They made some good points.) We have already implemented program improvements including: Most of the requirements of the plan have already been implemented by the Agency of Natural Resources including the following:

- Providing an opportunity for the public to review and comment on enforcement actions related to violations of water quality law;
- Conforming the state's policy relating to the use of penalty payments to EPA's requirements;
- Updating the state's system for reporting violations of federal water quality law;
- Ensuring that animal feedlot operations are permitted in a manner that accords with the federal Clean Water Act and that water pollution from those feedlots is stopped and prevented;
- Implementing a requirement of the Clean Water Act to prevent the degradation of existing high quality waters;
- Documenting the analyses used by the Agency to develop permit limits for the discharge of pollutants into Vermont's waters; and
- Limiting the amount of nutrients discharged by municipal wastewater treatment plants in a manner that conforms to the federal Clean Water Act.

**Moretown Landfill:** We have reached a settlement of the pending appeal of our denial of the company's application to extend the use of Cell 3. We expect the settlement to be filed this Friday, with the agreement of all of the parties (including the compost company and neighbors.) We will send out a press release when that happens. Although there has already been some good press coverage., the VTDigger story got it wrong and said that the settlement presaged the issuance of a certification for the landfill operator's controversial proposal to expand the landfill by building a fourth cell. The settlement does not have anything to do with a possible cell 4, but rather eliminates a distraction (the appeal) so that MLI can focus on developing their proposal. Our staff are still doubtful they could come up with a design that will prevent odor issues and groundwater contamination, but as they (the staff) say, if you are willing to spend unlimited money, engineers can do most anything. So, we will see what they propose for the site.

**Parks Attendance back on track.** State park seasonal visitation numbers are rebounding with the change in the weather pattern and receding high waters on Lake Champlain and other lakes, ponds and rivers around the state.

## **EVERYTHING ELSE:**

### **Legislature:**

**Regional visits.** David and Alyssa are travelling around the state, meeting with regional office staff and then visiting key legislators. The goal is to introduce them to Alyssa in her new role and to being to discuss the upcoming legislative session. Justin and I will be doing a similar tour in the fall where I also expect to speak at Rotaries about our LEAN process and then meet with smaller groups to hear what they think we are doing well and what we could be doing better as an agency.

### **Press Issues/Releases:**

We are sending out releases today on the Moretown Landfill settlement (unless negotiations break down between the neighbors and MLI at the last minute) and the resolution of the CLF de-delegation petition with the EPA. Other press this week included stories about the mysterious blue fish (we are waiting for lab results) and the FW policy of euthanizing fawns that have been taken in by well-meaning people. I am happy to send briefing information to the Governor if he is getting any questions about this story.

### **Significant Events/Meetings:**

**Brownfields:** We participated in BERA meetings with key stakeholders for 453 Pine Street and the Railyard Enterprise District, both in Burlington. Both meetings were very informative for all involved and the State was praised for creating this initiative. The second set of meetings and next steps for both of these BERA projects have already been scheduled. All State partners have been very cooperative. BERA meetings for the Fonda project, St Albans, have not been scheduled to date.

**Pharmaceutical Waste:** Northeast states have formed a Pharmaceutical Waste Workgroup at our suggestion. This is a multi-media cross-program issue – water, waste air that will:

- Share monitoring data related to pharmaceuticals in the environment;
- Interface with EPA on regulatory approaches to pharmaceutical waste management;
- Share information on enforcement of existing laws and regulations in the region;
- Keep abreast of regulatory approaches being tested in other states and jurisdictions; and
- Work collaboratively to develop the elements of a new regulatory approach and model legislation (should there be consensus to do so).

## **SUMMARY OF KEY DEPARTMENT ACTIVITY**

### **Environmental Conservation**

**Sunset Homes Mobile Home Park, Bennington:** Gary Kessler met with ACCD Deputy Commissioner Jen Hollar and General Council Dale Azaria to discuss how we can best work together to address the continuing problems at this mobile home park. We discussed a number of possible outcomes as well as our plans for a joint meeting with park residents next week. There was agreement that our objective is to keep the park in operation if possible but we cannot allow the park to remain open unless the water system is fixed and the residents are provided with safe drinking water. ACCD is working with some non-profit partners to consider options going forward. Gary Kessler is coordinating with the attorney for Bennington and the bank which has started a foreclosure action against the property.

**Plymouth Notch Ski Club – Emergency Order:** We found a significant permit violation resulting in major discharges to Roaring Brook from a snow making pond construction project at this ski area. We issued a stop work order for the project, but corrective action to stabilize the site has not taken place so we will seek an emergency order from the Environmental Court.

**Huntington F.D. #1 water supply damaged by mudslide:** Huntington Fire District #1's public water system was severely damaged by a mudslide as result of a severe rain event in Huntington that caused widespread flooding in that area. DEC staff immediately went to the site to assess the extent of the damage & the actions being taken by the F.D. as well as to provide general technical support. Water service has since been restored to the users of the PWS. The Huntington FD #1 Water System remains on a boil water advisory and chlorine disinfection is being utilized. A temporary source supply line to the tank and the transmission main currently lies on the ground surface, where it can be easily inspected, while the community applies for emergency loan financing from DEC and financial assistance from FEMA.

**Assistance to Schools on Science Lab Safety and Chemical Management:** Staff will be assisting on a lab cleanout at South Burlington HS next week with EPA Region 1 as lead. The following week we will be assisting Chester H.S. On July 19 we will be meeting with Dept. of Ed and Vermont School Board Insurance Trust (VSBIT) to coordinate on providing further outreach and assistance to schools.

**Alternative Compliance Strategies:** We are exploring a self-certification program for Small Quantity Generators (SQGs) of hazardous waste. We are looking closely at Colorado's approach and successes at increasing compliance rates. The Colorado program is willing to do a teleconference with us at some point to discuss this and other sector approaches.

### **Fish and Wildlife**

**Baby Eagle:** Staff visited the North Springfield eagle nesting sight several times after it was reported on Monday that one of the eaglets tried to leave the nest before it was ready. It was standing on a rock next to the nest tree when we found it. It was not injured, just not able to fly yet. By Wednesday it had made its way back up to a limb just below the nest and appeared to be fine.

**VT Telephone Company:** Staff visited the summit of Ricker Mountain with John Buck where the applicant proposes to convert the temporary meteorological tower into a permanent communication tower. This would be the second permanent tower on the summit in A-ranked Montane Spruce-Fir Forest and Bicknell's Thrush habitat. A hearing before the Public Service Board is planned.

**Do not feed the Bears:** Staff addressed several bear conflict reports from our web site including one in the town of Sharon where a bear had damaged a bee hive that had no electric fencing. The landowner was hoping to be compensated for the hive. Site visit revealed filled birdfeeders and an open shed filled with full garbage bags.

**Hydro-Dredging Permit Application for Lake St. Catherine:** The Lake St. Catherine Association has applied for a Lakeshore Encroachment Permit to conduct hydro-dredging in front of 27 privately owned camps. The application calls for an area of 50' x 50' to be hydro-dredged to deepen the lake bottom and improve the property-owners waterfront for boating access and swimming. Individual parties of the application have indicated their waterfront is "too shallow" for these activities. F&W and DEC staff visited each individual site to determine whether it met the conditions and requirements of the LEP application. In many cases, ANR found that there was significant depth at the site proposed for dredging. DEC and F&W staff agreed that most of these sites will not be approved as part of any issued permit for hydro-dredging.

**Stiles Pond:** Staff counted anglers at Stiles Pond to assess the amount of fishing effort occurring on this water body where only very limited fishing occurred until this last winter when anglers realized that the town of St. Johnsbury did not have legal standing to keep people off of the water. The angler count data will be used to evaluate the new test waters designation, (catch and release for bass, perch creel limit of 10), that went into effect July 10, 2013.

## **Forest, Parks and Recreation**

### **Forestry**

**Road washouts:** Forestry staff has been patrolling roads looking for damage from last week's storms. The hardest hit area is the Honey Hollow area on Camel's Hump. Most of the repairs done there after Irene were washed out again. Some damage was also reported at the newly-acquired Bolton Nordic area on Mt. Mansfield SF.

**Invasives Group:** The citizen science group that monitors invasive plants and insects in VT has been very active with field trips and trainings related to Emerald Ash borer, a pest that is present in all of our surrounding states and Quebec. The group's latest project is working on a new web page for Woodpecker Watch--a group page on VTinvasives where birders can report potential EAB sightings

### **Conservation Education**



**Privileged and Confidential**

**MEMORANDUM**

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

From: Christopher Recchia, Commissioner

Date: July 19, 2013

Subject: Weekly Report

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**Governor Level Issues:**

**Status of Priorities and Cases of Interest:**

**VY Jobs:** Press inquiries today about VT Digger. Spoke to Annie and relayed to press that we have received no indication of when and what layoffs might be occurring, and that we'd evaluate that and any impacts on either the plant or the CPG process if/when we received any official word of "mass separation."

**GMP/Lowell – Docket No. 7628 Noise Violation:** The PSB scheduled a hearing for August 8, 2013, and ordered GMP to show cause why it should not face a civil penalty for noise violations during the prior monitoring period. The Department had recommended no penalty in light of GMP's efforts to remedy the violation, and the most recent monitoring period showed no violations.

**North Springfield Sustainable Energy Project:** The Board issued a memo ruling that additional process is necessary. Parties were directed to file by July 29<sup>th</sup> proposed schedules for additional process, which the Board determined would be initial testimony, discovery, and responsive testimony for MOU signatories and non-MOU signatories. The Board asked for legal briefs on

whether the Board has jurisdiction over the construction of the access road, (versus the NRB having jurisdiction under Act 250) stating that it had already concluded that it had jurisdiction over the impacts related to the proposed project's use of a new access road. This briefing is also due on 7/29.

**Net Metering Cap:** The Department continues a working group with utilities, advocates, and developers to find consensus on moving forward with net metering now that VEC, WEC, and Hardwick have reached the 4% cap for their service territories. We are working with those three utilities to determine if there can be an interim tariff filed with the Board to support new net metering for their customers with some changes (such as not allowing customers to zero out their customer charge and efficiency charge through net metering). These tariffs would have a proviso to adapt once a broader legislative package to revamp and expand net metering moves next session. The PSD is pushing back against utility proposals to pool and sell Renewable Energy Credits from net metering, as the customers currently own those credits and allowing sale of the credits would create marketing accuracy issues and would hamper progress in meeting state energy goals.

**Addison Expansion—Docket 7970:** Vermont Gas filed rebuttal testimony on June 28 and non-Petitioners filed discovery on that testimony on July 12. Also on July 12, non-Petitioners filed responses to discovery served by the various parties, principally VGS. ANR continues to be concerned about certain impacts of the Project and is meeting with VGS representatives on July 18. The Department filed more comprehensive, supplemental aesthetics testimony this week and our consultant continues to work with VGS's landscape architect regarding mitigation issues. The Department is currently drafting rebuttal testimony, which is due to be filed on August 14.

#### **NEG/ECP:**

##### **Significant Meetings/Events:**

**July 15:** Transmission meeting with VELCO

**July 16:** Gov's retreat at Grafton Inn – Day One

**July 17:** Gov's retreat at Grafton Inn – Day Two; VSNAP meeting in Brattleboro

**July 19:** VTA meeting/PSD net metering discussions with utilities

##### **Next week significant events/meetings:**

**Media:** VPR story on GMP Lowell noise violations had quote from Geoff Commons on Board's order and possible civil penalty. PSD provided information on complaints regarding Georgia Mountain wind project to Milton Independent, and information on outage complaints with GMP to Rutland Herald/Times Argus.

##### **Everything Else:**

## ***PERD***

### **Clean Energy Development Fund**

The CEDF Board approved the request for a \$50K energy storage project carve-out and the next step is to draft an RFI. The hope is that an RFI is adequate for gathering potential project ideas and using as a platform for joint PSD/CEDF-DOE selection of a project (DOE would contribute up to \$250K, and the applicant would need to provide at least 50% of the project's cost).

## ***CAPI***

### **CONSUMER COMPLAINTS**

For the period July 10<sup>th</sup> – July 16<sup>th</sup> CAPI received approximately 110 calls and 55 complaints.

### **Vermont Gas Systems**

Last week CAPI fielded several calls from concerned Cornwall residents who are anxious about the proposed VTG pipeline. They feel the state is not doing enough to protect them or their communities.

### **Post-CPG wind complaints**

Between July 10 and July 16, 2013, CAPI took in 10 complaints from 3 consumers regarding Georgia Mountain (1 consumer, 3 complaints), Lowell Wind (1 consumer, 2 complaints), and Sheffield/First Wind (1 consumer, 5 complaints). One complaint referenced shadow flicker being experienced at sunset. A few of the complaints referenced noise and health issues spanning several days. Some of the comments include: "loud and gratey" noise; can't sleep without having a fan on and downstairs with the windows closed; noise is especially bad with high humidity and low clouds; noise "sometimes sounding like a waterfall, sometimes it made me think of traffic on the interstate, sometimes like rolling thunder and sometimes like a jet overhead"; headaches, dizziness, and stomach aches. While at the Lowell Wind site, GMP's sound technician took sound readings directly underneath the turning blades and recorded levels ranging around 55 dB. The sound technician explained that the sounds tend to be louder with a high thermal or elevation gradient, saying that sounds travel from higher to lower temperatures and from higher to lower elevations, which can mean that sounds are particularly loud at night for those consumers who live underneath the wind turbines.

## ***Public Advocacy***

**Swanton Rate Increase – Docket No. 8024** – Swanton is seeking a rate increase of 10.69 percent. After conducting discovery, the Department is seeking to reach a negotiated resolution to the case. Based on the Department's analysis, an increase of approximately 1 percent is appropriate. Financial analysts for the Department and Swanton are currently discussing the details. The Department is also seeking Swanton's agreement to improve its compliance with consumer protection requirements. Parties are hoping to reach a settlement by July 19.

GMP Residential Rate Integration – No Docket – GMP came in to discuss how it proposes to integrate residential rate schedules by Oct. 1, consistent with the merger order. Staff provided feedback to GMP, and GMP is in the process of responding to staff’s comments. Of note, GMP is initially receptive to a Department proposal that it track TOU customer usage under alternative “shadow” rate schedules. The purpose of this proposal is to provide data on how TOU rates would compare under alternative scenarios, so that the design of TOU rate schedules can be more well-informed in GMP’s next rate design case.

Claire Solar CPG Proceeding Docket - No. 8003 – Petitioner has reached a settlement with other state agencies and a neighboring developer. The Department has held back from negotiations while Petitioner and South Burlington attempt to reach a settlement. The Department has urged both sides to settle and understands that both parties are guardedly optimistic about a settlement. The only issue the Department may have with the project is with respect to the orderly development criterion (248(b)(1)). If South Burlington settles, the Department will follow suit. If South Burlington does not settle, the Department will need to decide whether to support the project over South Burlington’s objection.

Stowe Electric Proposed TOU Rate – Tariff No. 8453 – As directed by the Board in an earlier order, Stowe filed a Time of Use rate schedule for residential and commercial customers. Stowe sought a waiver of the 45-day advance notice requirement. On July 16, the Department filed a letter urging the Board to reject the request for waiver of the 45-day notice requirement. This will allow the Department to get additional information from Stowe and negotiate any needed changes. A recommendation is due July 30.

SunCommon Enforcement Matter – No Docket – On July 15, SunCommon made its first quarterly compliance filing with the Department pursuant to an MOU entered into in April to resolve violations of the Department’s Small Scale Renewable Energy Incentive Program. The filing is generally acceptable. Andy Perchlik is following up on a couple questions.

Springfield Solar Alliance I Project – Docket 8034 – The Southern Windsor County Regional Planning Commission submitted a notice of appearance and a motion to intervene. The hearing officer requested comments by July 18<sup>th</sup>. The Department supported the Commission’s request. Additionally, the Department continues to engage in informal discovery requests in order to narrow issues.

Barnet Water System, Inc. Rate Increase – Docket 8052 – The Department issued another round of discovery questions on the petitioner. Subsequently, the Department agreed to the petitioner’s request for an additional week to respond to the questions. The Department will participate in the July 17<sup>th</sup> public hearing.

Cross Pollination Solar Project – Docket 7645 – The United States Court of Appeals for the Second Circuit issued a notice basically stating that it is returning Mr. Madden’s “Civil Action for Civil Right” document unfiled due to lack of jurisdiction.

BED's IRP – Docket 7979 – In an Order, the Board approved BED's IRP and the Memorandum of Understanding between BED and the Department. The Order requires BED's next IRP to be filed on or before September 28, 2015.

Limerick Rd Solar – Docket 8027 – Limerick, ANR, Dept. of Ag., and the PSD executed an MOU in the Docket. Generally, the 2.2MW facility is well-sited, and the petition was complete. Limerick did change the height of its proposed perimeter fence from 6'3" to 7' per National Electric Safety Code requirements in response to the Department's concerns. A technical hearing has yet to be scheduled.

St. Albans Solar – Docket 7871 – St. Albans Solar Partners (SASP) filed two separate notices of "noncompliance" in the past three weeks, outlining four CPG violations during the construction phase of the project, including clearing of 6,000sq/ft. and 31 trees within a wetland buffer. The Department and ANR have requested that the Board open an investigation to assess appropriate penalties against SASP.

Mammoliti Wind Complaint – Docket NM-1646 – The Board issued an order (over seven months after briefing was submitted) regarding Mr. Mammoliti's motion to expand the scope of the Board's investigation to include another round of sound monitoring, intervener funding, and to enjoin GMP from continued operation of the turbine. The Board rejected all of Mammoliti's motions. A status conference will likely be held to determine the next steps in the investigation proceeding.

VTel 248a Bolton Application – Docket 8072 – A prehearing conference was held to address habitat fragmentation and bird strike concerns ANR has regarding VTel's proposal to modify an existing temporary MET tower into a permanent telecommunications facility. The Board tentatively set a technical hearing date for September with prefiled testimony due late August/early September.

Ryegate Biomass Facility – Docket 7782 – DPS received Ryegate's responses to a supplemental data request from John Dalton, of Power Advisory, who serves as the Board's expert witness in this docket. Negotiations continue between Ryegate and the Vermont Distribution Utilities relating to compensation for installation of SCR technology. We have recently been told that a deal may be in the works. A status conference is set for July 26<sup>th</sup>. If DPS has been informed of the details of a settlement before the status conference, we will provide comments on it to the Board at that time.

Appointment of a Natural Gas Energy Efficiency Utility – Docket 7676 – The Board issued an Order on 7/15/13 finding that the results of the Initial Overall Performance Assessment of Vermont Gas Systems resulted in the Board finding they should be appointed to serve as the Natural Gas EEU in their service territory. Proceedings in the docket will continue to design and implement a Demand Resource Plan, an Order of Appointment and a Process and Administration document.

Investigation into Vermont Electric Utilities' Use of Smart Metering – Phase II - Docket 7307 – On 7/5/13 the Department submitted a draft Proposal for Decision to be to the Board for review on opt out, privacy and cyber security.

Vermont Gas Rate Design Changes— Docket 8009- A technical hearing was held on July 9. The Department is generally supportive of the proposed changes and hopes to join in a Proposal for Decision that VGS is currently drafting.

VTel Wireless Petition for Unconditional ETC Designation – Docket 7966 –VTel filed a proposed order on July 12<sup>th</sup> on behalf of the company and the Department.

Waitsfield-Fayston Telephone Company, Inc. for suspension or modification of the interconnection requirements of 47 U.S.C. § 251(b) – Docket 7798 – On July 9<sup>th</sup>, WCVT filed a motion pursuant to VRCP Rule 60(b)(6) for relief from judgment of the Board's Order requiring WCVT to provide local number portability ("LNP") to Comcast by the end of October, 2013. WCVT claims relief is needed because the company has not yet received high-cost Universal Service Fund support from the state. The Board has requested responses to WCVT's motion by July 26<sup>th</sup>. The Department plans to recommend that the Board deny WCVT's motion.

Helicon Group, L.P., d/b/a Charter Communications – Docket 7820 – Charter's CPG is due to expire in September 2014. In 2012, Charter notified the Board it wished to commence proceedings to renew its CPG. The Hearing Officer held a prehearing conference and the parties agreed to provide the Board with a status update on the progress of negotiations. On July 9<sup>th</sup>, the Board issued a Memorandum requesting an update by July 22<sup>nd</sup>. No further action was taken after the prehearing conference in 2012, but the parties have scheduled a meeting on August 12<sup>th</sup> to begin discussing the process for moving forward. Charter will send a letter to the Board indicating these plans.

Value Sharing Arrangement for Sale of VMPD Assets to CVPS (now GMP) – Docket 7660 – GMP has prepared a draft letter to the Board describing the implementation of the VSA value-sharing mechanism. The Department has reviewed the letter and believes it is consistent with the MOU approved by the Board in its Final Order approving the sale. The Department will participate in a call with representatives of GMP and Omya on July 22<sup>nd</sup> to discuss the letter.

### ***Telecommunications***

AMI Data Transfer and Data Security – PSD staff met with representatives of GMP, VEC and VEIC regarding issues surrounding the exchange of granular smart grid data to VEIC from VEC and GMP. The primary purpose of the meeting was for VEIC to assure GMP and VEC that it had adequate security and privacy measures. GMP and VEC indicated that their expectations of the meeting had not been met. PSD staff is in the process of reaching out to all of the parties to see if an accommodation can be reached such to avoid a Board determination on this issue.

Unserved addresses – Stone Environmental analysis of broadband availability as of December 31, 2013 identified 298 addresses that will remain without service available. The VTA believes that the list is only 220, and is analyzing the Stone data to identify the discrepancy. Stone will hold off in releasing the analysis work products to the public websites until the VTA analysis is complete.

VTel addresses – The Stone analysis identified 10,967 locations that are unserved now, but that are projected to have service from known projects in process. This includes 338 locations that VTel has indicated it will likely provide service to, but which are outside of its ARRA funded service territory, and which it therefore has no obligation to serve.

CoverageCo – The Vermont E911 Board formally requested that CoverageCo provide Phase II location information by December 5, 2013, as required by FCC regulations. If this is not provided, PSD staff understands that the FCC will be notified.

### ***Finance and Economics***

#### Electric

GMP---work continues with GMP regarding our review of its 2013-2014 base rate filing. GMP filed its preliminary rate increase totaling \$21 million or 3.8%. There are currently four significant topics being reviewed that we expect to resolve and all are related to proposed reductions in GMP's proposed cost of service. The reductions may be (1) a disallowance of selected capital expenditures for inclusion in the rate base, (2) a possible disallowance of a rate base addition for a tax basis net operating loss, (3) a disallowance of a rate base addition for accelerated pension plan payments, and (4) the possible disallowance of the recovery of preliminary survey costs. The department's recommendation on the filing is due by mid August.

#### Gas

VGS - Docket 8009 Investigation into Vermont Gas Systems, Inc. proposed rate design changes. Discussions have begun concerning a possible MOU with VGS which may include provisions to spread out the rate impact over future years for the interruptible customers (IBM and Rock Ten), the full cost of which would be borne by the interruptible customers.

VGS---Alt Reg---Met with VGS to review the preliminary Cost of Service Plan (based on 11 months of actual and 1 month preliminary data). VGS expects to remain on schedule to file its final COS no later than August 28. The preliminary filing reflects a rate decrease of about 2% or \$2.2 million for the new rate year that begins on October 1, 2013.

### ***Regional Policy***

#### 2013/2014 Winter Reliability Program

- ISO-NE filed its proposed winter reliability program with FERC. Under the program ISO will issue an RFP to obtain up to 2.4 million MWh to be delivered during the upcoming winter. Resources eligible to participate are limited to demand response and oil-fired units (both stand-alone units and dual-fuel units). ISO estimates that the cost of the program will be \$16 to \$43 million.
- NESCOE will be submitting a filing with FERC that does not object to the program but makes clear that this should be considered an extraordinary circumstance. NESCOE states that ISO has provided sufficient information to indicate that a supplemental RFP provides insurance to maintain reliability during cold periods when gas is unavailable; however, the filing expresses some concern with the analysis, due to the timing of the proposal.
- Maine PUC will be filing a protest at FERC recommending that FERC return the issue back to stakeholders for further analysis. Given the reliability concerns that prompted the winter reliability program, as well as the short time frame to issue an RFP, evaluate bids, and ensure a sufficient supply chain of oil, the other states do not support Maine's position.
- ISO's filing requests that FERC rule before November 1 so it can issue an RFP in early November.

#### ISO Offer Flexibility Proposal

- ISO-NE filed a proposal with FERC to modify market rules to provide additional flexibility in submitting supply bids in the electricity market. Currently market participants are generally not allowed to modify supply bids once the Day Ahead market has closed and ISO has completed its Resource Adequacy Analysis. Under the proposed rules, market participants will be able to submit a re-offer at any point up to 30 minutes before the hour applicable to the offer. Additionally, the proposal will allow negative supply offers of up to \$150/MWh; currently there is a \$0/MWh offer floor.
- NESCOE will be submitting a filing in support of the ISO proposal as the modifications will increase market efficiency and help address over reliance on natural gas as the flexibility will allow natural gas units to submit offers that reflect changing fuel costs during Operating Day.

# Memo



**TO:** Governor Peter Shumlin  
**FROM:** Keith W. Flynn, Commissioner  
**DATE:** July 19, 2013  
**SUBJECT:** Governor's Report

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Act 26 relating to Search and Rescue was passed this past session, which required us to find a position and funding for a search and rescue coordinator. This was to be accomplished by July 1, 2013. We have been working with DHR and Deputy Secretary Clasen on getting this accomplished. In addition, there is a council that needs to be assembled; the Governor needs to make a few appointments once he has we will contact the council members for a meeting.



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*Jeb Spaulding, Secretary*

## **PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR**

**TO: Governor Peter Shumlin**

**FROM: Secretary Jeb Spaulding**

**DATE: July 19, 2013**

**SUBJECT: Confidential Report to the Governor**

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### **BUILDINGS AND GENERAL RESOURCES**

#### **Press/Media Notes:**

Nancy Remsen inquired about information on the BGS website and visitor centers daily operations. She wanted to know what was in the report and why it was confidential. Deb Ferrell provided her copies of Vermont Information Centers operation report from six different sites, and informed her the reports were password protected and not an issue of confidentiality; the reports are password protected to safeguard the reliability of the numbers

#### **Evolving Issues:**

- 20 Houghton Street: BGS continues to work with the developer on space and layout – hope to have completed within two weeks.
- Bennington VVH Mold: remediation has started.
- Berlin Sites: finishing roof on sixteen bed unit; moving on to nine bed unit.
- Electric Car Lease: Legal will be contacting Mitsubishi on indemnity language; waiting for further feedback from Toyota.

WSOC Construction Management Services: Contract is planned to go out to PC Construction on Friday. The general layout of the site fence was approved in concept by Security, and our project team. BGS met with PC Construction and the Irene Recovery Office in order to get the contracting procedures off on the proper path.

## **FINANCE AND MANAGEMENT**

### **Issues Update:**

ERP Project- Expense Go-Live: To date, we have processed and paid approximately 6,000 expense reimbursements through the new Expense module. The process and system are working as designed.

Payroll: Last week we completed the fourth payroll in the new VTHR system. WE are now doing the preliminary work on payroll #5. The time it takes to run the process improves with each pay cycle. Still an issue is the unacceptable number of “off cycle” checks we have to create each pay period for employees: who did not submit all of their time; or for employees whose supervisors did not approve their time.

FY 2013 Close-Out: Close-out has gone very smoothly and we are winding up a few final numbers. Final Revenue numbers are now available and have been sent to the economists for their revised Consensus Revenue recommendations to the Emergency Board for the 7/23/2013 E-Board meeting.

Emergency Board and Joint Fiscal Committee Meetings: Deputy Zeller is working with the Joint Fiscal Office to finalize the FY 2013 close-out changes and on Commissioner Reardon’s presentation material for the JFC meeting on 7/23/2013; as well as the closing GF Balance Reserve adjustment calculations which now require E-Board approval on 7/23/2013.

## **HEALTH CARE REFORM**

### **Issue Updates:**

Financing: Michael Costa finished a draft work plan for 2013 -2017. Overall, Michael’s work will focus on three broad areas: data analysis, communications, alignment/implementation of a health care finance plan. Michael, Robin, Liz, and Jeb met on Thursday to discuss Michael and Robin’s work plans. Michael’s key ask for Jeb, Liz, and Robin is for their support in forming teams across agencies and with external partners to deliver results.

After five weeks of study, Michael is ready to start meeting with people about the policy and politics of financing Green Mountain Care. He developed an initial list of 40 people to meet. He met with Mark Larson, Steve Kappel, Steve Klein, and JFO staff this week. He met previously with Anya and Al. The list includes people from academia, the business community, provider community, legislators, lobbyists, think tank types, state staff, and other thought leaders.

Michael is writing a brief statement of work for Steve Kappel, focusing on finding ways to translate data into stories that reinforce the imperative and importance of Green Mountain Care for stakeholder groups. Also, Steve will help Michael as he works with the JFO on identifying data needs and developing a plan to address those joint data needs. This work is under existing DVHA/DFR contracts with Kappel.

VHC: The insurance rates are approved by the GMCB. DFR is now applying rates to plans so that we can finalize the small business calculator and plan design charts. MVP is final. There is an issue BC/BS which is delaying those specific rates.

The next step is for DVHA to determine whether to accept all plan designs or a subset of plan designs. DVHA has rated the plan submissions by using the criteria in the RFP. There are a total of 24 plans across all metal levels, DVHA is considering accepting 16 of those plans.

Navigators trained this week and in communities. There continue to be weekly community forums around the state. David is working with the VHC team on op eds.

Single Payer Operational Planning: Mark and Robin are continuing the work with his team on the MMIS procurement to align with the Governor's long term vision for single payer operations. We are also meeting with Don George on Friday to discuss operations & the possible roles for insurers in administering GMC.

SIM Grant Operational Plan: Robin is working on the governance section. David Reynolds is working on the health workforce section.

David is soliciting members for the Workforce Work Group as required for SIM grant and the State Health Care Workforce Strategic Plan. He is also writing the Executive Order for this workforce group.

Mental Health and Health Integration: David is working with DMH and the Blueprint for Health teams on how to encourage delivery system integration between mental health and health. One evolving issue in this area is the inequity of pay between mental health Designated Agencies (low) and FQHCs & hospitals (higher) and its implications for integration. This creates an issue for the DAs in recruiting and retaining staff.

### **Legislative Issues/Contacts:**

Email with Jeff Wilson re: constituent question; Email with Cynthia Browning re: Arlington community forum on VHC which is tonight (Thursday) re: questions she had received after the Manchester forum. Conversation with JFO staff related to financing and agenda next legislative session.

### **Press/Media Notes:**

Andrew Stein 7/18 - interview with the whole team (sans Devon who is on her honeymoon) re: our work & backgrounds; also meeting with Jeb & asked for a time with the Governor.  
Rutland Herald editorial board meeting, 7/16 - focus on VHC  
VT Digger editorial board meeting, 7/17 - focus on VHC

## **HUMAN RESOURCES**

### **Press/Media Notes:**

Commissioner Duffy provided information to Anne Galloway about the total double pay compensation paid on the one day of the emergency closing resulting from Tropical Storm Irene. The total amount, including FICA, is approximately \$500,000.

### **Significant Events/Meetings:**

DHR attended the job fair held by the Department of Labor for displaced employees, including IBM employees.

Secretary Spaulding, Deputy Secretary Spaulding and Commissioner Duffy met with the VSEA to discuss a number of issues. VSEA has advised that it intends to appeal the ruling of the Labor Board on the double pay issue, and the parties explored settlement discussions and other possible resolutions. The parties also discussed the Vermont Veterans' Home, and VSEA indicated it will "go to war" on any effort to privatize the home. The parties also discussed ways to expedite the investigations and grievance processes.

Licensing and Protection conducted a site visit at the Veterans' Home. Three minor violations were noted in an exit interview, but it is unclear whether these issues will result in citations or present roadblocks that could prevent the facility from coming back into compliance and being able to receive federal funding from CMS.

### **Evolving Issues:**

DHR has processed the across the board increases for exempt state employees.

DHR is facilitating the selection process for the Green Mountain Care Board. The deadline for applications has passed, and the Nominating Committee will meet this week to select applicants for interviews.

DHR is preparing for interviews on its medical bid, which are scheduled to occur next week.

## **INFORMATION AND INNOVATION**

### **Status of Governor's Priorities:**

**Healthcare:** The ongoing attention and engagement of CGI executives has been and continues to be more effective in terms of getting results. CGI and SOV are working collaboratively from one consolidated list for all issues/risks for Release 1 (10/1/13). Just under 20 high impact issues have been resolved and removed from our list over the last week. As a result, the list of open issues is getting smaller, not larger.

The new CGI project plan that supports the iterative approach they proposed has completed the SOV review cycle and has been approved by the State. This is the plan of record going forward. All teams have been notified of the importance of sticking to the plan and that it is under strict management control. There is a clear expectation of all team members that they are to work within the published and agreed to schedules for all tasks and deliverables. Any deviations from the plan must be approved by management.

## **LIBRARIES**

Nothing to report.

## TAXES

### Legislative Update:

Sharing Tax Data with JFO: The Tax Commissioner and Commissioner Boes, and staff, met with Steve Klein and staff, as well as Peter Griffin from leg council, to continue the discussion on the MOU. The Commissioner outlined three main risks – that the IRS will interpret the disclosed state information to impermissibly include federal tax information, that there will be a security breach such that the disclosed information ends up outside JFO's hands, and finally (most importantly) that the disclosed information will be traced back to specific taxpayers, violating their confidentiality. With respect to IRS audit, we discussed the risk and proposed language that would terminate the MOU upon an adverse IRS finding. With respect to security, JFO will access the data through DII's VPN set-up, and would agree to only download reports, and not raw data. Finally, with respect to confidentiality, we are awaiting the response of vendors to our RFI on disclosure avoidance – Klein now agrees that as long as the price is not prohibitive, the best solution is to partner with a third party vendor.

The first response came in from Chainbridge, a company that has worked with a number of states, at \$44,500 – might be a small price to pay to have this problem go away. They also proposed an optional delivery of a full microsimulation model with forecasting functionality, including federal data. Going this full route (at a cost of just over \$100,000) would appear to provide all of what the legislature ultimately wants and address all three risks. It is worth exploring for a more robust analysis of tax proposals.

We are meeting with JFO once more on Monday, and then have a meeting scheduled with the money chairs on Tuesday (I will update the Secretary prior to then).

Possible Litigation Against Online Travel Companies: The Commissioner met with the Secretary and Sarah London, and the decision was made not to move forward on litigation at this time. Although our statute is strong relative to other jurisdictions that have pursued litigation, the case would hinge on whether a court would find that an online travel company is a hotel operator (or agent thereof) required to remit taxes. It is another instance like Cloud, where the Department (particularly in the public eye) would be susceptible to the charge that it was overreaching to apply the statute to a circumstance not contemplated when the statute was enacted (although the alternative narrative would be that we are protecting the tax base in a situation where the OTCs are actually keeping this money). The safer course that preserves the Department's overall credibility in enforcing tax law is to seek a legislative amendment to clarify the statute. We can revisit this decision as we develop the Miscellaneous Tax Bill this fall (by that point we may have NH's experience to guide us, since they are anticipating bringing suit on a very similar statute).

Meeting with Lt. Governor: We had a largely positive meeting convened by the Lt. Governor, and including the Secretary, Rep. Ancel and Sen. Ashe, the Chambers, VBSR, Retailers and Grocers. It was a great opportunity to introduce our new policy director, and outline the design and early results from our Policy, Outreach and Legislative Affairs division. We got some feedback and suggestions - some constructive, a few a bit impractical. One issue raised by Rep. Ancel and left open is whether other states have less strict penalties in collection of the sales & use tax versus other tax types, given that the vendor is acting as an agent of the state. The Commissioner is not aware of any such disparate treatment, but we will research the question with other state agencies, and the organizations agreed to check with peers in other states.

Property Tax Relief Special Fund: The FY 13 Waterfall included money to go generally to the Education Fund and increase the General Fund transfer, as well as an equal amount to go to a Property Tax Relief Special Fund, and spent as determined by the Administration and Legislature, with possibilities to include: “incentives or rewards to promote or control education spending while improving quality, ways to reduce the base percentage of income used to determine income sensitivity [note: this session saw proposals to increase the base percentage], options to increase the base education payment, and additional deposits into the education fund to reduce tax rates”. In advance of the EBoard meeting, Steve Klein has ballparked each amount as \$9-12M.

One idea would be to take some of the money in the special fund and pay Picus & Associates to convene a symposium of national education finance experts to consider the dynamics in our current funding system (aside from educational delivery) that might be contributing to excessive spending, and propose some alternative solutions. Larry Picus suggested this concept to the Commissioner a few months ago. He was intrigued because his last study suggested that Vermont has a very fair system, and one that has produced good educational outcomes – but at an outsize cost. He seemed to think experts would be interested in tackling the question of making this fair and effective funding system more sustainable. However, he said that educational symposiums usually pay some fees to invited experts.

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**CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN**

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From: Susan Spaulding  
Date: July 19, 2013  
RE: Boards and Commissions Update

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**Appointments Made July 18, 2013**

**Access Board:**

**REAPPOINTED:** Frederick Senftleber, Shelburne

**Victims Compensation Board:**

**APPOINTED:** Steven Howard, Burlington

**Interagency Coordinating Council for Families, Infants & Toddlers:**

**APPOINTED:** Johana Brakeley, Middlebury (Provider)

**Travel & Recreation Council:**

**REAPPOINTED:** Ed Stahl, Stowe

**Travel & Information Council:**

**APPOINTED:** Kyle Bostwick, Hinesburg (Restaurant Rep)

**REAPPOINTED:** John LaBarge, Grand Isle (AOT rep)

**Drugged Driving Task Force:**

**APPOINTED:** Tom Little, Shelburne

**Public Safety Broadband Network Commission:**

**APPOINTED:** Michael Richards (Vermont State Firefighter's Association)

**Governor's Council on Energy and the Environment:**

**APPOINTED:** Brian Shupe, Waitsfield (VNRC)

**Justice of the Peace, Town of Lincoln**

**APPOINTED:** David Marsters

**Building Bright Futures Council:**

**APPOINTED:** Alison "Robin" Stromgren, Bennington

**Working Lands Enterprise Board:**

**APPOINTED:** Beverley Thurber, Brattleboro (Dairy Farmer)

**Governor's Emergency Preparedness Advisory Council**

**APPOINTED:** Mary Nemeth, Rutland

**New England Board of Higher Education:**

**REAPPOINTED:** Michael Wool, Charlotte

**Government Accountability Committee:**

**APPOINTED:** Michael Clasen, Montpelier

**Commission on Women:**

**REAPPOINTED:** Jennie Gartner, Rutland

**REAPPOINTED *pending inquiry*:** Laine Dunham, Manchester

**Vermont Economic Progress Council:**

**APPOINTED:** Timothy Briglin, Thetford Center

**REAPPOINTED:** Michael Keane, North Bennington

**REAPPOINTED:** Rachel Smith, St. Albans

**REAPPOINTED:** Betsy Gentile, Brattleboro

**REAPPOINTED:** Mary Lintermann, Stowe

## **Irene Recovery Situation Report**

### **07/19/2013**

#### **IRENE RECOVERY OFFICE**

##### **Individual Assistance**

- FEMA approved the Disaster Case Management Program no-cost grant extension thru Nov 30<sup>th</sup>. The current plan allows 4 FT case managers to remain (2 at CVCAC and 2 at SEVCA) as well as 4 FT staff thru the 90 post-grant period at the end of February to conduct close out operations.
- In cooperation with the IRO, the Division of Emergency Management & Homeland Security (DEMHS) hosted a meeting of statewide Individual & Household Program (IHP) stakeholders, including AHS, VT 2-1-1, Vermont Disaster Relief Fund, VT VOAD, and the American Red Cross to further develop the IHP Recovery Annex; Annex revisions are in process, the next review will take place in August.
- Tropical Storm Irene 2<sup>nd</sup> anniversary event plans are underway; two events are scheduled to be held in Wilmington, as well as a statewide recognition event in Rochester in the evening; more details to follow.
- A meeting with FEMA Region 1 IA Branch Director & Deputy Branch Director with AHS and DEMHS has been scheduled for 08/02/2013 to discuss further development of the state IA plan.

##### **PA**

- A new, final task order with SAIC was executed, and SAIC has a technical advisor on site at Waterbury as of 07/16/13 to assist with Hazard Mitigation buy-out project implementation.
- Applications for fifth round HMGP grants were due on 07/12/13; enough applications were received to ensure that it will be a competitive review process with strong projects.
- To date, FEMA PA obligations for Irene total \$159.3M, including \$108.4M for Category C (roads, bridges, and culverts).
- 195 (+3) of 322 anticipated closeouts (61%) have been submitted to FEMA. Of those, FEMA has completed and obligated final payment for 141 (72%).
- Of 7 municipal alternate project requests, FEMA has completed 5. At least two applicants (Woodstock and Windsor) are utilizing the Sandy Recovery Improvement Act provisions to qualify for 100% rather than 90% alternate project funding.
- Of 44 municipal improved project requests, FEMA has completed review of 40.
- Of 132 Scope Change requests, FEMA has completed review of 90, with 42 still under review.
- Of 38 PWs being "reworked", FEMA has completed 35, including those being changed as a result of the Townshend Dam Road decision. Our PA Team is now notifying applicants when new versions of PWs are obligated, including electronic copies of the revised PWs – this is a significant step forward in program transparency and customer service for municipal applicants.
- FEMA has begun review of State of Vermont's request to increase the Category Z PW (for indirect administrative expenses) by \$3M, as requested on 05/31/13.
- FEMA has completed Preliminary Damage Assessments for the storms of 06/25-07/11/13 and identified damages which exceed the county thresholds in Chittenden, Orange, Washington, and Windsor Counties. Caledonia, Orleans, and Rutland Counties are still being reviewed but are expected to reach thresholds.
- PWs are being written for DR4120 (severe storms and flooding of May 26-29).

## **ACCD**

- Currently awaiting approval of Ladd Hall environmental review waiver request, it is currently on the desk of HUD HQ General Counsel.
- Submitted CDBG-DR II required certifications to HUD demonstrating ACCD has the financial management systems in place to manage the \$17.9 million supplemental allocation; eligibility to receive the funding is conditioned upon approval of the certifications by HUD Secretary.
  - Reviewed 63 Letters of Interest submitted for CDBG-DR II funding.
  - CDBG-DR II Action Plan and proposed allocation of funds (method of distribution) is in process.
- Received the first semi-annual report from the Champlain Housing Trust on the Manufactured Housing Downpayment Loan Program, created in the wake of Irene and with the support of the general funds and state affordable housing tax credits approved by the legislature in connection with the mobile home bill of 2012.
  - Interest in the program has been high; six loans have been closed and 14 are in process; CHT is on track to exceed their first year goal of assisting 15 households.
  - Currently, the program provides silent second mortgages for downpayments on new, energy-efficient mobile homes. CHT is seeking funding sources to allow it to expand the program to include primary mortgages.

## **HMGP**

- Current status of buyout properties:

HMGP Purchased (75% HMGP, 25% CDBG)	15
HMGP Approved	77
HMGP Pending	18
Round 4	4
Round 5	7
CDBG-DR Only	13
Grand Total	134

Link to Map: <http://www.trorc.org/buyouts.html>

## **VTrans**

- Transportation System Recovery Expenditures through July 15, 2013: **\$2,271,940**

	Totals	Federal	State	Local
FHWA-ER	\$109,261,479	\$102,288,904	\$4,700,633	\$2,271,940
FEMA – 4022	\$115,185,719	\$1110,852,457	\$4,333,262	\$0

FEMA- RREW	\$2,866,205	\$0	\$2,866,205	\$0
	\$227,313,403	\$213,140,361	\$11,900,101	\$2,271,940

Operations Division

<b>All District Irene Related FHWA ER Sites</b>	<b>This Week</b>
Total sites	689
Total sites complete	450
Total sites under construction	11
Total sites awarded not completed	85
Total sites ready for bid	57
Total sites scoping/design complete	68
Total sites no activity	20
Total sites given to PDD	64
Total sites on hold ROW/ENV	28