

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

Sent: Saturday, August 29, 2015 12:28 PM

To: GPS

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

Subject: Weekly Reports - Executive Privilege 08 28 15.pdf

Attachments: Weekly Reports - Executive Privilege 08 28 15.pdf; ATT00001.txt

Long report this week....

Gov - lots of GF Route 22A discussion in ACCD and VTrans. We are working on meeting or call with Pat, Sue M and Chris Cole for late next week.

Update on layoffs at Gildan and Vt Castings in Labor section.

Public Service has update on proposed Swanton Wind. The local opponents and state reps from area have met with PSD and ANR and want mtg with you. Shana has the info and we can discuss.

Also in Public Service an update on that loan program we announced at Bourne's with VSECU and fuel dealers last Fall. 45 loans out so far totaling \$640,000.

Health filed their children's products chemical rule with LCAR. I am going to have call with toy product industry Monday who are upset with it....

In Agency of Admin - confirmation fed exchange numbers will be ready for out mtg sept 4 and presser sept 8. Also in AOA update on AHS IE technology project. Exeter (who bid with Optum) came in to raise issues to me about our selection of Wipro and Oracle for negotiations. I am directing them to Justin who has final review and is up to speed. Exeter also met with Shap who was concerned about some of issues they raised. Justin will follow up by reaching out to Jane Kitchell and then he and I will loop back with Shap after vetting concerns raised.

Sue - Rebecca has some angst about our appointees to blue ribbon commission on early childhood education....

Sarah - Chuck says CLF settlement back on track

Thanks
Darren

WEEKLY REPORTS

Checklist
8/28/15

Darren Springer

- Agency of Commerce and Community Development – Patricia Moulton
- Department of Labor – Annie Noonan
- Department of Financial Regulation – Susan Donegan
- Agency of Education – Rebecca Holcombe
- VT Commission on Lottery – Greg Smith
- Public Service Department – Chris Recchia

Sue Allen

- Agency of Transportation – Sue Minter
- Agency of Human Services – Hal Cohen
- Agency of Agriculture – Chuck Ross
- Agency of Natural Resources – Deb Markowitz

Sarah London

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

Jessica Gingras

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

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: August 28, 2015
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

- **Global Foundries:** Chris Cole and his team, Joan Goldstein and I met Thursday with Janette Bombardier to discuss Route 22A improvements. Suffice to say it was disappointing to Janette who is trying to present a picture to GF leadership that Vermont is responsive to their needs. Vtrans is planning about 4 miles of paving this year and some clearing to improve sight distances but that is it for many years. This is troubling to Janette who sees 22A from Fair Haven as “the” truck route from NY to northern Vermont. Vtrans has identified two areas of truck or passing lanes but it would be several years before this could happen due to funding and process. While we are “riding the wave” of great permit responsiveness and assistance during the transition, Janette is trying to convince GF leadership to move more work to Essex. This is difficult in the context of NY which has now forgiven \$8million in property taxes for Malta and built roads to their Fishkill and Malta facilities using State dollars. We all know VT cannot compete with that but Janette was hoping for a much more robust response to the 22A and other transportation and safety issues. Chris is VERY clear we can do more for 22A and should given the level of service and high percentage of trucks of 22A and the need for a good north/south truck solution. Vtrans can also do more with Circ alternatives. BUT...he would have to redirect funding from other projects which may have ramifications. We have asked Darren to arrange a time to meet with you to discuss this and seek your approval that we make 22A and other transportation needs a priority for Vtrans, ANR and us. We know GF is not the only company using 22A so there is a broader argument to be made. As we seek to retain what we have in Essex and hopefully see that expand, we *must* do something and do it soon. You will hear more when we meet.
- **Gildan:** Annie and I had a good call with Gildan about Rapid Response and other services for the employees affected by their closure. VDOL will also be working with Gildan to file a Trade Adjustment Assistance application on behalf of the employees. The production jobs are moving to Honduras. The company is very grateful for the help. All employees will be paid through October, 2015.
- **VDTM travel planner:** We continue to work with the Vt. Chamber to get the travel planner on the VDTM web site working properly. It is much better but still not where we wanted it to be. We are working with the subcontractor to Route 802 (Everwonder) whom the Chamber is suing for breach of contract to get the planner working well. We are getting close.
- **ViewBoost:** Roger Allbee is pushing us for a partnership to market his Vermont travel app. Roger has spent a lot of money getting it going and we believe sales are not going well. He has approached us with a \$100,000 dollar ‘ask’ for marketing. We pushed him to the Chamber as they wanted the app in the first place. For many reasons, neither we nor the Chamber are inclined to promote ViewBoost although we have not explained that to Roger quite yet. First, most states are moving away from apps because of the expense to develop and maintain. We do not have that kind of money to spend on something like this that is not in our plans. We do not want to dilute the effort we are putting in to our website and travel planner. ViewBoost is not ipad or Droid enabled, only Iphone. And the list could go on. We expect push back when we explain this to Roger. We like Roger and his son Doug, and respect he and the Pecors have a substantial investment in this product. But like any business, they did so at their risk. We never offered financial or other assistance from the start despite their asking.
- **VEDA landlord loans:** I learned today thus far there have been no applications to VEDA’s landlord program for Barre.
- **Another VEDA note:** I also learned Jo Bradley will be taking a 3-4 week medical leave starting today. Not life threatening but serious. She will be home, not hospitalized.
- **EB5:** Gene Fullam is in Vegas at the American Immigration Lawyers Association (AILA) meeting which is all EB5 focused. GREAT opportunity for him to learn and wave the Vermont flag. Jay, Trapps, Stowe

Aviation and Mt. Snow are all there. Gene got a “cool” reception from Mt. Snow despite the good meeting last week. We think they have not abandoned their own Regional Center plans. Also, at least one person has approached Gene as the “other Vermont Regional Center” assuming Jay is the first. Gene will be making sure Jay is not marketing themselves as a regional center. We are working with Quechee Lakes and the Marriot on possible future MOU’s for EB5.

- **In the “oh no” department:** Dave Metraux has indicated he is looking to leave us sometime in next 4-6 months. He loves his job but realizes he has hit the “ceiling” in State govt. His leaving is mostly triggered by his expecting another child with his significant other and they are moving back closer to his and her family in the greater Boston area. Dave is our IT and performance chief. He has implemented a project management system for all our IT and other projects. He has lead so many efficiency efforts I cannot name them. And he is the oversight of VCGI in our Agency. This is a HUGE loss for us. This is NOT public yet. We will be evaluating how best to proceed. And in typical David fashion, he has cross trained his staff so he feels they will be well able to transition.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

- Noelle is off enjoying some vacation time.

Deputy Commissioner Hollar

- **Evergreen Mobile Home Park:** Shires Housing has determined it is not in a position to purchase this Pownal park which is scheduled to be closed at the end of 2016. Housing Foundation Inc. is willing to consider and will analyze the cost and resources needed to purchase and improve the water and wastewater systems for the long term. HFI will need VHCB and VCDP funds to proceed. At the same time, the private owner of a park in Pownal has indicated an interest in Evergreen and is talking to the current owner. HFI will continue its due diligence in the event a private sale does not happen and residents are faced with displacement.
- **South Main Apartments and Hunger Mountain Children’s Center:** Governor Shumlin helped Waterbury celebrate progress on two CDBG-DR supported (\$1 million each) recovery projects. Demolition at Hunger Mountain is complete and construction bids are due in two weeks. The former Ladd Hall is now 27 affordable apartments. The Governor handed keys to their new apartment to a young family moving in that day. Helped organize, prepare press materials and attended along with VCDP and GMS staff, Commissioner Obuchowski and Secretary Sue Minter.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partners

- **Resilient Right of Ways (ROWS) Kick-off Meeting:** Richard participated in the multi-partner Resilient ROWs kick-off meeting. The project is funded by a \$250K US Forest Service grant with a \$250K state match. The grant supports a multi-partner (ANR, ACCD, AOT, and UVM) effort to make improvements within the road right of way to reduce stormwater run-off and improve water quality in the Lake Champlain Basin. The project will update the VT Better Back Roads Manual, VTrans Landscape Guide for Roadways and provide community assessment and green infrastructure action plans for 10 communities in the Lake Champlain Basin.
- **Department of Health, Tobacco Prevention Coalition Network Meeting:** Gary spoke at a Vermont Department of Health sponsored network meeting of the Tobacco Prevention Coalition in Rutland about the downtown program and participated in a discussion about the coalition’s efforts to establish smoke-free areas in Vermont. Vermont’s downtowns use a range of approaches to address this issue. For example, Burlington designated a smoke-free area throughout Church Street Marketplace whereas St. Albans chose to address the litter and second hand smoke concerns by creating clean-up days, smoke-free parks, events and businesses and handed out pocket ash trays.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

Monitoring Visit

- Ray and Cassie monitored the Town of Huntington, Town Hall Accessibility Modifications project at 4389 Main Street, Huntington on August 19th. The Town received \$74,211 of VCDP grant funds for a public facilities – handicapped access. The VCDP funds were used along with \$47,235 of Other Resources to bring the Huntington Town Hall into compliance with the requirements of the Americans with Disabilities Act (ADA). This included parking and front entrance accessibility, compliant wheel chair ramp, vertical lift to access second floor, ADA compliant rest room and compliant handrails between the first and second floors. Staff provided technical assistance to the Town on a number of areas. The Town provided GMS staff with a tour of the site to see the completed modifications.

Huntington Town Hall, ADA parking and front entrance accessibility.



Town Hall,
chair ramp

Huntington
new compliant wheel



HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Preservation Roundtable:** The Division hosted the summer roundtable, which was led by Preservation Trust of Vermont president, Paul Bruhn. Hannah Kornfeld, the Village Greens intern working with Community Planning & Revitalization, was the key speaker. PTV is funding Hannah's internship, which focused on the work of previous interns to study Village Greens. Hannah focused on Manchester, Bristol, and Danville, outlining the successes of the community in revitalizing or creating a village green. The meeting also discussed ideas for how to celebrate the 50 anniversary of the National Historic Preservation Act, the work of HOPE Crew at the Marsh Billings Rockefeller site, and PTV retreat in September about ADA and historic buildings. The 2016 Preservation Conference, to be led by PTV, is to be located in Waterbury in early June. Nominations for preservation awards are being sought. Paul gave an update on the efforts of PTV at Randolph's Exit 4. This was Mark Hudson's last meeting before moving to Washington, D.C. to run Tudor Place. His sendoff party is September 17.
- **American Battlefield Protection Program:** Devin and Laura participated in an overview of the grant program offered by the Battlefield Protection Program. There are efforts being undertaken to create a Programmatic Agreement that would make the grant process, protection efforts, and advocacy easier for those states with battlefields related to the Revolutionary War, War of 1812 and Civil War. The Division recently received a \$30,700 grant for more thorough documentation of the boundaries and national significance of the Hubbardton Battlefield, the site of the ONLY Revolutionary War battle in Vermont. Laura processed the grant application and completed the grant acceptance forms.

State Archaeologist

- Vermont Archaeology Month begins next week. Jess and Kate Lepore (VAM coordinator) have been busy organizing logistics, answering questions, and pushing out social media and email alerts, and populating community calendars. Advertisements will begin to run next week.

Project Review

- **Proctor:** Elizabeth and Yvonne went down to Proctor to meet with USDA Rural Development, RCWA architects, and College of St. Joseph to walk through their plans for the former YMCA building and former Vermont Marble Company Administration building. The YMCA building is from 1908 and the Vermont Marble Company

building is from 1924. The plan is to rehabilitate the two buildings to house the College's new Physician Assistant graduate program and offices for the town. Both buildings most recently housed OMYA labs and offices. In 2014, OMYA donated the two buildings to the College. Consultation with our office will continue to work through some design issues.

State-Owned Historic Sites

- **Mount Independence-Hubbardton Military Road Car Tour:** On Saturday, we collaborated with the Crown Point Road Association on a driving tour of the section of the 1776 military road from Mount Independence to the Hubbardton Battlefield. The *Rutland Herald* did a special article in advance of the program. Eighteen participants drove their own vehicles. A. J. Marro, *Herald* photographer, took photos, which are posted on their website. The staff are getting ready for the annual Soldiers Atop the Mount living history weekend on September 5 and 6.
- **Hubbardton Events:** On Tuesday the site hosted an astronomy program with the Green Mountain Alliance of Amateur Astronomers. Fifty attendees, including a *Rutland Herald* reporter, viewed the stars, planets, and even saw the space station. The *Herald* did a ¾ page article on the event last Thursday. A group of 23 Americaid volunteers came on Saturday to do some extra grounds work. On Sunday Elsa gave an illustrated program with her research on the history of the 1859 Hubbardton Battle monument to the Castleton Historical Society and others (14 total), after the annual historical society summer battlefield picnic.
- **Constitution House:** The site was prominently featured in the summer issue of *Vermont Magazine* – a color photo of the building led the “Discovering Windsor” article, along with a quote by our seasonal tour guide Jim Hasson: “I like to think that the mind-set of America was created right in this building...” Thanks, Jim!

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

- To date, Arthur has reviewed and approved 137 mobile home parks registrations. The registration and lot fees are due by September 1.
- After much collaboration between the Department, the Vermont Tenants program of the Champlain Valley Office of Economic Opportunity, and the Vermont Apartment Owners Association, a new suite of educational materials aimed at small-scale landlords has been finalized. This effort sprung from a perennial interest among numerous stakeholder groups to better educate tenants and “mom-and-pop” landlords owning three or fewer units on their rights and responsibilities in order to improve rental relationships throughout the state. Consisting of several brochures on various aspects of being a landlord, four workshop modules providing greater detail on pertinent topics, a video about the legal court eviction process, and a definitive guidebook on renting in Vermont, plans are underway for the best way to disseminate these materials.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Recovery Work

- **Village of Jeffersonville/Town of Cambridge:** Staff at the Lamoille County Planning Commission (LCPC) are now actively working on an application from the communities for approximately \$250,000 to assist in a \$1.23 million project to replace a former railroad bridge and two culverts on Route 15. They had not moved this along until now so they know the earliest the project will be considered is at the November 5 CD Board meeting.
- **Town of Cabot:** This grant of \$700,000 to demolish the existing Town Garage and construct a new 7000 square foot garage facility continues to move towards a grant agreement offer. The Town has met all Award Conditions and once Carl revises the budget as the Town preferred, the final draft will be ready for internal review and then the offer.

VCDP

Existing grants

- **City of Rutland:** The City started requesting funds from the \$1.25 million VCDP grant to fund rehabilitation and demolition in the Northwest Neighborhood. NeighborWorks of Western Vermont (NWWVT) acquired their first property (65 Baxter Street) and plans to demolish the blighted property. The plan for the property post-demolition is a City park. The City's Recreation Director has held meetings in the neighborhood to solicit public input on how to use the proposed park space.

Technical Assistance to potential VCDP applicants

- **Town of Milton:** Staff attended a funders meeting on August 19th in Milton along with representatives from VHCB, HFI, Trudell Consulting Engineers, Drinking Water State Revolving Fund (DRSRF), Clean Water State Revolving Fund (CWSRF), the Town of Milton, and Milton Mobile Home Co-op. The Milton Mobile Home Co-op is a 100 unit resident-owned mobile home park is in need of connecting and replacing the sewer system and water lines. The sewer is the highest priority, but water and roads could also be improved at the same time to be economical. Currently, 35 septic tanks are failing over time and the continuous septic pumping and replacement

of leach fields and septic's is a growing expense. At this time, the potential VCDP grant application amount and timing is unknown.

- **Town of Fairfax:** Josh and VCDP staff attended a meeting pulled together by Jared Duval to discuss VCDP options to assist Amoskeag Woodworking. Attendees in addition to ACCD staff were representatives of the company and its consultant, VEDA (current lender), Peoples United Bank (primary lender), Vermont Sustainable Jobs Fund (current lender) and the Franklin County Industrial Development Corp. The company is seeking to restructure its debt and implement a new business plan. A new financing plan that allows the current lenders, primarily People's Bank, to remain patient with the overdue loan repayments will be critical to allow the company to recover. Questions on eligibility and competitiveness of the proposal for VCDP assistance remain.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Economic Development Marketing Plan:** At the monthly meeting of the Travel and Recreation Council, Heather shared the Agency's progress to date with tourism industry partners and stakeholders. An RFP to complete the 'plan' phase of this work has also been drafted and is circulating internally for review, with plans to release within the next week.
- **Collaboration on Domestic Export Marketing:** Along with David Burnell of VDTM, met with Agency of Agriculture staff and partners this week on branding and promotional efforts to support Vermont producers at the annual specialty foods Fancy Food Show in NYC (June 2016), and the Big E, coming right up next month. Signage is an issue at both events, although the challenges and solutions are unique. The CMO's office is also assisting with creative development of a co-op print advertising spread to appear in *Vermont Life*, *Edible Manhattan* and *Edible Brooklyn*, again supporting Vermont producers trying to expand to markets outside of Vermont's borders.

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

- **GIS Data**
 - **VT Open GeoData Portal:** ACCD-IT and VCGI staff have been working toward production of a PAF (project approval form) for the Open GeoData Portal project. The group has been identifying roles, staff time allocations, and costs. The Open GeoData Portal currently in place (to be replaced) is already running near its server processing capacity. The new GeoData Portal might require an increase to that capacity.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **ESTO 2015:** Megan, Steve and Laura have been at U.S. Travel Association Educational Seminar for Tourism Organizations (ESTO) in Portland, OR this week. During this conference the National Association of State Travel Directors meets to discuss the issues facing our industry and share ideas. U.S. Travel shares the latest research and reports on the policy issues in Washington. They particularly pointed out the hard work of Congressman Welch on the Travel Promotion Act and Senator Leahy's ongoing work on CBP and immigration issues and Senator Sanders on infrastructure.
- **AirBnB and Taxes:** The issue of AirBnB not collecting taxes continues to be a very big problem facing our industry worldwide. Both the competition, mainly to our smaller businesses, and the large amount of uncollected revenue is growing rapidly. Individual states are currently negotiating with AirBnB to collect statewide taxes and few larger destinations such as San Francisco and Portland, OR have been able to get them to cooperate. There are currently over 1000 Vermont listings on AirBnB.
- **Canadian Travel:** Everyone is also keeping an eye on Canada and the effect that the dollar is having on their travel. Canada remains the number one international market for the US although the numbers are starting to soften. India is the market that is increasing the most rapidly nationwide but, as with any emerging market, they are going to Las Vegas, Orlando and NYC on their first trips. New England continues to see a modest growth from Europe and Australia while Boston's numbers from Asia are impressive.
- **"World's Best Foliage":** Our "World's Best Foliage" campaign did not go unnoticed and we will most likely see some pushback from our neighbors and a few Midwestern destinations.

COMMUNICATIONS ♦ Laura Peterson, Director of Communications

- **Social Media:** Total page "likes" on our Facebook page is steady at 30,336. "People engaged" is up 69% week-over-week, and "weekly total reach" is up 25%.

MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **VermontVacation.com:** VDTM has been working on adding a Stuck in Vermont page that will be added throughout the website. This is in partnership with Hotel Vermont and Seven Days.

VDTM has added a number of new [packages](#) to the website over the past week. In addition, expired packages were taken down.

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

- **Editorial:** As the Autumn 2015 issue begins to reach readers, we have been receiving strong positive feedback on our cover story about the remarkable community-based effort in Brattleboro to save the fire-damaged Brooks House and preserve the integrity of Brattleboro's downtown. Production continues on the Winter 2015-16 issue, with features moving through editing and fact-checking stages.
- **Advertising:** Continuing to sell winter. We're at \$61K. Paul is billing AU15 advertisers, AU15 newsstand distributors.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- **Revision Military:** I met with Greg Maguire, Eric Houchell and Jonathan Wainer their acting CFO. Greg explained the company in depth, reviewed their expansion plans for Newport with the contingency of the new polypropylene helmet production. The "but for" is that they could produce the helmets in Canada or other states. He explained the offers that come in from Mississippi, VA, FLA, SC, and NY. He understands how NY is really a whole lot of bumpf.... However Virginia is a real threat because of the proximity to supply chain and customer base. The Newport expansion would include the doubling of their space, and the possibility of utilizing New Market Tax Credits, VEDA, CDBG, I offered for us to coordinate and help coordinate a funders meetings. They are between banks and so once they find a new bank- tough because they need larger institution with intl. capability but they need the community type bank to understand the ebb and flows of military contracts. In 2013 they suffered a loss. As soon as he gets a new bank- we will help with coordination here. If there are any funds in EF we should probably not forget about them since they have about 200 employees here and are poised for growth with two possible new contracts. They have diversified their revenue sources with about 60% coming from intl. contracts.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Represented ACCD at Vermont Wood Manufacturer's Assoc. (VWMA) Board meeting. Advised VWMA on possible VHCB and WLEB applications for funding to move forward one or more of the strategic opportunities in the forest sector analysis/Yellow Wood report, particularly around developing a real time inventory tracking resource for the industry so that Vermont producers can better share information, especially re: the availability of Vermont-sourced wood.
- Ongoing business support: Amoskeag Woodworking; Britton Lumber; Lamoille Valley Lumber.
- Contacted Chris Saunders (Sen. Leahy), Megan Sullivan (Rep. Welch), and Laura Gray (Gov. Shumlin) re: coordination of NBRC press event.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Seven Days Interview on Captive Insurance:** Dan Towle, Director of Financial Services was interviewed by Molly Walsh several weeks ago and the article has yet to be published. At last conversation, she said she was doing an 'overview piece' on captive insurance, however it appears that she is aggressively trying to come up with something that will appeal more to the Seven Days readers. Dan has been in contact with Scott Coriell of the Governor's Office on this. Dan has shared all of the economic impact data, but it seems that Ms. Walsh is trying to make captive insurance into some sort of tax avoidance scheme. Ms. Walsh has filed a Freedom of Information request with the Department of Financial Regulation regarding Vermont captives owned by Walmart, Exxon Mobil and General Electric which has been denied due to confidentiality issues. Dan has also followed up with her, resending the economic benefits to Vermont and reinforcing that 25% of Vermont's captives are not for profit and that the federal tax code is what determines the tax treatment of insurance companies when it comes to federal taxes, not Vermont Law.
- **SIHO Meeting:** Dan and Dave Provost, Deputy Commissioner of Captive Insurance had a follow-up meeting with an Indiana Health Care group writing medical stop loss who has a new Vermont Captive. This captive was recruited by Dan. Their Risk Manager ironically, was the current President of the Arizona Captive Insurance Association. Despite this, Dan was able to win the business for the new captive. This follow-up meeting had to do with their existing Risk Retention Group domiciled in Arizona and its potential re-domestication to Vermont.
- **VCIA Conference:** Dan reports that the final numbers have been released and 1029 were in attendance for the VCIA Conference. This turnout is very similar to last year's conference. The State was very busy with both prospective and existing captive meetings during the week.

- **Orthopedic Forum:** Dan was in California having attended the Orthopedic Forum from Wednesday through Saturday. This group made up of orthopedic surgeons is looking at Vermont to form a new captive for medical stop loss. The group currently has a South Carolina domiciled Risk Retention Group, however, Dan made significant inroads with key members of the Board of Directors and Dan is optimistic for the formation of the medical stop loss captive and potentially re-domesticating the South Carolina Risk Retention Group to Vermont.

INTERNATIONAL TRADE AND ECONOMIC DEVELOPMENT ♦ Krista Conley, Director

- The Department of Economic Development was awarded its 4th STEP grant to promote exports, for a total of \$174K. We are working to build financial and documentation processes to meet the high compliance requirements of the SBA, and fulfill the customer support and superb training that Vermont companies seek.
- Met with Chroma Technology on a variety of growth-related international issues and also met with Vermed, which may have international work in the future. Followed up with Norwich University Applied Research Institute related to their Sept 16th Cybersecurity Exercises taking place at SIMFA (the Securities Industry and Financial Markets Association). There are 72 companies participating and Norwich is also presenting its software in Singapore in mid-October.
- Finalized and sent invitation to the energy renewables sector for the Hong Kong Trade Development Council presentation on export and FDI opportunities in China. This event is on Tuesday, September 15th from 9-10.30am at the Capitol Plaza Hotel.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Met with VT HITEC for update on Precyse and Triad Design updates: Precyse was acquired in July, but project will proceed in Vermont. 15 have completed training and 13 were certified/hired. Next class of 18 will be in Feb 2016. Company will file Final VEGI with 45 total jobs spread over several years instead of all in 2015. Triad impacted by UTC layoffs, but will still do expansion in VT. 11 trained/certified/hired by Triad. Next training in Dec 2015. Triad will also file Final VEGI that will spread employment out over three years.
- With Ken Jones, met with Tom Kavet and Steve Klein regarding VEGI background growth rates. Agreed to submit regular model update memo to JFC for September meeting; then reconvene VEGI technical group (JFO, Tax, VEPC) to discuss background growth rate changes and updates. Group will submit options and recommendations to JFC for December meeting.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

Companies PTAC is currently working with

- | | |
|---|---|
| - Aarmor Technologies, Inc. – Colchester | - Numia Medical Technology, LLC – Newport |
| - Carter Machine, Inc. – Marshfield | - Revision Military LTD – Essex Junction |
| - Curtis Masonry – Newport | - Tech Patrol – Derby Line |
| - FSC/SH Leasing II, LLC dba Sheraton Burlington Hotel & Conference Center – South Burlington | - Tivoly, Inc. – Derby Line |
| - LED Dynamics Inc. – Randolph | - Treeworks LTD – Montpelier |
| - North Country Engineering – Derby | - Vermont Recreational Surfacing & Fencing, Inc. - Barnet |
| - NSA Industries, LLC – St. Johnsbury | - Vermont Underground Construction – West Charleston |

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **ATX:** Beth Demers and Jared Duval spoke with Dave Rogerson of Action to Excellence (ATX). The Chittenden County based training provider offers the “Leading from Within” course. The course has had a long run in the Rutland area with the assistance of the Stafford Technical Center. Recently, the Stafford Technical Center has said it is no longer able to provide grant administration for ATX. Dave has inquired about applying directly. Beth and Jared spoke with Dave about how the training provider grant process works and how it may benefit ATX and the companies it works with. Dave will be working on a second draft and will likely get it to Jared for review.
- **Kaytec:** Beth Demers and Jared Duval had a phone call with Turk Thompson to review a draft application. Turk was re-assured that he was on the right track. He will continue to pull together the application and get it to Jared for review.



To: Governor Peter Shumlin
From: Annie Noonan, VDOL Commissioner
Re: Weekly Report: week ending August 28, 2015

Handwritten initials/signature.

Layoff Issues of Note:

The announcement of the Vermont Casting facility at Bethel, 43 workers affected; Gildan in Northfield, facility closing, 55 workers affected --- jobs are going to Honduras (VDOL and Gildan are jointly filing a Trade TAA petition); and Dailey Precast is laying off 21 but hopes to hire them back in a few months. We are working on connecting the Gildan workers with Cabot Hosiery. Many of the Gildan workers were described by their HR division as having significant barriers to employment, including lack of transportation and limited skills/education. We will be working with Vermont Castings staff - most are production workers - to refer them to other manufacturers in the area.

All of the displaced workers will qualify for either federal WIOA Dislocated Worker funds or Trade Adjustment funds.

VDOL Job Fair: Tuesday, September 15, 2015, 10AM to 5:30PM at the Sheraton. Over 100+ key Vermont employers - as well as many eligible training providers - will attend.

Unemployment Numbers:

For the week ending August 22, we took 1574 calls. We paid 3,585 claimants during the week, up by 35 from the prior week.

Misclassification Issues:

Legislative letter from Susan Hatch Davis and Joey Donovan on Uber, plus news story last evening, will likely be exacerbated by Doug Hoffer's report that he gave to "selected" reporters (so he wrote in an email to me), meaning that VDOL is going to take a beating in the public's view.

Rules:

Workers Comp Debarment Rules were filed with ICAR. VDOL signed a MOU with the USDOL on information sharing for misclassification.

Employment Security Board Rules are close to being filed with ICAR. Those will also incorporate a section on penalties and debarment.

Workers Comp: (from our press release today):

The 100th anniversary of the enactment of the Vermont Workers' Compensation Act is being commemorated this year with a series of initiatives and events including outreach to local schools, recognition by the Vermont Legislature, and culminating with a special Centennial conference in Montpelier on September 15, 2015.

Note: I remain exceedingly concerned about the loss of federally-funded positions at VDOL under the retirement option. VDOL will not get those federal funds back once we cut the positions; and we may even lose more money if we fail to achieve federal performance measures due to adverse impacts on programs if we are not allowed to rehire staff.

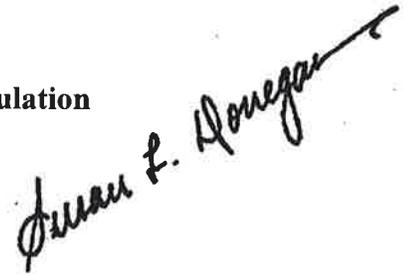
Justin ↑

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

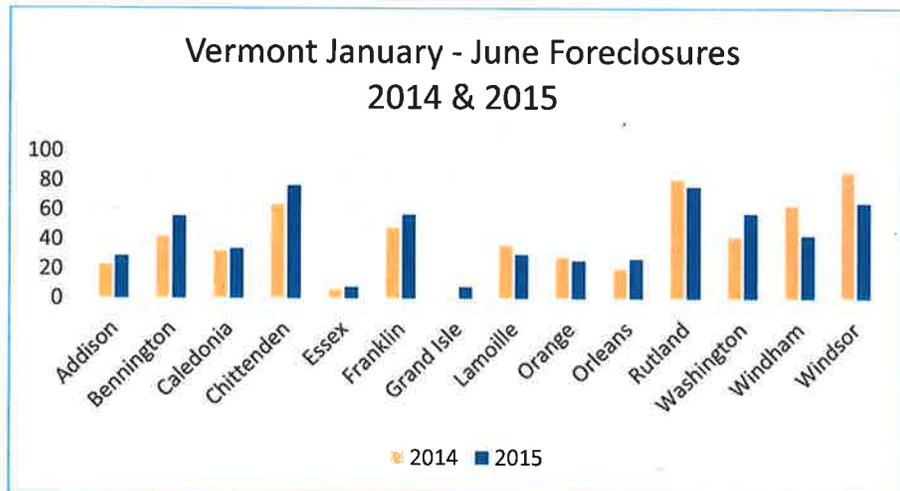
CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: August 28, 2015
Re: Weekly Report



Banking Division:

Vermont mortgage foreclosures increased 3.8 percent through the first two quarters of 2015 from over the same period in 2014 (572 foreclosures in 2014 to 594 foreclosures in 2015). The second quarter foreclosures were flat at 292 in 2014 compared with 298 in 2015. Speculation is that the first quarter foreclosures this year numbered a bit higher due to the especially harsh winter weather. The chart below shows 2014 and 2015 January to June foreclosure numbers by county:



The Vermont mortgage industry is preparing to comply with the Dodd-Frank Act October 3, 2015, deadline requiring a combination of the Truth in Lending Act and Real Estate Settlement



Procedures Act disclosures. The new disclosures, the Loan Estimate and the Closing Disclosure, were created to be similar in design and format in order to make it easier for consumers to understand the costs of their loan transaction and therefore better able to compare the final transaction costs with those costs disclosed to them at the beginning of the loan process. The rule will affect creditors, settlement agents, and technology and service providers and will require changes to internal operations and procedures, technology platforms, processes and relationships with external stakeholders such as title and settlement partners as well as realtors.

Captive Insurance Division:

Captive insurance company number 1,045 was signed this week. CM Risk Management LLC is the captive formed by CM & Associates (CMA), a full service construction management and general contracting company serving New York City and the surrounding tri-state area. Their work includes commercial, residential, institutional and educational projects both from ground up or renovation.



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**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: August 28, 2015

Media Contacts:

SBAC Press Conference and Results Coverage:

- Sarah Olsen, VTDigger.org
- Tiffany Pache, VTDigger.org
- St. Albans Messenger
- Josh O’Gorman, Vermont Press Bureau
- Howard Weiss-Tisman, Brattleboro Reformer
- Sam Rosen, VPR
- April Burbank, Burlington Free Press
- Kyle Midura, WCAX

Jane Lindholm interviewed Rebecca for VT Edition on the Smarter Balanced Test and the scores.

Bob Kinzel, VPR, interviewed Rebecca on Act 46 and Choice towns.

Carla Occaso, Montpelier Bridge, requested a follow-up interview with Rebecca after a stringer she hired did not produce a helpful article. The stringer’s first question, by the way, was “Tell me about your dreams.” Wow.

Ali Freeman, WCAX, requested data on enrollment for a story on declining enrollment in high school sports.

Meetings:

I spoke to all assembled staff of **Southwest VT Supervisory Union** (Bennington area) and their community partners.

I visited the **Marlboro School**, and met with the superintendent, principal and staff.

I attended the Governance Subcommittee of the **SBE**.

I met with representatives of the **VSA and VPA and VSBA**, to coordinate support for implementation of Act 46.

I met with **David Sharpe** and **Bernie Juskiewicz** to discuss legislative priorities.

I met with **Bill Bugg**, the **Head of School of Thetford Academy** and some of his team, to discuss the fact that by their own explanation, they are out of compliance with the Education Quality Standards and not eligible for approval as a public school. Thetford Academy is vestigially approved, but no longer in compliance. They care, because independent schools that are “public school approved” can set whatever tuition they want. Other schools, like Burr and Burton, are only eligible for the state average, unless towns approve to pay the difference between the state average and the tuition the independent school wants to charge. (Most do.) If Thetford Academy is not approved, voters will have to approve spending the difference between the approved tuition and the state average. As Bugg explained it, they are a small school in a region that has experienced declining enrollments, so they have a high per pupil cost structure. They want to be able to require sending schools to pay a high tuition. If they are not approved, the higher tuition has to be approved by voters. The other side of the coin is that neighboring towns are complaining that their schools have budgets subject to voters, and that they are not allowed to build the costs of bussing into tuition, as Thetford Academy does. I told Bugg how he can apply for a waiver. Ultimately, this is the State Board’s decision, not mine. My goal will be to ensure a soft landing if they have to transition from state tax dollars to better use of the development office.

I met with **NYC Chancellor of Education Farina** about accountability models. We are starting to get a little national attention....

Upcoming: I will be on a radio show in the Rutland area with **Kevin Mullin** next week, focused on Act 46.

Emerging issues:

Blue Ribbon Commission on Cost and Financing Options for High Quality Affordable Child Care and Early Education

I understand the composition of this committee is now in statute and hands may be tied. I am giving you the heads up that from an optics and politics perspective, the composition of this group is incredibly problematic and poorly considered.

Going in, you need to know that a lot of our school districts are supportive of universal PK, but really angry that the Legislature mandated **HOW** they have to provide PK, and then mandated budget caps that some districts will **NOT** be able to stay under, in large part because of how they are mandated to provide PK. They have no ability to contain costs or make sure PK is provided in a cost effective way. In some districts, they are now paying much more for the exact same program and services as a result of Act 166, and the irony is not lost on them. In some districts, there is a zero sum game going on as a result between PK and elementary schools.

In addition, the following goals of the commission potentially have a direct impact on the Education fund. However, there is nobody on this commission that deals directly with the Education fund, except as a recipient of cash inflows:

- (5) Determine capacity of current funding mechanisms for high quality, affordable early care and education and assess need for expansion.
- (6) Review and identify the sources for any available and potentially available funding from the state and federal government for high quality, affordable early care and education.
- (8) Review and identify potentially available public and private funding sources, other than the federal government, for high quality, affordable early care and education.
- iv. Identification of possible available revenue from changes in the education system or funding and establishing requirements for designating those savings for use in funding early care and education.

This will drive districts nuts, because there is a growing perception that the education fund is being “raided” to subsidize “private providers” — their words not mine. Some of them are high quality, but some are clearly not. And some private providers have simply raised the cost of their tuition by the exact amount of the Education fund voucher, so that there is no benefit to families in terms of increased access or affordability. Again, this furthers the perception of an Education fund raid to support private interests.

The composition of the Commission furthers that perception again. If Education fund support for early education is to be sustained, you need to gain the support of these stakeholders. Excluding them from the table undermines their support.

Career and Tech Ed Contribution to Childcare Work Force:

Some quick FAQs on the school to career effect of CTEs on the childcare workforce:

Q: How much involvement is there in preparation in the human services program for kids who want to be child care providers?

A: 13 of 17 CTE centers offer human service programs [some of them have on-site daycare labs]. They may cover early childhood education, but generally do not. Only one center (Essex) has an early childhood education program.

Q: How many students participate statewide?

A: Last year 256 students were enrolled in human service programs. Twelve (12) students were in the ECE program at Essex.

Q: What credential do they earn, if any?

A: Students have opportunities to earn several credentials:

- First Aid/CPR is a common one (192 students earned some kind of CPR/First Aid last year)
- Vermont Childcare Industry Careers Council Level 1 (scenario assessments covering CDA standards in Conversation, Dramatic Play, Hand Washing) (36 students)
- Early Childhood Regulation Training (17 students- it was new)

Q: What kind of dual enrollment opportunities to support this?

A: A total of 81 college courses were completed by students in human service programs and students cumulatively earned 249 college credits (an average of 3). These are the courses taken as part of dual enrollment last year:

- Communication . in the ECE Workplace
- English Composition
- Fostering Creative Learning
- Human Growth & Development
- Infant & Toddler Development
- Intro to Early Childhood Ed.
- Psychology of Conscience

Q: What kind of work-based learning (WBL) opportunities exist in the human services in our CTEs?

A: In Human Service programs, students gained experience with 78 unique employers. The ECE program at Essex had 28 unique employment settings as learning environments for students. Overall, 340 WBL experiences of varying types were completed in a variety of settings. The average length for WBL experience was 38 hours.

Q: Also, is there any effort in this arena to orient kids towards a BA program and licensure as an early childhood educator?

A: It has not been a focus of any of our work to date. Individual centers may orient kids towards a BA program and licensure as an ECE. AOE has received a few e-mails from teachers who would like to move in that direction and are looking for information, support, and/or guidance from us to make the necessary programmatic changes. We are looking in to this as a future option.

Mergers Update

We will put together a more comprehensive update in the next month, which you could use as the basis for an op ed on the progress of Act 46. Here are some possible highlights:

The naysayers (don't need this in the op ed):

- These are a clear minority.
- They are expressing irritation about the caps (this is real, stay tuned, this will come up—this is the one complaint that has a lot of support).
- A small minority are expressing irritation at the tax incentives, which some towns claim are an unconstitutional burden on towns that don't merge. **We are now calling these "transition costs", not tax incentives, to underscore that these transition costs are intended to support efforts to reorganize and move to a lower cost structure**, which at the end of the day, benefits the whole Education fund. (People forget we don't have local revenues, only state revenues.)
- There are a very few people who just want to repeal (the reality is, there is enough movement already, that I don't think they will get a lot of support). Many of them also think we should be raising taxes more.

The progress:

First of all, the interest shown by the 37 to 40 SUs we met with in teams has been impressive. Most have embraced the intent of the Act and are actively working to explore the options. Many also expressed belief that this will be more efficient and benefit the education of their students. That said, this is an incredibly volatile and dynamic process. For example, a month ago, Washington Central came in outraged and angry and committed to pursuing repeal. Now, they are even discussing the possibility of an accelerated merger. There a few places that have turned on a dime, and shifted from

resistance to focused movement. Go figure. There are a few others that seemed poised to move then stumbled through poor process.

Accelerated mergers: Who knows, but looks like up to 10 to 12 groups are discussing this actively. We still don't expect more than five to seven will pull it together.

Conventional mergers: Depending on who makes it through the gate on accelerate mergers, there are currently 20 to 25 SUs with active and somewhat purposeful conversations going on related to conventional mergers.

The interstates: We thought Rivendell would move to expand (they need to), but they seem to be playing the field for now. Surprisingly, Norwich is entertaining two possible merger options. And there is some indication that Canaan may pursue some interstate options, if the NH towns decide to play.

Unknowns: We are going to follow up with superintendents in all SUs that are affected but which have been silent, in order to verify where they are.

VSBA:

Next Tuesday, we begin our tour of the VSBA regional meetings. The focus this year is the Education Quality Reviews. We will have presented these to representatives of every school board within two months. New emphases in these are:

1. a more nuanced look at equity....we measure equity across SUs, and within SUs
2. a more nuanced look at quality...we measure overall performance, but also, change over time (is the school getting better?)
3. greater breadth of learning (we look at not just tested subjects, but other priorities outlined in Education Quality Standards)
4. both quantitative and qualitative data, state data, and local data: We will have online data snapshots, but also the field reviews will allow a review of local data and local priorities and local progress towards local goals.

This may get a little attention, as it is a first cut at how much we do and don't know about some of our systems. It is getting a few people nervous, because at the end of the day, transparency is a little unsettling.

Update on SBE Progress

The State Board is slowly getting up to speed on governance after some initial struggles. I think it took a while for them to get oriented to their new, more high-profile role. They have now consulted extensively with legislators and the Legislative Counsel, and basically oriented themselves to the legislative landscape in which they are operating. In expectation of more work, we have tentatively booked some extra SBE meetings in December and January, just in case they need more time to review merger proposals. We can cancel, but better to have the time booked in advance so they can ensure a quorum. They have just asked us for some specific support around criteria for evaluating proposals and legal guidance on application of existing law.

Promoting College Enrollment/Testing Alternatives

US Department of Education just approved the SAT for use as an alternative to the Smarter Balanced Assessment at the high school level. My quick assessment is that SAT is a much less useful test for assessment purposes, however, it has tremendous value as a tool for moving kids to college. Some of the empirical research suggests that giving the SAT to every junior may increase college enrollments by up to 4%, simply because test takers automatically start getting all that college mail after they take the test, and that affects their aspirations. We would struggle to require both the SAT and the Smarter

Balanced Assessment, because of total testing time. However, we now can consider dropping the Smarter Balanced Assessment at the high school level in favor of the SAT. There are some real tradeoffs, but we need to evaluate this. We are in the process of securing cost estimates for the SAT, to compare to the Smarter Balanced Assessment. We are also getting data to compare and contrast the two assessments, so we can make an informed recommendation.

Note also: SAT scores for Vermont will be released next week by SAT. We are not doing a press release, but will be available to answer questions.

Another note: Our AP participation rates and scores are both down this year. This is also going to be released next week. **One question we have is whether this is an unintended byproduct of dual enrollment**, which may be taking kids who used to take AP courses, leaving a different AP course composition behind.

Flexible Pathways

Last Saturday (8/22), Tom Alderman (AOE) joined with Yasmine Ziesler (VSC) and Michelle Kupersmith (DOL) to present at the regional meeting of the Council of State Governments in Wilmington, Delaware. This was prompted by a request to provide outcomes data on our Flexible Pathways implementation. Tom informed the CSG representative that it was too early for that as we are in the early stages of implementation. This evaluation will be a priority of Heather Bouchey, our new Deputy Secretary, when she starts. Subsequently, we were invited to present in a pre-conference session on our policy environment and specifically on secondary to postsecondary transitions and pathways.

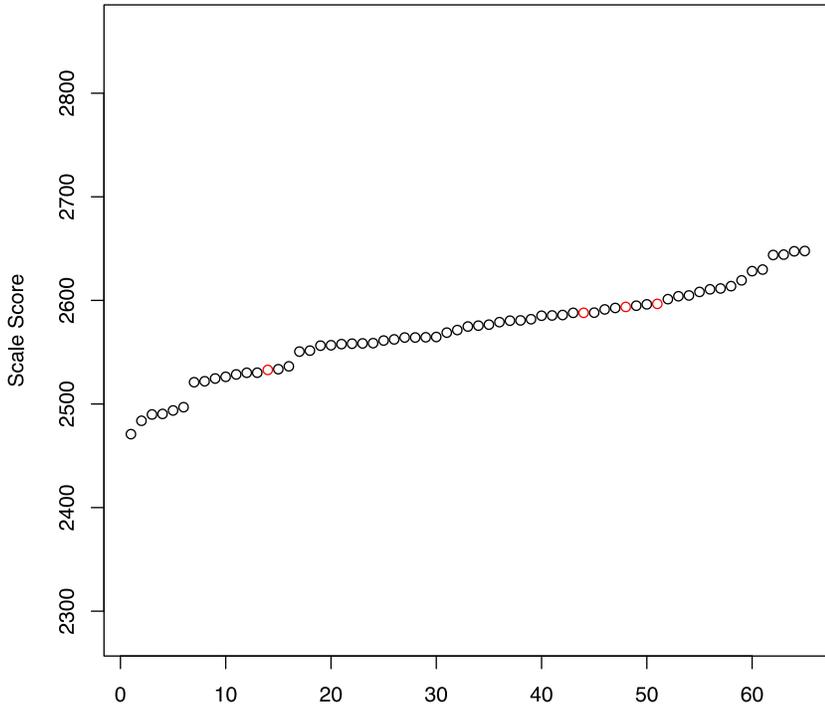
SBAC Test Score Release

We got some great shout outs regarding our press coverage and messaging on the new assessments. We weren't perfect, but somehow we got picked up in a few other states and CCSSO cited us and referred other states to our messaging as the best they have seen.

To me, one of the most interesting takeaways is the spread in mean scores across schools. Typically, there is a lot of spread within schools, and less across schools. And typically, cross-school spread increases as schools become more racially or socioeconomically segregated. We have some of the most powerful funding equalization in the country, but that is not enough to make a difference on this cross-school gap. The majority of high scoring students are in bigger schools. The historical academies pretty much scored at the state average, except for one. The schools with the lowest scores typically have acute concentrations of poverty and/or a lot of English Language Learners.

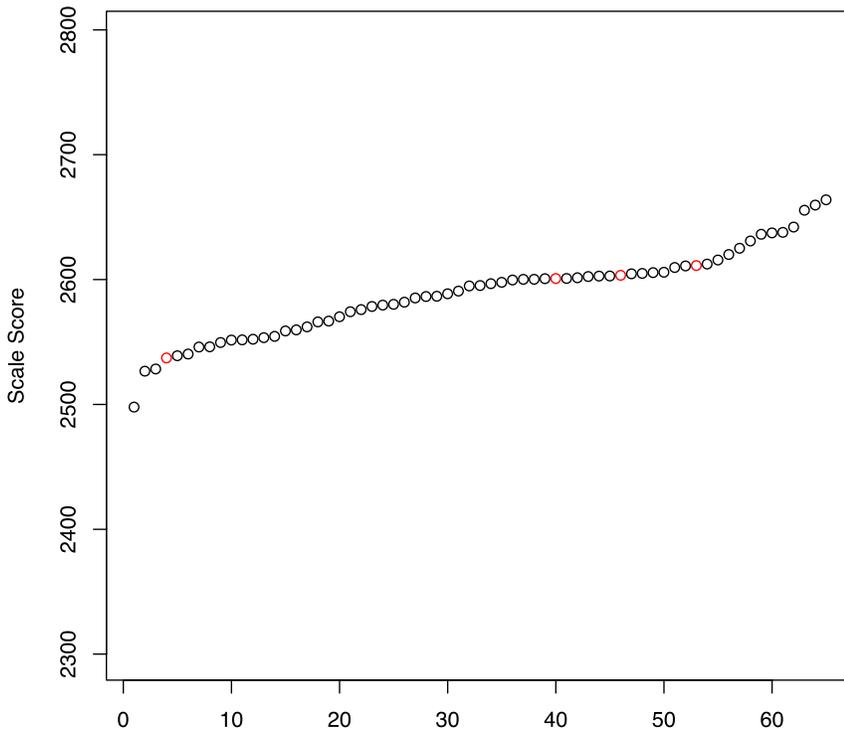
See graphs on the next page.

Grade 11 Math Scale Scores



Red dot represents 'Historical Academy'

Grade 11 Reading Scale Scores



Red dot represents 'Historical Academy'

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: August 28, 2015
Re: Weekly Report

Status of Governor's Priorities: .

none.

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

Brief discussion with BFP reporter about Powerball rules changed occurring on Oct 4th. Routine Q&A. Reporter said she follows govt rule changes.

Significant Events/Meetings:

none

Evolving Issues:

none

Summary of Key Agency Department Activity:

We have prepared an amendment to our Lottery operating rules (license issuing & revoking, fees, missing tickets, etc.) which were last updated approx 20 years ago. We worked with our AAG on the language and expect to submit to ICAR in Sept or Oct. No significant changes but there are many changes due to the passage of time since the last one.

Executive Director's Commentary:

We have a number of changes in motion at this point with new websites and preparing for fall promotions and our holiday tickets which are quite popular due to their higher payouts. The staff is busy and seems to be enjoying the work of preparing the new platforms.



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MEMORANDUM

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

From: Jon Copans, Deputy Commissioner

Date: August 28, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

Investigation regarding construction and operation of a Met Tower in Swanton – Docket 8561

– A prehearing conference was held on August 25th. The pre-hearing was heavily attended by nearby landowners who oppose a potential wind generation facility at the site owned by Mr. Belisle, and by Rep. Marianne Gamache. It is anticipated that a number of the landowners will seek intervenor status, but the Hearing Officer cautioned that there is a high bar of a “substantial interest” that must be met for a party to be granted intervention in a Section 30 proceeding, following precedent in the Vermont Gas penalty proceeding. The Department, ANR and counsel for Mr. Belisle agreed to a schedule providing for intervention motions and responses, prefiled testimony from Mr. Belisle, discovery and a stipulation or proposed schedule for the remainder of the proceeding by Oct. 30.

Large Qualifying Facilities - The Department has been discussing how to handle applications for large Qualifying Facilities (QFs). This is prompted by multiple proposed 20 MW renewable generation facilities (some in a transmission-constrained area) that are applying as QFs pursuant to Rule 4.100. In 1978, the US Congress passed the Public Utility Regulatory Policies

Act (PURPA) which amended sections of the Federal Power Act and was designed to promote small renewable energy generation facilities no larger than 80 MW. Each state had to enact enabling legislation to handle this generation and the Vermont PSB established Rule 4.100. The issues are: 1) whether to conduct the interconnection studies pursuant to the ISO-NE process or the PSB Rule 5.500 process, and 2) if the Rule 5.500 process, whether to assume all other relevant generators are operating at full capacity or if they should be reduced in analogous fashion to the ISO-NE minimum interconnection standard. The Department met with VELCO to discuss these issues, as VELCO has never conducted a system impact study pursuant to Rule 5.500.

VELCO is concerned about conducting interconnection studies for the above-mentioned 4 large solar projects (20 MW). VELCO argues that the timelines are too tight. It may be that ISO has to handle these interconnection studies because the power is being wheeled through VELCO rather than sold directly to the DUs (PURPA mandates the studies where wheeling is taking place). This would be a change from ISO policy of anything 20 MW or less going through the state.

The state needs to consider how this issue will affect curtailment and whether projects get built. If ISO interconnection requirements differ significantly from state requirements it may make projects too costly because of transmission upgrades. Conversely if ISO requirements would be less stringent, would this exacerbate curtailment for new and existing RE generators.

Morrisville Water and Light - ANR and PSD co-hosted a meeting with Craig Myotte, General Manager of Morrisville Water and Light, regarding Morrisville hydro relicensing issues. PSD staff highlighted the potential market and premium for sale of REC's if MW&L's 3 hydro facilities are certified by the Low Impact Hydro Institute (LIHI). LIHI certification generally comes along with an updated 401 certification. This increase in revenue could offset some of the lost revenue due to a decrease in generation capacity. The potential for Clean Energy Development Fund (CEDF) support for facility improvements was also discussed. CEDF funding would typically be linked to an increase in generation capacity rather than the mitigation of impacts from a loss of capacity. There are some potential new investments MW&L could make to increase generation from conservation flows at the Green River facility. VPPSA is convening a working group of the 6 muni's that own hydro generating facilities. This group could be helpful in designing a potential CEDF program focused on maximizing generation capacity as hydro facilities around Vermont go through FERC re-licensing and the associated 401 certification process. ANR team is meeting with MW&L trustees August 28. PSD stands ready to follow-up as needed.

Draker Inc. – CEDF received news from VEDA that Draker Inc. (formally Draker Solar) was in default on their ARRA-CEDF loan.

VY Updates - One of the major post-shut-down projects underway at VY is to reconfigure the former Emergency Core Cooling System (ECCS) Torus as a larger-capacity replacement for the Condensate Storage Tank (CST), which will then be abandoned. The CST presently provides VY's primary emergency water supply for the Spent Fuel Pool. By reconfiguring the ECCS Torus for this purpose, the Spent Fuel Pool's emergency water supply volume will increase from 500,000 gallons to almost 810,000 gallons. Initial testing of the Torus emergency water supply

capabilities began during the reporting period. Under the current testing method, the Torus cannot impact the Spent Fuel Pool water volume. The State Nuclear Engineer will continue to monitor the progress of this key VY system reconfiguration project.

On Tuesday morning, the State Nuclear Engineer attended a joint NRC / Nuclear Energy Institute (NEI) webinar in which NEI presented information on its initial draft of document NEI 15-06, "Use of the Nuclear Decommissioning Trust Fund." The primary presenter was Barrett Green, Entergy's CFO and Lead Executive for VY's Decommissioning. The document, if eventually endorsed by the NRC, would summarize the NRC Regulatory Guidance that the owner of a decommissioning nuclear power plant would likely follow to develop a complete Decommissioning Cost Estimate (DCE) associated with the plant's Post-Shutdown Decommissioning Activities Report (PSDAR). At no point did the presentation or its subsequent discussion suggest that additional NRC rulemaking is necessary for DCE development or for clarifying legitimate uses of a Decommissioning Trust Fund. The NRC indicated that there will be a formal open comment period on NEI 15-06 once it is formally submitted for NRC evaluation. Additional public meetings on NEI 15-06 are also possible. Also participating in this teleconference were the PSD Commissioner, two representatives of the VT Attorney General's Office, at least five members of the VT Nuclear Decommissioning Citizens Advisory Panel, at least one member of the NH Governor's Task Force on VY Decommissioning, and at least six members of VY's management team.

Protest of New Hampshire Transmission Costs - In 2014 through mid-2015, New Hampshire Transmission developed a proposed transmission line to address reliability issues in Northeastern Massachusetts. NHT did this despite the fact that its service territory does not include the geographic area experiencing the transmission constraints. ISO-NE ultimately selected a project proposed jointly by National Grid and Eversource, the two Transmission Owners with service territory within the constrained area.

In April, 2015, six New England state agencies filed a protest at FERC of NHT's attempt to collect from ratepayers the cost of exploring the proposed alternative (approximately \$7 million). On August 12, 2015, FERC opened a proceeding to explore whether allowing NHT to recover the costs would be just and reasonable. FERC assigned a settlement judge to determine whether the case can be settled, with the first meeting in front of the settlement judge set for September 15, in Washington, D.C. On August 26, states had a call to discuss this docket. Connecticut and Massachusetts are taking the lead on this case. State staff are reaching out to other Transmission Owners to see if they will participate in the proceeding and support the states' position. Staff will be having a conversation with VELCO within the next few weeks on this.

PSB Docket 8550 – Act 56 implementation - On August 26, the PSB held a workshop to discuss the process for developing rules around the Renewable Energy Standard. The PSB will be issuing a procedural order in the near future, but indicated that it would assign PSB staff to lead two sets of working groups – one to address the total renewable and distributed generation requirements (Tiers 1 and 2), and the other to address the energy transformation requirement

(Tier 3). The PSB also indicated that, in addition to biweekly meetings of the working groups led by staff, the Board members would hold one or more workshops to tee up final resolution of issues that had been discussed in the working groups.

GMP – Low Income Electric Assistance Program - Docket 8500 Investigation into Proposed Changes to GMP's Low Income Electric Assistance Program (EAP). Following a GMP Report that it held over \$7 million in unexpended EAP funds, the Company filed a proposal to: 1) Issue a one-time bill credit to customers for over 90% of unexpended EAP funds, and 2) reduce the EAP charge going forward, by 33% to each class of customer. The Department & GMP filed an MOU on July 24, a technical hearing was held on August 5, 2015, and **this week (August 21, 2015) the Board issued an order approving the refund.**

VGS Alternative Regulation – Base Rate Filing – No Docket – On June 30, VGS made its annual base rates filing, which reflects an overall decrease of 0.9% (made up of a 3.8% base rate increase and 6.3 % gas cost decrease). **On August 26, the Department reached an agreement with VGS on an overall decrease of 3% (made up of a 1.5% base rate increase and 8% gas cost decrease).** VGS will provide a copy of the proposed final filing to the Department for final review (to make sure all adjustments flowed through properly) and a final filing will be made by August 28. After that, the Department's consultants will file their report in three weeks and the Department will file its recommendation. The process this year went well. There was some disagreement, but the tone was respectful and productive. VGS will need to improve in supporting its plant additions in the future, but there was some improvement this year. Also, the parties reached an agreement for VGS to make a filing that would describe how unregulated services (e.g., boiler lease and repair) would be transitioned below the line. The goal would be to resolve that issue in advance of next year's rate case.

FairPoint – Pursuant to the MOU in the service quality docket, FairPoint accepted funds from the FCC to provide broadband service to 28,000 locations in Vermont. The service obligations for this funding are on a sliding scale, 40% by 2017, 60% by 2018, 80% by 2019, and 100% by the end of 2020. The territory subject to the obligation is census block based, but the number of locations FairPoint is required to serve is census household based, and conflicts with the number of E-911 locations in these census blocks. FairPoint may choose to exclude census blocks with up to 5% of the locations through the end of December 2015 but it will lose funding for these areas if it does so.

Vermont Interactive Television (VIT) – Staff at VT AoE is developing a proposal to offer video conferencing services to the public to replace the services offered by VIT by moving the services to the Career and Technical Centers in 17 towns throughout Vermont. AoE staff will prepare a proposal to present at the September 16 VIT working group meeting. This would entail moving the VIT equipment to the CTC centers, and AoE offering a small annual stipend to each CTC to subsidize the facility. The CTCs would then offer services to the public for free (or a small fee) and would absorb the costs of facilitating the meetings. AoE would provide the video bridge services and technical support. It remains to be sorted out how centralized scheduling would be conducted. Prior to that meeting, AoE Secretary and PSD Commissioner will be briefed on

the proposal.

Meetings/Calls this Week:

- Aug 24 – Copans check-in with Sen. Campbell’s staff (Conor and Erika)
- Aug 25 – Copans intro meeting with GMP (Dostis and Carlson)
- Aug 26 – Morrisville Water & Light with ANR
- Aug 27 –
- Aug 28 – Copans intro meetings with BED, Cong. Welch’s staff and VEIC

Gov
↓

Meetings next Week:

Media: Staff have been answering questions from Erin Mansfield of VTDigger for a solar story she is working on. Erin was also informed by Linda McGinnis that she is stepping off the Solar Siting Task Force.

Public Official Contacts: Rep’s Kathy Keenan and Marianne Gamache on Swanton Wind. Rep. Brian Savage is circulating a letter among legislators to the Gov, PSB, PSD, VDH asking that no new wind projects be considered before noise complaints are resolved through consideration of Sound Standard Investigation (Docket 8167).

Everything Else:

PERD

Work continues on the 2015 Comprehensive Energy Plan with some chapters circulating internally and others distributed to other agencies. Updates include:

- Finalized land use and siting chapter for CEP and sent to interagency partners for review.
- Wrote energy storage text for demand management chapter of CEP.
- Began drafting wind and solar sections of CEP. Updated internal hydro spreadsheet with comments and relicensing status on all VT hydros, licensed and unlicensed.
- Finished the natural gas section. It is being reviewed now by PERD and DPS staff. Will send to outside agencies when we get the green light from Commissioner.
- Met with Abby Matera of the UVM transportation research center. Discussed alternative fuel vehicles – especially liquid biofuels supply chain. Clean Cities maintains interesting datasets on alt. fuels we may be able to use in the CEP. Also discussed the possibility of recommending a 5% minimum biodiesel requirement for in-state diesel sales (Oregon does this) although it is not clear what our regulatory hook is. Oregon is over its NAAQS, so they use the Clean Air Act to justify their 5%. Could also require state fleet vehicles to use B5.
- Recommendations for all fossil fuels except nuclear are done. Asa reviewed and approved.
- Finishing petroleum, coal, and nuclear sections. If anyone has input, please let me know.

- Continued work on Heat for Buildings Chapter 7. Received state Wx program information from OEO and potential study updates to incorporate. Have 5 subsections left to update and new sections on technology/fuel choice opportunities, district heating systems, and heat pumps that Barry needs to complete/add.
- Chapter 15 Biomass section received; working on adding missing data and revising the draft which will be sent back to FPR next week; still awaiting section on ag biomass from AAFM.

Energy Efficiency Utility Activities

Evaluation

- Home Energy Reports/Behavior Programs – EVT has indicated they will start discussions with OPOWER in the next couple of weeks about continuing the program for a second year and begin the process to negotiate a new contract with them.

Thermal Energy Finance Pilot – Heat Saver Loan

- Continued work with DII and contractors on website set up; plans are being made to initiate this transfer of URL “HeatSaverLoan.com” once a 60 day lock expires. We will plan to release all marketing materials in Mid-September
- Marketing materials have been finalized and are awaiting VLITE approval as required by grant agreement;
- Processed July invoice for interest rate buy down (IRB) of \$39,704.90 from VSECU for 15 Heat Saver Loans totaling over \$213,000. This brings the VSECU total to 45 loans totaling over \$640,000 using \$117,000 in IRB.

FPR Fuel Survey

- Received and approved revisions to the revised MOU with Dept. of Forests Parks and Recreation for the DOE-funded survey

Clean Energy Development Fund

- Vermont Clean Energy Industry Report 2015
 - Received final Vermont Clean Energy Industry Report 2015 from contractor; and developed plans to release report with CEDF manager
 - Processed contractor invoice to complete this report (\$13,551.20); project for second year came in under budget
- Meet with Air Quality and Climate Division Director (Heidi Hales) and SSREIP administrator on how best to integrate a stove change-out program into the CEDF SSREIP. Air Quality would like to include an incentive for customers to buy new cord wood stoves. More work needs to be done on the incentive design for a wood change-out component to be added to the SSREIP. The goal is to try and get such a component started before the end of October.
- Reviewed and had discussions regarding SEON’s invoices for the Windham Wood Heat program for June and July. There were several small problems with the invoices that they needed to correct and/or develop policies around before the invoices could be

approved.

- Finalized and submitted to GMP a PSD/CEDF proposal to use CEED funds for electric car incentives.

Renewable Energy Items

- Contacted GMP to assist with fact gathering for CEP energy storage and hydro text. Also learned GMP's solar capital event will be 9/15, including speeches by DOE at the Stafford hill solar + storage project. DPS and possibly CEDF should have a presence at this.
- Spoke with VEC and Ben Joseph of the N. Hero Selectboard to try to ascertain the apparent disconnect between the parties w/r/t a solar project on the town's closed landfill. VEC is apparently not aware of the project, but N. Hero is reporting their developer has been in contact with VEC. Offered to set up a meeting or call to straighten the issues out.
- Contacted Warren Leon of the Clean Energy States Alliance and Howard Bernstein of the MA RPS to engage their assistance with VT RES setup. They are both willing to help as we proceed with docket 8550.

Net Metering

<u>Net Metering Activity 8/15/15 – 8/21/15</u>				
	Registrations	Applications	45 Day Notice	CPGs Granted
Count	48	1	0	5
kWAC	321.88	144	0	37.00
Ave Size kW	6.71	144	0***	7.336
Cumulative Capacity of ALL Formal Notices Submitted**				
Year Total to Date		Total Since 1999		
2014 kW	2015 kW	1999 – 2015 kW		% of 15% NM Cap
21076.31	37260.31	114,889.36		~ 76.6%

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

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool integrity continued during the reporting period. Most notably, maintenance and replacement of batteries in VY's two reserve DC power supply banks was completed. Because this maintenance activity requires jumpering the two battery banks into a single one, the operational risk for compromising Spent Fuel Pool integrity was elevated (condition yellow) rather than normal (condition green) while the maintenance was ongoing (Thursday afternoon through late Monday morning). Several additional alternate power sources for the VY site remained available during this activity. No other issues identified during the reporting period potentially impacted Spent Fuel Pool integrity.

Vermont Gas Systems Addison Transmission Pipeline Project Construction

Contract personnel, retained by VGS to construct the pipeline project via conventional open trench method, has installed approximately 750 feet of pipeline near Redmond Road, Williston and approximately 2250 feet adjacent to RT 289 in Essex since beginning these activities on 8/18/15. VGS plans to complete the so-called Segment 1 this construction season. Segment 1 is 10.4 miles long (half of the segment was installed last year by a previous contractor). To complete Segment 1, approximately 20,500 feet is planned to be installed conventionally, 4,673 feet is planned to be installed by horizontal directional drill (HDD) with an additional 229 feet planned for boring under roads which the project crosses. The "new" mainline contractor is presently utilizing two crews for construction; personnel for a third crew are currently preparing to begin construction next week. VGS has retained the company which performed HDD work last year to perform the same type of activity this year. This contractor is currently drilling two areas of a sandplain in Essex/Colchester which will become a total contiguous-length of approximately 4,100 feet. The Department continued to utilize a contract Gas Pipeline Inspector for site inspections of the project, during this report period.

California Public Utilities Commission (CPUC) to Conduct Deep Review of PG&E Safety Culture

The CPUC is proposing to conduct a deeper review of the safety culture and corporate accountability structure at Pacific Gas & Electric (PG&E) as a result of the 2010 natural gas pipeline explosion in San Bruno, which killed eight people. In April, the CPUC fined PG&E a record \$1.6 billion after a review of the explosion found the utility had violated state and federal natural gas pipeline standards. That review said that the incident was the result of shoddy maintenance and poor record keeping of a 1950s-era gas transmission line, while also faulting the CPUC for engaging in lax oversight. In addition to the fine, PG&E also faces federal criminal charges related to the blast (PG&E has pleaded not guilty, and the trial is expected to begin next spring). Excerpt from: <http://blog.euci.com/?p=746>

Vermont Electric Cooperative (VEC) 2015 Integrated Resource Plan (IRP)

Engineering met with VEC to discuss the transmission and distribution (T&D) section of VEC's 2015 IRP to be filed with the Public Service Board in November or December 2015. VEC presented its capital planning for the next three years, and also presented methods for analyzing substations and individual circuits for reliability and efficiency. Engineering provided VEC with feedback on the substation/circuit analysis, and VEC has already incorporated these changes. VEC plans to concurrently submit a draft IRP to its Board of Directors and to the

Department in September.

Regional Policy

ITC Petition for Declaratory Ruling

- On July 28, 2015, ITC Grid Development, a merchant transmission company, filed a petition for declaratory ruling with FERC. The petition asks FERC to rule that any binding bids selected as a result of competitive transmission project selection process under Order 1000 should be automatically deemed to be just and reasonable without FERC review, and that such rates cannot be changed without the very high bar of demonstrating that the public interest requires such a change.
- NESCOE has prepared comments objecting to ITC's petition. The draft comments state that, while NESCOE supports binding bids as a measure for transmission cost containment, it does not support the concept that such transmission costs should be exempt from FERC review. Instead NESCOE states that such transmission bids should continue to be subject to case-by-case review.

Petition for Rulemaking on Generator Interconnection Rules and Procedures

- On June 19, 2015, American Wind Energy Association filed a Petition asking FERC to initiate a rulemaking to revise the generator interconnection rules and procedures. AWEA argues that FERC's interconnection rules need to be updated to provide greater cost certainty and transparency regarding interconnection requests.
- NESCOE will be submitting comments supporting the establishment of a Technical Conference to begin to discuss issues, with subsequent opportunity for comments.

NESCOE RFP for analysis of ISO-NE transmission standards

- NESCOE has issued an RFP for a consultant to compare ISO-NE's application of transmission standards with how the standards are applied by other Regional Transmission Organizations. For some time now there has been insufficient clarity as to whether ISO-NE's standards are more stringent than other regions, and if so, whether such increased conservatism is appropriate. The RFP is the first step in resolving this issue by comparing ISO-NE's practices with those of other regions. Based on the results of the report, NESCOE may undertake a subsequent analysis that includes recommendations of whether ISO-NE's approach to the standards are appropriate.

NEPOOL and ISO-NE Business Priorities

- ISO-NE has moved up its discussion of business priorities – previously it had announced its business priorities early in the year that it was implementing the policies, and after NEPOOL had already voted on the budget for that year. After pressure from states and NEPOOL, this year ISO-NE is presenting its business priorities in September, four months

earlier than usual. In addition, NEPOOL is also putting forth a list of its own priorities, rather than simply responding to ISO-NE. NEPOOL, NESCOE, NECPUC, and ISO-NE will begin the discussion of priorities for the New England markets and transmission planning process with an initial meeting scheduled for September 1.

Finance and Economics

Electric

Power Purchase Agreements (PPAs): Four petitions requesting contract approval between the state PURPA agent and four different developers were filed this week with the PSB. The filings are requesting PPAs that are priced using the PURPA rates filed last year. It is likely the Department may oppose the petitions since there is an open proceeding before the Board to revise how PURPA rates are set.

VEC Self Generation and Net Metering Voluntary Community Solar Sponsorship Program-- VEC has finalized terms for its Community Solar Program where customers may elect to purchase either a 10 year or 20 year sponsorship with an upfront payment based on the number of PV generation panels they would like to sponsor. VEC will provide each customer monthly bill credits (Generation Credits) based on the sponsorship period and the number of panels sponsored. VEC plans to retain all rights to the environmental attributes. Finance & Economics formulated follow-up questions concerning the risk/reward ratio and concern about potential rate impacts. VEC is reviewing our information requests and has not as yet decided when to file its program with the Board.

Natural Gas

VGS - Docket 8472 Petition for §248 approval to construct (Phase VII Looping) and install approximately 3.0 miles of 16" transmission line extending through Georgia, Vermont at a cost of \$10.8 million that will address expected customer growth and reliability through 2019. An MOU among VGS, ANR and the PSD was jointly drafted and presented at a PSB technical hearing on July 14, 2015. There has been no new PSB activity since. This project was excluded from VGS's most recent base rate filing due to the unlikely probability it will be completed in the rate year and due to inconsistencies in complying with the known and measurable standard. It is likely VGS may request an accounting order to recover some of the costs that may be associated with the project.

Public Advocacy

VGS Phase 1 Regulatory Asset – No Docket – In the one year extension of the alt reg plan currently pending Board approval and which would apply to the upcoming rate year, VGS agreed not to include any Phase I capital costs. VGS now projects that it will be able to put the first 11 miles in service this November. It would usually start recovering for that portion of the pipeline this year. However, in light of the agreement not to do so, VGS is seeking Department support for a regulatory asset, so as to allow for the possibility of recovering the capital costs

associated with the first 11 miles foregone this year in a subsequent year(s). Staff has advised VGS that it would likely not support such treatment, however is willing to hear VGS out on the matter.

GMP Alternative Regulation – No Docket – The Department filed its consultant’s report on August 14. The Department then has one month to submit its recommendation. It would not be surprising if, during that time, the Board holds a workshop on the base rates. GMP has proposed one and AARP has expressed interest in one. To date, the Board has not indicated whether it will hold a workshop or not.

GMP Rate Design – Docket 8525 – The Board recently issued a scheduling order, which calls for an initial round of discovery due on August 14 (which is also the intervention date), and establishes a workshop on August 24. So far, Omya and GlobalFoundries have intervened. The Department submitted initial discovery on August 14. Vermont School Districts have expressed an interest in intervening in this case, and have asked for an extension of the intervention date. They are interested in seeing whether some specific rate schedule tailored to a school’s load shape might be beneficial for them. A workshop was held on August 24. It was productive. No major issues arose. On August 26, GMP filed supplemental testimony responding to Board questions.

Stowe Rate Design – Docket 8463 – All issues have been resolved. Stowe recently has agreed to significantly reduce the volume of material for which it has sought confidential treatment. A joint PFD and revised motion for confidential treatment were filed on August 7. A technical hearing is set for September 9.

Investigation re: Renewable Energy Standard – Docket 8550 – VEIC submitted initial comments highlighting the significant new RES responsibilities on Vermont’s small utilities and recommending a collaborative process to work toward its implementation. The PSD participated in an uneventful prehearing conference and workshop. The Board indicated the process would generally follow the one described in the PSD’s initial comments.

TDI New England Clean Power Link Project – Docket 8400 – TDI-NE revised both Larry Eng’s and Mr. Parker’s supplemental testimony to the satisfaction of the PSD. TDI is scheduled to file supplemental testimony on August 26th. In a procedural order, the PSB adopted a revised schedule with technical hearings set for October 20 through October 22, 2015. The PSD is scheduled to speak with AOT regarding the fiber MOU.

VGS Addison Expansion—Docket 7970 - Responses to AARP’s Motion, which seeks to reopen the post-hearing evidentiary record to admit the complaints filed by VGS against Over & Under, and by Over & Under against VGS, and VGS’s press release announcing the execution of a contract with the new mainline contractor, were submitted by VGS, the Department, CLF and the Palmers. No party objected to the admission of these documents. AARP contends that these documents provide additional evidence that the Board should consider in its decision of whether or not to reopen the CPG. There are no additional filings scheduled and the Board

should proceed to issue a final order.

On August 7, VGS submitted a third non-substantial change determination request. These changes were previewed with ANR and the Department. The Department does not have concerns with the revisions.

VGS determined not to file any condemnation petitions until after the remand order is issued. This is consistent with the advice given by the Department. Currently, there appear to be fewer than 10 potential condemnations.

Rule 4.100 – No Docket – The hearing officer has circulated a draft rule that largely adopts the market-based program and rule language proposed by GMP, BED, VPPSA, and PSD. The hearing officer has discussed various aspects with some of the parties and minor clarifications are being worked through. The anticipation is that the Board will propose a rule within the next month or so.

Separately, a number of QFs appear lined up to file contracts with the Board pursuant to the current Rule 4.100 structure. The first such filing was made by Swanton Wind on August 12. The proposed contract asked for an either 10- or 30-year levelized rate for an up to 20 MW wind facility. Two others were made by existing hydro facilities seeking long-term non-levelized rates. The Board issued notices in these cases and gave interested persons until September 4 to request a hearing. The Department is currently reviewing the proposals. The likely response will be to urge the Board to reject or dismiss the contracts as premature given that the requests do contain sufficient information to determine whether they meet the substantive criteria of section 248(b), as required by Rule 4.104(H).

In light of the growing interest in Rule 4.100 and the changes in the market since the last generic rate setting proceeding. The Department is actively looking at making another generic rate filing, which would result in lower avoided cost rates. The Department will not retain La Capra to produce market projections given the negative credibility findings it received in a recent tax assessment case as expert witness for TransCanada, and the fact that La Capra is currently retained to serve as expert for TransCanada on other tax assessment challenges. Accordingly, the Department is evaluating whether it should produce projections in-house or whether a different contractor is necessary.

GMP White River Junction Substation Project – Docket 8322 – The PSB granted GMP’s motion to amend its CPG to include a project change consisting of using one pole (of the same height and material) on the east side of Mill Road instead of using two poles directly in front of the house of a landowner that strongly opposed the pole locations.

VGS Section 108 Petition – no docket – The Department filed its recommendation on August 25th, recommending approval of VGS’s request for the Board’s approval to: (1) issue long-term debt securities, unsecured Senior Notes, in a maximum aggregate offering amount up to \$35,000,000 by means of a private placement; and (2) extend by two years its existing unsecured revolving credit facility of up to \$45,000,000 while increasing the amount available under those facilities to \$65,000,000.

GMPSolar – Williston, LLC 4.69 MW Net-Metered Solar Facility – Docket 8562 - A prehearing will

be held August 26, 2015. We expect the Board will make a decision regarding whether to treat the Project as net metering under 30 V.S.A. § 219a (m)(3) or whether a special contract is required under §229.

SSE New Haven Solar II LLC 350 kW Group Net-Metered Solar Facility – CPG #NMP-5978 -

On August 13, 2015, the Petitioner filed a copy of the GMP Fast Track Analysis for the project, which concluded that the Project can be interconnected to GMP's system and that a system impact study was not necessary. Notably, the Fast Track Analysis states that the project fails Fast Track Criterion #3 but concludes that criterion three is "no longer relevant." The Fast Track Analysis also does not provide a list of upgrades required (if any) for the project to safely connect to the GMP distribution system. On August 24, 2015, the Town of New Haven filed comments asserting that the project's failure of Fast Track Criterion #3 raises a significant issue under § 248(b)(3) and requesting a hearing to address the issue. The Department is reviewing the Fast Track Analysis for compliance with its recommendations regarding system stability and reliability under 30 V.S.A. § 248 (b)(3).

Charter CPG Renewal – Docket 7820 – The Department is reviewing Charter's draft Service Quality Review Plan, which must be filed with the Board after meeting the Department's approval, consistent with the company's CPG. In addition, the Board issued an order on August 21st approving Charter's Annual Notice.

Barton Village, Inc. Electric Department's Use of Long-Term Bond Proceeds – Docket 7719 – The Board issued a Fourth Procedural Order on August 19th, in which it noted that Barton had issued 30-year bonds despite a PSB order authorizing 20-year bonds. It ordered Barton to file with the Board and PSD by August 28th an explanation as to why Barton has not yet sought an amendment to the Docket 7719 Order and the date by which it anticipates filing a request for such an amendment. The filing must also include how the mandatory civil penalty language of 30 V.S.A. § 30 should be applied in this situation. The Board adopted the Department's recommendation as to next steps, indicating Barton shall: 1) continue to provide monthly status reports; and 2) provide a detailed five-year cost-of-service prospective that highlights the repayment of the revenue bonds and any needed change in tariffs.

Telecommunications

CoverageCo – CoverageCo is still experiencing a work stoppage as a result of its ongoing contract dispute with EdgeConnex. The EDA funded resiliency project must be completely constructed by November 15. The work stoppage has been occurring for almost a month now, and CoverageCo will not say whether there is a resolution likely. Staff also met with E-911 to discuss whether and when CoverageCo could direct connect with E911. CoverageCo maintains that it will be able to bypass the costly Intrado service if it is able to directly connect with the E911 system. The E911 Board anticipates it will allow direct connections, but will not be ready to entertain connection requests until late 2016 or early 2017. It would like to perform a trial in mid 2016. CoverageCo has reported that will likely pull out of Vermont if it cannot reduce its E911 compliance costs soon. The work stoppage is also likely a result of CoverageCo's

hesitation. Given that CoverageCo plans to breach its contracts if it cannot resolve its outstanding issues, the Department should prepare itself for litigation and the fallout from not complying with the EDA grant.

The Department should notify the EDA of these ongoing issues. The Department should also send a letter to CoverageCo management reminding them of the company's contractual obligations.

RolkaLoube – The Department notified the Board of Rolka's deficiencies and Rolka has now started to comply with the Department's requests for data. Rolka has not gotten an audit as its contract requires. The Department could hire an auditor or force Rolka to hire an auditor. The Audit report is due September 30. Rolka claims it has sent a cd with additional information to the new fund administrator. Thus far Rolka's submissions have raised additional questions for the new administrator.

Comcast Line Extension Complaint – A Waterbury landowner filed a complaint with the Board regarding a dispute with Comcast over a line extension. Comcast will require the landowner to pay for upgrades to Comcast's existing distribution network to provide a cable drop at the landowners' property. The landowner disputes that he should be responsible for costs that relate to upgrades of existing plant, even if those upgrades are necessary to serve his address. The Department agrees that under the relevant Board rule and Comcast's tariff, the landowner should be required to pay costs associated with upgrading existing distribution equipment for a line extension. The Department has organized a meeting with Comcast and the landowner to attempt to resolve the dispute. If the parties can't reach a resolution of the dispute, the Department will recommend that the Board open a docket to investigate the complaint.

Duncan Cable CPG Renewal (Docket 8438) – Division staff are attempting to resolve the final outstanding issue in Duncan Cable's CPG renewal docket, which is that Duncan Cable does not have a valid line extension tariff. The docket is scheduled for technical hearings on Friday, August 28. If Duncan Cable is able to file a valid tariff prior to the hearing, the Department will recommend that the Board approve the CPG.

Comcast CPG Renewal (Docket 8301) – The Board has scheduled a public hearing for the Comcast CPG renewal docket, which will be held on October 21 and will be broadcast over the VIT network. This is the only public hearing that will be held in the docket. Telecom and CAPI division staff are continuing to prepare for focus group meetings associated with the Department's community needs assessment, which will start during the second week of September and last through the end of October.

VTel Calais 248a Petition (Docket 8535) – DPS and the Town of Calais served discovery requests on VTel on August 26. The Board also issued a prehearing memorandum in which it denied the Town's motion to dismiss the petition but indicated that the Board would be willing to hold a site visit for the petition (the hearing officer indicated that he would deny any motion for a site visit at a prehearing conference).

Vernon Roadshow- Connectivity staff members traveled to Vernon to meet with the Fiber Optic Subcommittee of the Regional Planning Commission to discuss potential broadband expansion efforts in the town. Vernon has experienced decrease in local revenue with the closing of Vermont Yankee, and the town is looking to attract new potential businesses and residents. The Fiber Optic Subcommittee feels that expanding broadband access throughout the town might draw in new industries, increase property values, and establish Vernon as a technologically advanced place. Although the town is already well served by cable and DSL, the committee expressed interest in building out a fiber-to-the-home network. Staff presented information to the committee and offered support to the town moving forward.

EDA Cellular Resiliency Project- Staff researched program regulations of the EDA grant process in order to determine whether it is possible to apply for a second extension on the grant to expand cellular coverage in unserved areas. The VTA had requested the original extension, which was granted with a final completion date of November 2015. The project is in process but is unlikely to be completed by the designated period.

Consumer contacts- Connectivity staff responded to two inquiries from Vermonters this week. The first was an inquiry from a Selectboard member in Braintree, looking for assistance in resolving a delay in the make-ready work that was impeding ECFiber's broadband expansion in the area. The second contact was from a small business owner and resident of Braintree, who was interested to know when broadband service would be available to her. The Department is working with ECFiber and has been in contact with GMP and FairPoint about the make-ready work and the project is in progress. This project will provide Braintree with access to high speed internet upon completion.

Fiber Projects:

Northern Enterprise Fiber

The DPS until recently was providing Fiber Management to Northern Enterprise. The DPS through Northern Enterprise hired a Contractor to generate as built maps of the Northern Enterprise Fiber Network, inventory all splice enclosures and determine what fibers were spliced. If the splice enclosure did not have the first 96 fibers spliced, the contractor spliced the fibers. The Contractor also had to test the fiber to determine the integrity and/or fiber loss of the network.

VTel has a long term DFL with Northern Enterprise for use of two fibers though out its system. The DPS assigned fibers F37 & F38 to VTel on all NEK Networks including Northern Enterprise.

Until the completion of the NBRC fiber project (Brighton/Island Pond to Norton) there was no way to connect the Island Pond network with the Norton to Canaan network. The two networks where isolated. The DPS connected both ends of Northern Enterprise Fiber into the new NBRC

fiber built by the DPS, completed in July, allowing both networks to become one. VTel is now passing light through all of the Northern Enterprise Network.

VTel is building several Towers in the Northeast Vermont/Northeast Kingdom and is lighting them through fibers of the NEK Network. The NEK Network is a Fiber network made up of the Northern Enterprise Fiber, VEC Connector Fiber, Hardwick to Newport Fiber and the DPS/NHOS - Bloomfield to Guildhall Fiber. This recently completed NEK network allows VTel to offer their WOW Broadband to residents who were very limited or/not receiving any broadband services at all, such as the community of Canaan Vermont.

OCFC-W:

Construction is now in full production. The Contractor has completed hanging 2 reels of fiber, approx. 40,000 ft. or 7.5 miles and is in the process of placing reels 3 and 4.

GMP, in conversations with Staff this morning, will have its remaining make ready completed by next week.

Central Greens:

Construction has started on Sand Hill Rd in Bethel.

We are waiting on GMP Licenses. GMP notified Staff this morning; they have completed its make ready for the Central Greens and the licenses will be issued.

GMP Transmission Line:

GMP is evaluating Ulteig Structural Analysis of its GMP Transmission Line. GMP will notify the DPS shortly of their findings and approval of the DPS Corning Fiber.

Putney:

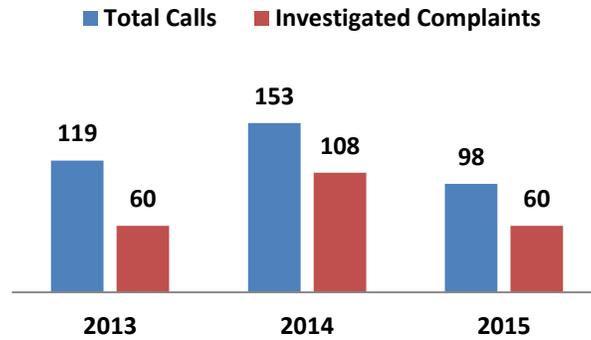
Staff had a meeting with its Construction Contractor and Southern Vermont Cable (SVC) in Putney to review the Putney BBID Project and ride out roads where construction is required.

FairPoint has notified SVC on Monday the make ready work will be completed soon and the last pole license will be issued. SVC will notify Staff when the licenses is received, Staff will then notify Contractor to commence construction.

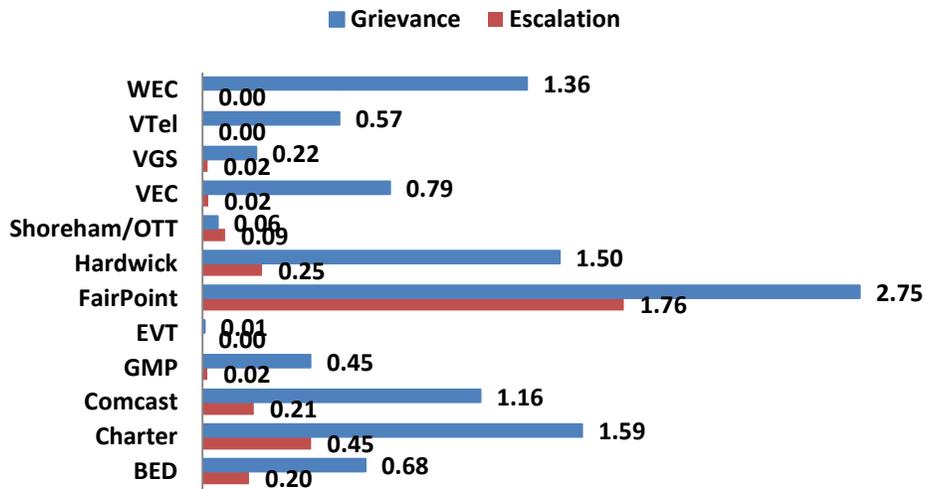
CAPI

CALL DATA

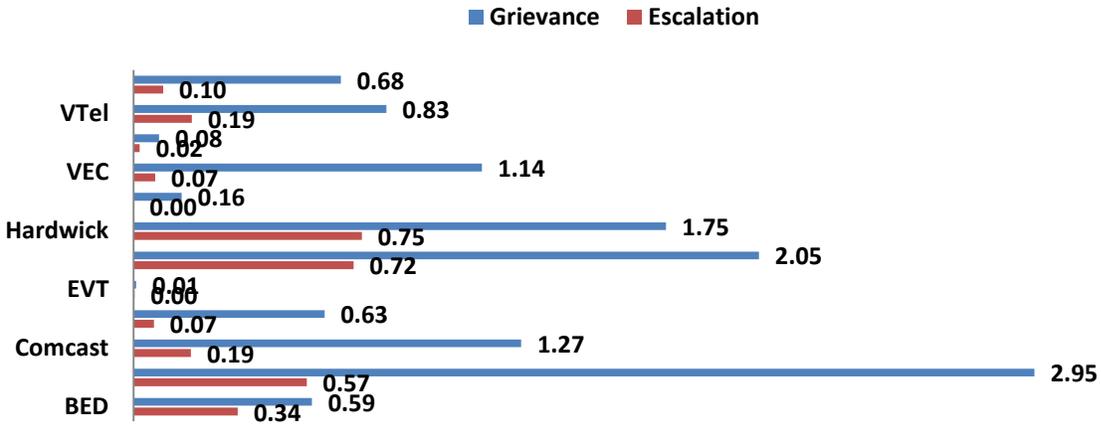
Calls to CAPI Same 7 days each year



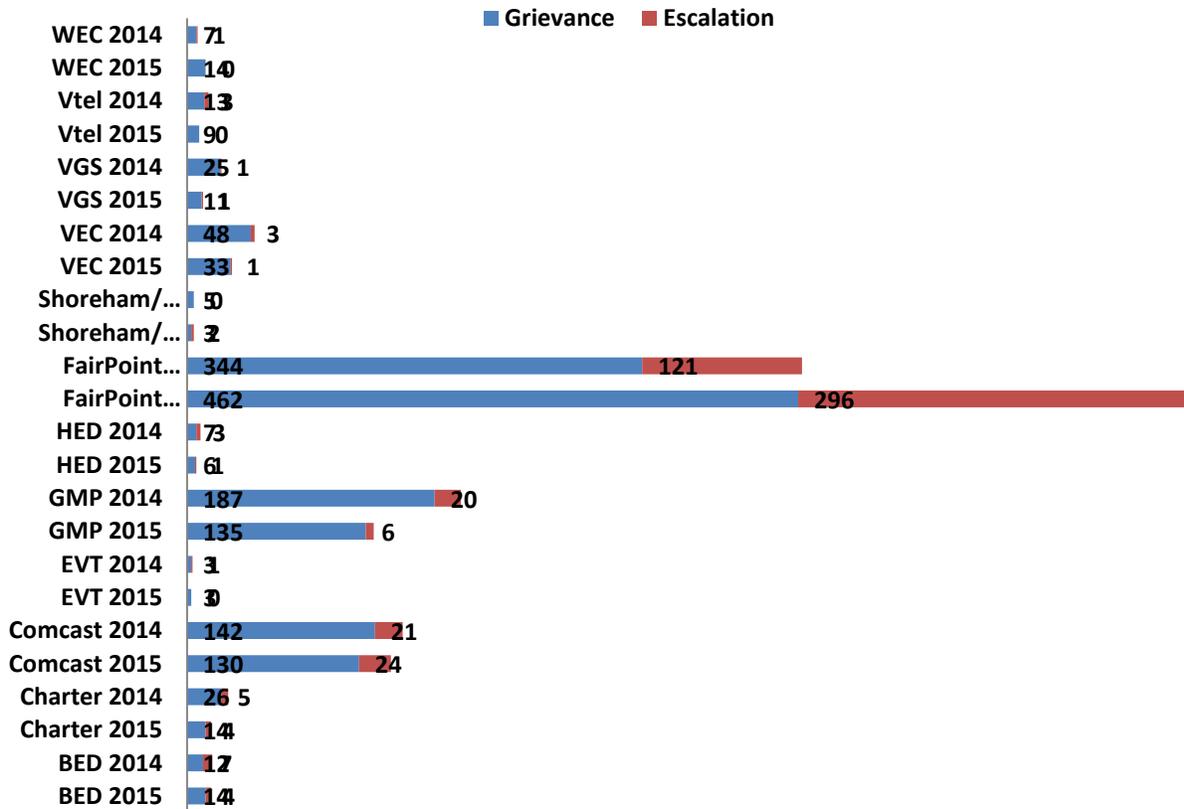
Complaints Investigated, by Company per 1000 customers January 1 - present, 2015



Complaints Investigated, by Company, per 1000 Customers January 1 - present, 2014



Number of Complaints Investigated, by Company YTD 2014 and 2015



CONSUMER COMPLAINTS

- ❖ 3 FairPoint telephone repair delays
- ❖ 1 consumer inquiry regarding the FairPoint MOU
- ❖ 1 Lowell Wind noise complaint
- ❖ 1 complaint forwarded from the AG's office regarding All Earth Renewables placing a meteorological tower in Irasburg without PSB approval

CAPI received 4 calls from consumers reporting that they weren't able to use their internet service and were not able to reach anyone at the company. CAPI contacted Luc Beaubien and learned that the company had temporarily lost the use of the main phone number. GAW provided a temporary number, which had been e-mailed to customers, to give out to consumers.

New Hire: CAPI welcomed Wayne Jortner as a staff attorney. Wayne comes to the Department with many years of utility advocacy experience in Maine and New Hampshire. We are very excited to have him bring his expertise and dedication to our team.

Green Mountain Power refunds: GMP worked with Autumn Barnet to resolve an issue for former CVPS customers who were overbilled as a result of the company's estimation practice for a period of eighteen months (prior to the merger and system migration with GMP). GMP identified all customers impacted and issued refund checks to 50 customers totaling \$24,282 and bill credits to 13,313 customers totaling \$70,914.

GMP identified 1,831 customers who were overbilled and had moved out of the service territory. The cost to GMP to fully refund these customers would be \$19,000 or ` \$10.60 per check which would far exceed the overbilled amount. GMP proposed creating refund checks for 38 customers who were overbilled 200kWh or more using public records to find the last known address to mail the refund to. GMP will deposit the remaining funds totaling \$2,250, representing 1,793 customers owed \$1.63 each, into the Power Partners fund to assist current customers in need.

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, August 28, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Bike Safety

Thanks for including us in your meeting with the Najarian family. It is such a very sad situation, among the many highway fatalities this summer. Hopefully we can help take steps and engage them so that their action can help them move through their grief to some degree. I have already initiated a meeting with the family, legislators, and bicycle advocates for next week.

Global Foundries

Deputy Secretary Cole and Secretary Moulton and staff met with Janette Bombardier of Global Foundries to discuss her requests for transportation improvements to Route 22A. Specifically she is looking for improved sight distances on highway curves through the removal of brush and trees in the highway ROW, passing lanes, new highway surface and wider shoulders. She indicated these improvements were necessary for her to be able to compete internally with Malta and Fishkill for future GF investments as well as staving off reductions in activity at the plant in Essex. VTrans leadership staff will be conducting a drive through the corridor to ascertain the current conditions, evaluate what short-term projects can be completed this construction season, and identify roadway segments that can be programmed for upgrades. Making this section of roadway a priority will negatively impact the schedule of other programmed projects.

Pan Am STB Complaint Against NECR

This week I met with Dave Ebbrecht, Regional VP for Genesee & Wyoming (the parent company for New England Central Railroad). They are going to the Surface Transportation Board with a significant increase in track rates which will quite negatively affect our shippers that use their lines. I met previously with David Fink of Pan Am, who is outraged by their proposed rate hike (from \$0.45 to \$7.00). We are developing a letter to the STB to support Pan Am's complaint with a focus on assuring competitive service pricing for VT shippers, particularly in light of the \$60+ million public investment in the NECR line (ARRA). In addition, NECR is working with Vermont Rail Systems on a

variety of issues they need to cooperate on. So we need to try to support a positive relationship among all three, even as we address our concern to the STB about the proposed rate hike.

Hartford IM091-2(79)

Our innovative bridge slide (build an interstate bridge in 1 weekend) was postponed last weekend, but is set to go this weekend. This will require the weekend closure of I-91 (northbound) beginning Friday afternoon and with a scheduled opening of Monday morning. Beginning at 2 p.m. on Saturday, the public is invited to watch from a special viewing area and we will have shuttle buses to get interested members of the public safely to the spot. While every effort has been made to ensure success, it is important to note that these are high-risk operations and delays are possible. The team is fully engaged and committed and will continue working until the road is opened. Crews will be going around the clock and there is no float in the schedule.

Champlain Parkway

A significant milestone was achieved in Docket No. 2014-352, in re Champlain Parkway Act 250 Permit (Fortieth Burlington, LLC, Appellant): the court affirmed the Environmental Court's decision that the Parkway complies with criterion 5 (relating to traffic). This means the Parkway as currently designed is fully permitted. Staff attended the monthly Parkway meeting. Unfortunately the schedule appears to have moved out one year with an anticipated start date for the project of the fall of 2018. This is later than we were shooting for with the Mayor. It is a locally managed project so this is something you may hear about, but the timing issues are with the City staff and not VTrans.

NOTES FOR STAFF

Brattleboro IM 091-1(65)

The Traffic Congestion Strategy for Exit 3 was implemented on Sunday, August 23, 2015. The Sunday, August 23rd southbound I-91 traffic averaged 62 MPH at the southbound merge and 52 MPH in the one-lane configuration from 11:00 a.m. to 6:00 p.m. The DB Team continued blasting operations this week; no issues noted with the implementation of rolling roadblocks through the work zone. The Form Traveler installation and forming has not met schedule milestones and the construction of segments has been delayed. The project team is looking at the impacts of this delay to the schedule. A USDOL investigation found discrepancies in worker classification and this will require PCL to make restitution payments. PCL cooperated with the investigation and is not contesting the findings.

Construction Program Overview

- We have 59 active work zones: 35 bridge, 4 reclaim, 5 paving, 8 safety, 2 park n ride, 4 roadway, 1 rail. We anticipate a total of 105 projects in 2015. 56% of the program has an active work zone.
- The bi-weekly estimates paid to the contractors this week amount to \$6,527,001.29.
- An employee of Alpine Construction working on the Bennington Bridge rehabilitation project committed suicide. It did not happen on project but this has an impact on the contractor's staff.
- We are scrambling to coordinate the Moretown project road surface conditions for the Green Mountain Stage Race scheduled for Labor Day weekend. The race uses this section of VT 100 B multiple times on Saturday and we are trying to get pavement down in time. The road is getting reclaimed this week.

Rail Council Meeting

Staff prepared for and presented updates at the Rail Council Meeting on 8/26. Highlights included a discussion of the Middlebury Tunnel Project, the State Rail Plan public comments, Amtrak service performance, the CN Projects and impacts on the Vermonter, Rail Bridge & Crossing inspections, GIS program efforts, and construction project updates. Emergency projects were also discussed at length.

Aviation Council

The Council met on 8/20; statewide projects were reviewed with the Council, along with Aviation-related activities that are occurring this summer and fall. The meeting was well attended and the Aviation Staff did a stellar job of presenting the projects and programs.

Public Transit Partner Meetings

- Ross and Barbara met with the UVM Transportation Research Center for a joint meeting with their staff and AARP of Vermont to discuss various options for moving forward with Livable Communities and access to transportation particularly through new technology.
- Barbara and Michele had an extremely productive meeting with management for CCTA in Burlington. The discussions ranged from new technology to budgeting to modernized fare collection to capital plans. Plans for better coordination of funding and technology should result.

Transportation Planning, Methods and Tools for Transportation Resilience Planning

Conducted interviews with the two top ranked consulting firms on 8/24. The consultant selection committee reached consensus on the preferred team. Submitted recommendation for Secretary's approval on 8/25 to allow for final negotiations with preferred consultant.

Milton US7 Hour Glass Project MOU

An MOU was drafted with input from PDD and sent to Legal for review. The agreement outlines the process for VTrans to provide conceptual cost estimates to the Town of Milton for the southern leg of the US 7 Hour Glass Project. The town would like to use TIF funding to pay for that portion of the project, which would be constructed by VTrans as part of the northern segment construction project.

Middlebury Tunnel Project

VTrans staff attended the 8/25 meeting of the Middlebury Selectboard. The SB has set up a Local Project Management Team which will consist of the Local Project Manager, three SB members and one community member – Ken Perrine of the National Bank of Middlebury will serve as the representative. The Team met on 8/24 with the project consultant and has asked the project consultant to review the various alternatives which were evaluated prior to the selection of the current preferred alternative. VTrans staff will meet with Middlebury Staff on Monday, 8/31 to discuss options for local project communications staffing.

Motor Vehicle Crash Statistics (as of 8/24/15)

Fatal Crashes August 11, 2015 – August 24, 2015:

8/16/15: Brighton, VT 114. Single vehicle ran off road into telephone pole. Front passenger fatality. No seatbelts or child safety restraints used. Alcohol suspected.

8/17/15: Norwich, I-91 NB. Two vehicle crash, pedestrian (tractor trailer unit driver) fatality.

8/23/15: Landgrove, Ridge Rd. Single vehicle ran off road. Driver fatality, seatbelt use unknown.

2015 Fatalities: **33** Total – **21** vehicle operators, **6** passengers, **2** pedestrians, **3** bicyclists, **1** ATV occupant

As of **August 24 in each calendar year:**

<u>Year</u>	<u>Fatalities (people)</u>	<u>Fatal Crashes</u>
2015	33	29
2014	26	25
2013	41	38
2012	54	48

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: August 28, 2015

Highlights:

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VDH:

Rule Governing Chemicals of High Concern in Children's Products pg. 2

WIC Loving Support Awards pg. 2

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Coding Changes for Group Psychotherapy to CPT Code 90853 pg. 9

Secretary's Message

Secretary Cohen is on vacation through 9/8/15. Deputy Secretary Henry is available in his absence.

Agency of Human Services Secretary's Office

Performance Accountability

At the request of Sue Zeller, our Performance Improvement Manager attended the 2015 State Convening for Results First, inclusive of sessions focused on “legislating with evidence, program fidelity and outcome monitoring, new Results First resources available to our partner states, and innovative ways of using data. “ Further exploration will be done to discuss applicability for AHS.

Vermont Department of Health (VDH)

Rule Governing Chemicals of High Concern in Children's Products

As indicated in VDH report of July 3rd, the Department has now filed the Rule Governing Chemicals of High Concern in Children's Products with LCAR. The rule includes several provisions, including reporting periods, reporting ranges (instead of precise numbers in parts-per-million) and product-level reporting. Product-level reporting has brought the most controversy. Industry representative indicate it will be burdensome and costly, while consumer rights advocates indicate it is essential for consumers to know what actual products have what specific chemicals. What Industry is arguing for would look like, “Widget Company, Stuffed Toys (Unpowered).” The Department, the Agency of Natural Resources, and key legislators all agree the proposed rule is consistent with legislative intent of consumer knowledge as well as market pressures that will move companies in the directions of using non-toxic substances.

PH Laboratory

The Department of Health Laboratory moved to a new state-of-the-art laboratory facility in Colchester during the week of August 17 - 21. The laboratory opened to serve the public on August 18 and over 600 pieces of equipment, lab supplies, chemicals and biologicals were successfully relocated. Lab instrumentation and equipment has been re-installed, calibrated and test procedures verified. An open house is planned for the future.

WIC Loving Support Awards

USDA Food and Nutrition Service regional staff presented Loving Support Awards of Excellence to five Vermont local WIC programs on August 25. Five district offices – Bennington, Rutland, Middlebury, Burlington and St. Albans – were recognized for providing exemplary breastfeeding programs and support. Only 55 programs nationwide received awards, which are based on their breastfeeding performance measures, effective peer counseling programs and community partnerships.

Child Safety

Child Passenger Safety will be highlighted at the Champlain Valley Fair this week. VDH staff will be on hand providing car seat information.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH)

VPCH continues to maintain a census of 17 within 3 units, with one discharge and one admission this week. There may be an additional discharge and admission this week as well.

The hospital and DMH continue to work with Department of Human Resources to finalize steps for sign on, retention, and referral bonuses which have been communicated to current staff and advertised for this week in Seven Days and will run this Sunday in the Burlington Free Press and Times Argus.

The hospital is also setting up two nursing specific job fairs for nurses in Burlington and at VPCH to take place in September. The executed contract with a new traveling company will be providing traveler referrals for mid-late September staffing. The hospital anticipates making significant progress in increasing our census by the end of September.

AHS and DMH are filing a report today at the request of the Chairs of House and Senate Appropriations, Senate Health and Welfare and House Human Services, describing actions taken to improve nurse staffing at the hospital, as well as fiscal impacts. Fiscal impacts, which are estimated to total \$488,751, are likely to be a combination of one-time expenditures in the current fiscal year and increased annualized impacts for nursing salaries in the coming fiscal year. Even though DMH and the hospital are optimistic about efforts to improve admission numbers sooner, the draft report outlines a conservative course of ramping back up to full census within 3-6 months, as full staffing is achieved through the new recruitment strategies and incentives.

The hospital is holding meetings with staff to focus on general updates, safety, and steps to address staffing. The meetings have been well attended, staff engaged, and actions taken to reduce mandatory overtime have been well received by staff.

Emergency Departments

Wait times have shown an increase this week as there has been an increased number of individuals needing hospitalization. During the week of August 20 through August 27 there were 29 people who were in need of in-patient psychiatric beds. There were 14 involuntary adults, 2 were directly admitted, 3 waited less than 24 hours, and 4 waited between 4 and 6 days. There are currently 5 people waiting for placement who have all emerged within the past 36 hours. There were 8 voluntary adults in need of in-patient psychiatric beds, 1 was directly admitted, 3 waited less than 24 hours and 4 waited between 40 and 70 hours. No voluntary adults are currently waiting for admission. There were 3 voluntary minors and 2 waited less than 24 hours and 1 waited less than 36 hours before being admitted. There was one involuntary minor in need of in-patient psychiatric services and waited less than 72 hours. There have been 3 court ordered individuals waiting for evaluation in DOC; 2 waited between 2 and 4 days before being admitted and 1 has been waiting 24 hours. If VPCH was at full capacity, length of time to admission for individuals would improve and wait times would greatly diminish.

The DMH monthly statistical tracking report, that tracks system inpatient and community bed utilization and ED wait times, was provided to the Health Reform Oversight Committee and is posted on the DMH website.

Media Contacts

Taylor Dobbs spoke with Jeff Rothenberg, CEO at VPCH, to discuss the current nursing shortage. The coverage was balanced overall.

Rep. Anne Donahue, wearing her Counterpoint reporter's hat, spoke with the DMH Commissioner and Quality Management Director, Emma Harrigan, on progress with Rutland Mental Health, ED wait times, and potential for premature discharges for individuals requiring longer term hospitalization. All were overviewed and current data compiled by DMH was provided. ED wait times through July actually remained slightly improved from June. There was also no current data trend that suggests individuals are being discharged from hospitalization earlier than recommended, given a slowly increasing length of stay trend for individuals in Level I hospital beds.

Request for Information – Permanent Secure Residential Program

DMH has compiled a Request for Information as part of its due diligence with the 2015 Capital Bill requirements for conducting an examination of the siting and design of a secure residential program. This work will inform the AHS Secretary's recommendations regarding the program early in the next legislative session. The RFI has been reviewed by AHS, DOC and DCF Commissioners and should be issued next week. Information received will compliment other information compiled thus far, and likely inform a subsequent Request for Proposal, as part of the overall examination process.

Department of Disabilities, Aging and Independent Living (DAIL)

Appellate Court Upholds U.S. Department of Labor's (DOL) "Home Care" Rule

DOL's "Home Care" Final Rule, which was scheduled to take effect on January 1, 2015, made several changes to Fair Labor Standards Act (FLSA) protections for direct service workers, including removing the ability of third parties to claim any FLSA exemption and narrowing the definition of "companionship services" for purposes of the FLSA. After the U.S. District Court for the District of Columbia vacated the Rule, on the grounds that it was beyond DOL's scope of authority, DOL appealed the lower court ruling to the U.S. Court of Appeals for the D.C. Circuit. On August 21, 2015, the Court of Appeals issued a unanimous decision upholding the Rule. DOL had previously indicated that in the event the Court of Appeals reversed the lower court's ruling, it would not extend the timeline for compliance and would exercise "discretionary enforcement" from July 1 until December 31, 2015. After that time, DOL indicated that the Rule would be completely in place, and standard enforcement would apply. Both DAIL and the Agency of Human Services have taken great strides to evaluate and, where necessary, begin to appropriately modify each of the programs impacted by this Rule. AHS will continue not only to work toward achieving compliance with the Rule and ensuring implementation as soon as possible but also to keep consumers and their surrogates apprised of these developments.

Rutland Mental Health Services Developmental Services Plan of Correction Accepted

On August 26, 2015 Commissioner Hutt issued a letter to Rutland Mental Health Services (RMHS) Developmental Services accepting their Plan of Correction in response to their areas of concern identified in their designation report. RMHS now has 180 days to implement the plan and demonstrate satisfactory correction of all areas. During this time, their designation status for Developmental Services remains *provisional with intent to de-designate*. DAIL staff will be working intensively with RMHS to monitor their progress and provide all necessary technical assistance to support their success. We are coordinating our efforts with the Department of Mental Health and AHS throughout the process, including joint on-site visits by DAIL and DMH.

Consumer Experiencing Extended Stay at Springfield Hospital

DAIL is working with Springfield Hospital, Health Care and Rehabilitation Services (HCRS, the local Designated Agency) and Senior Solutions (the local Area Agency on Aging - AAA) to secure an appropriate care arrangement for a consumer who has been staying at the Springfield Hospital Emergency Department under non-admittance status for approximately 6 months. This individual has

not been admitted to the hospital as he does not require that level of care. His previous living arrangement (an apartment) is not an option for him to return. This individual is eligible for Choices for Care; however, he has accepted and then declined a number of options that have been presented to him. HCRS has identified a new prospective CFC Adult Family Care Home provider and met with the consumer this morning to arrange a time later today for him to visit the home. The consumer is his own guardian and would need to agree to this placement. If he does not agree to this option, Springfield Hospital may need to pursue legal action to require him to leave. As a follow up, Commissioner Hutt and DAIL staff will be meeting with representatives from Springfield Hospital on September 4, 2015 for a systems discussion about the roles and limitations of each of the key organizations (hospital, DAIL, DA and AAA) and collaboration around challenging situations going forward. It is anticipated that local legislators will be in attendance at this meeting.

Department of Corrections (DOC)

Incident with Parolee/Injured Child

The Bennington probation and parole office notified us of the following:

Lakisha Shepard is on parole for Arson 2nd, Grand Larceny and Escape with an expiration date of 4-20-2017. On August 24th, Shepard's infant child was taken to Albany Medical Center with skull fractures. VSP and DCF are investigating the incident. Shepard does have prior involvement with DCF. No charges have been filed yet.

Prison Industry Enhancement Certification Program (PIECP)

The Vermont Department of Corrections Industries Program (VCI) received notification on August 25th that their request for a proposed cost accounting center at Northern State Correctional Facility in Newport entitled Vermont Cedar Chair Company was approved by the U.S. Department of Justice. The VCI Wood Shop will produce Adirondack Style chairs for the Vermont Cedar Chair company.



Production of the chairs will occur in the current Wood Shop, along with the other custom wood furniture lines that are currently made in the shop.

The VCI Staff, Vermont Cedar Chair Company and the inmate workers are excited about the new product and the opportunity to partner with a Vermont Company.

Threats to State Employees discovered by Correctional Officers

In the past week intelligence officers have garnered information regarding threats on 2 staff. The first case involved a threat to a specific probation officer. VSP was notified and followed up immediately. They reported that there were no guns in the home. The state attorney has declined prosecution of that case. The staff member is working with central office staff on safety planning.

The second incident was a mother who has children in DCF custody stating she would like to kill them as a result of the delays in getting her children returned to her. DCF and VSP were notified.

Intelligence gathering has proven very valuable in this regard as well as uncovering active or planned crimes. The staff doing this work are part of the shift matrix and do this work in addition to their assigned duties.

Population

The Department's incarcerated population averaged **1860** for the previous week. The Department's incarcerated male population averaged **1702** for the previous week. The out of state population is currently at **290**. The female population averaged **158** for the previous week.

Department for Children and Families (DCF)

Family Services Labor Management Committee

The Family Services Labor-Management Committee met on 8/25/2015. The primary topic of conversation was safety and security. Labor is requesting that the state address issues related not only to building security, but safety of social workers in the field also. There was considerable discussion about the relationship between social worker workload and safety in general – both child safety and worker safety. Labor expressed concerns that high caseloads are inhibiting their ability to conduct thorough and accurate assessments of safety issues, and prohibits the use of strategies that promote safety, such as sending workers out in pairs. Labor also spoke to the challenges of working with local law enforcement, in particular municipal law enforcement, who often are not responsive to requests for assistance.

The number of children in DCF custody stands at 1,352 as of 8/26/2015. This is up from 1,291 on 6/30/15. Social worker caseloads continue to climb. They now stand at an average of 17.7 families per worker. This assumes all positions are filled, which they are not.

Child Protection Oversight Committee

The Legislative Oversight Committee for Child Protection will hold its first meeting on Friday 9/4/2015. Commissioners Schatz and Flynn and AHS Chief Operations Officer Dawn O'Toole will testify about safety and security issues. Deputy Commissioner Walcott will testify about Act 60 implementation.

← Sure

General Assistance/Emergency Housing Initiative

This week, the DCF Housing Team (comprised of leadership from the Commissioner's Office, Office of Economic Opportunity, and the Economic Services Division) held a day-long meeting with housing providers and advocates to continue input seeking efforts on how Vermont can reduce its reliance on motels as the primary mode of emergency shelter. The meeting generated a number of ideas and questions which the team will use to frame changes for FY17.

For FY16, the housing team will be sending a memo to the homelessness Continua of Care, community and state partners that will include General Assistance usage data for FY15, an approximate budget amount if communities are considering launching an alternative approach and a template to use to submit a letter of intent for piloting a new approach in FY16.

Vermont State Board of Education Approves Early Learning Components

On August 18 the State Board of Education met in Barre and approved two components of the integrated early childhood system in Vermont: rules related to the implementation of Act 166 and a revision of Vermont's Early Learning Standards. These components were envisioned in the Early Childhood Framework and Action Plan championed by the Governor and are related to strategies identified under Result #3: *All children and families have access to high quality opportunities that meet their needs.* Both are jointly administered by the Agency of Human Services (Department for Children and Families, Child Development Division) and the Agency of Education.

The Board approved rules governing the implementation of Act 166 establishing 10 hours of high quality prekindergarten education as an entitlement for all preschool aged children in Vermont by fall of 2016. Act 166 supports a mixed delivery system encouraging partnerships between local schools and private pre-qualified early learning and development programs, including Head Start. The rules will now move to the Legislative Committee on Administrative Rules (LCAR) for final approval. About one third of all school districts are moving forward to full implementation of the new law this fall.

The Board also approved a revision of Vermont's Early Learning Standards (VELS) which aligns a continuum of developmentally appropriate expectations for children's early learning and development, from infancy through Grade 3, and incorporates Common Core standards used in the early elementary grades. The revision was supported with funds from Vermont's Early Learning Challenge Grant (ELGC). The ELGC will also support the creation of user friendly web-based tools to disseminate the new VELS, provide professional development experiences embedding VELS in Vermont's early learning and development programs as best practice, and a parent guide to children's early learning and development at home-based facilities on VELS.

Woodside Accreditation

Woodside underwent our Center for the Accreditation of Residential Facilities (CARF) audit in July. Woodside achieved its second consecutive three-year accreditation. The CARF accreditation is required to continue CMS funding under the Global Commitment Fund. According to the CARF auditors exit debrief, Woodside scored in the 99th percentile with only 9 non-critical area recommendations. Of the recommendations the CARF report states, "Consultation given does not indicate nonconformance to standards but is offered as a suggestion to further quality improvement."

The report finds:

- The facility provides a warm, welcoming environment for residents.
- Residents express appreciation for the program and its effect in their individual lives.
- Leadership is well respected and very supportive of innovation and continual adaption to residents' complex needs.
- The organization utilizes Plan, Do, Study Act (PDSA) cycles to ensure that appropriate changes are made in the treatment process.
- The organization ensures that outcomes are monitored for sustainability.
- The organization has designed and participated in the development of a monitoring system for individualized goal achievement.
- The organization has developed a training program for new employees, modified existing procedures to accurately reflect practice, and developed new and innovative procedures necessary to ensure compliance with regulations.
- The organization has worked diligently and cooperatively to develop a system to support transition from a secure detention facility to a residential treatment facility.

- The organization has incorporated restorative justice practices; increased alternative therapies and supports (art, music, animal, book, dance, yoga, meditation, and mindfulness); and increased specialized services such as family, substance abuse, and transitional services.
- There is a marked increase in the number of memorandum of understanding partners, including relationships with Hopeworks, Lund, Howard, Outright VT, Turning Point, Valley Vista and the Retreat.

Department of Vermont Health Access (DVHA)

Vermont Health Connect Project Update:

Hot Fix 2 Deployment: The (Hot Fix 2) HF2 deployment completed on Monday and User Validation Testing (UVT) completed on Tuesday. The HF2 release will include defect fixes and updates to verification logic, age out rules, Federal Poverty Level (FPL) updates, various text changes, security & performance improvements, in addition to Redo, Date flip, & 2300 loops processing capability. The 8/23 go-live decision also gave the go ahead for Optum to commence migration activities on the hosting transition plan for the Stage environment.

Operations is still performing user validation of the processes to ensure there are no defects. As they validate those processes they are expanding processing.

Medicaid Premium Billing: Currently VHC's premium functionality is not compliant for Medicaid customers. Optum's current contract with Benaissance does not allow for new Benaissance development work. The contract only includes integrating current Benaissance functionality into the VHC system. A change request has been entered to both Optum and Benaissance to process this functionality in staged releases; it was provided to the SOV on 8/20.

There are some leadership discussions needed before any progress can be made. Follow up meetings will be scheduled in the next week.

Current conditions:

- All Medicaid customers are being billed per QHP rules, which is in violation of both federal and state policies
- SOV currently does not have a DDI contract with Benaissance to complete the functionality
- SOV currently does not have a contract with Optum past 2015 to integrate the functionality
- Funding will need to be secured before a contract with either party is approved

Vermont Health Connect Operations Update

Currently VHC operations is evaluating and training on the new functionality delivered from the 8/23 release which included functionality for processing necessary business processes (i.e. date flips, Redo functionality). Simultaneously project resources and operations staff are methodically performing user validation tests against the new functionality. As processes are validated they will be rolled out to staff to allow for a slow ramp up of processing and to mitigate the potential for errors.

VHC Outreach and Education Update: Vermont Health Connect is collaborating with DVHA's Provider and Member Relations Unit to create a "Welcome to Vermont Health Connect" booklet. Starting in Open Enrollment this fall, the booklet will be mailed to new enrollees to explain how the programs work at a high level, to share helpful information, and to highlight key rights and

responsibilities. Recognizing that the enrollees will get specific information about their actual coverage from their carrier or Medicaid, the purpose of this booklet is to allow VHC to make its notices of decision more concise while providing an easy-to-use tool that customers can keep and reference when they need answers. In addition to being mailed to new enrollees, VHC will inform current enrollees that they can find the booklet online or call to request a print copy by mail.

VHC Joins with National Partners to Reach Millennials, Especially Those “Born in ‘89”
VHC joined Enroll America, Young Invincible, DC Health Link, and the White House to promote the “Born in ‘89” campaign. The campaign is an effort by HHS to reach young adults turning 26 and aging off of their parents’ health plans. Therefore, they are an especially important demographic to inform about health insurance marketplaces such as VHC.

On Wednesday, VHC and its partners and Assistors participated in a national “Born in ‘89” Twitter Chat to share information and brainstorm outreach strategies related to special enrollment information for young adults, as well as opportunities to engage them during the upcoming open enrollment. VHC will host a Vermont-focused conference call on Friday which will serve as a debrief of the Twitter Chat and a launch point for op-eds, social media, and other follow-up.

This campaign also complements VHC’s plans to form a Millennial Advisory Panel comprised of 8 to 10 individuals from this demographic – both insured and uninsured -- who will provide input on outreach and engagement strategies, decision tools, and partner-building on an ongoing basis.

Coding Changes for Group Psychotherapy to CPT Code 90853

Changes to CPT code 90853 went into effect on July 1, 2015 to comply with federal coding requirements. The change affects the number of units that are billable to Medicaid and align with Medicare and it will eliminate the concept of units and allow for a per session billing regardless of time. The DVHA’s Clinical Utilization Review Board voted in favor of this recommendation based on best practice and compliance with Federal guidelines. Now that DVHA is in compliance, the group psychotherapy session rate will be reduced in January, 2016, to align across DVHA’s payment methodologies for providers.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: August 28, 2015

Secretary's Top Issues

Avian Influenza – Agency staff continue to meet internally to prepare. Sec Ross, Deputy Sec Bothfeld, State Vet Haas participated in call with 9 other states (NEASDA members) to discuss and coordinate plans for an outbreak that would likely affect multiple states and cross state borders. Experiences and challenges were shared and explained. State Vets are meeting regionally and planning. Emphasis was made on the importance of coordinating messaging with the USDA and across states. Communication personnel will be exchanging emails and contact information to assure connectivity and communication coordination. Additional meetings will occur at the staff/State Vet levels to continue to advance coordination and collaboration. This is seen as a very major challenge with very significant impacts by all the states.

The Vermont Fairs Association conducted their annual summer picnic meeting on Tuesday, August 25th hosted by Caledonia County Fair and facilitated by their President Rep. Richard Lawrence. Secretary Ross was the invited guest and discussed the Agency's role administering the Agricultural Fairs & Field Days Capital Projects Competitive Grants and Stipend programs. He also described the budgetary process the Agency participates in every fall. Sec. Ross strongly encouraged the Association to continue their strong relationships with legislators and how their yearly events help build agriculture literacy among the 500,000+ people who attend fairs. Reg Godin, grant administrator, will be facilitating the upcoming capital (\$200,000) and stipend (\$95,000) grant cycles beginning this fall.

✓ Sarah

CLF Settlement Discussion – After some back and forth between State attorneys and CLF, after it looked like there might be an impasse, there now appears to be an agreement. This will be firmed up over the course of Friday and discussed with Sarah London on Monday morning.

Water Quality – Secretary Ross attended and spoke at all three TMDL meetings located in St. Albans, South Burlington and Rutland. Meetings were well attended by the Press and public except for Rutland where fewer than 40 members of the public attended. It's clear there is some skepticism on the ability to achieve goals especially in Misissiquoi Bay and South Lake. It's also clear the public is losing patience and sees farming as a major contributor.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: August 28, 2015

Status of Governor's Priorities:

Significant Events/Meetings:

- Assistant State Veterinarian is working with 211 leadership to develop a *sick bird call triage protocol* for staff answer calls at the Essex facility. The call center has been receiving calls from poultry owners.
- Assistant State Veterinarian has been participating in daily planning calls on avian influenza with FSCP Division Directors and Deputy Secretary of Agriculture.
- Assistant State Veterinarian is working with the Produce Safety Team on a number of FSMA related initiatives:
 - Meeting with the VT Congressional Delegation to provide an update and discuss resource needs
 - Presenting to the VAAFAM internal group proposed produce safety program
 - Working with FDA to plan a VT-hosted listening session planned for December 2015 on FSMA final rules for Produce and Preventive Controls
- Animal Health field staff are working collaboratively with the NY Dept of Ag and Markets regarding a VT licensed livestock dealer and dairy farmer who is reportedly importing cattle from a sales barn in NY without procuring the requisite movement paperwork. Field staff have set up a meeting with the individual. This would be the second time this dealer has violated VT import rules and if the claims are substantiated, further action will likely be in the form of a Notice of Violation.
- Animal Health Staff worked with a deer producer to move two elk from a farm in Ryegate to the new farm in Fairfax. 27 more elk will be transferred once the second area on the new farm is fenced in.
- Assistant State Veterinarian is working with Deputy Secretary to coordinate FIT (mask) testing of VAAFAM volunteers as part of the avian influenza planning focus.
- Assistant State Veterinarian held an accreditation session in conjunction with USDA for 5 new veterinarians in VT.

Evolving Issues:

- Animal Health Section monitored events at the Orleans and Caledonia Country Fair. All out of state participant in the horse and oxen pull events have valid import and disease testing paperwork. However, for the second year in a row, multiple owners exhibiting sheep and goats at the Caledonia Fair do not have Scrapie tags placed on their animals.
- Animal Health field staff completed an inspection of the Poultney/Lakes Region Farmers Market and found three scales without current inspection stickers.

- Animal Health field staff are working with Vermont State Police regarding farm in Sudbury VT that reportedly has cattle with low body condition scores. Cattle have been getting out of fence and onto state highway. With one fatality this year in Rutland County because of livestock on state highway, VSP is concerned with this farm.

Summary of Key agency Department Activity

Agricultural Development:

- The Vermont Fairs Association conducted their annual summer picnic meeting on Tuesday, August 25th hosted by Caledonia County Fair and facilitated by their President Rep. Richard Lawrence. Secretary Ross was the invited guest and discussed the Agency's role administrating the Agricultural Fairs & Field Days Capital Projects Competitive Grants and Stipend programs. He also described the budgetary process the Agency participates in every fall. Sec. Ross strongly encouraged the Association to continue their strong relationships with legislators and how their yearly events help build agriculture literacy among the 500,000+ people who attend fairs. Reg Godin, grant administrator, will be facilitating the upcoming capital (\$200,000) and stipend (\$95,000) grant cycles beginning this fall.
- The Agricultural Development team secured a fantastic advertising deal for Vermont producers targeting NYC and New England Holiday markets. To sweeten the deal the Chief Marketing Office agreed to design the two-page ad which will highlight 'giving Vermont' for the Holidays.
 - The cooperative advertisement offered 12 Vermont producers the chance to promote their products for Holiday giving in *Vermont Life*, *Edible Manhattan* and *Edible Brooklyn*, which have a combined circulation over 125,000. An invitation to participate was sent to producers through the Vermont Specialty Food Association, the Council of Agricultural Associations and Working Lands Grantees. The first 12 to reserve a spot in writing were selected to participate in the Cooperative advertisement. The three magazines are set to hit newsstands mid-November.
- Senior Market Development Specialist Reg Godin and Vermont Building Manager Sheila Masterson were on the [Thursday August 27th segment of *Across the Fence*](#) promoting the Vermont Building at the Eastern States Exposition Fair 'The Big E'. The segment consisted of the promotional video produced by the Agency of Agriculture, Food & Markets in 2014 as well as interview questions regarding building history, AAFM's role in managing the building, Vermont producers at the fair and the larger economic impact of the Vermont building.
- On Wednesday, August 19th, WLEB team members Noelle Sevoian, Reg Godin, Melissa Moon, and Emma Hanson conducted two site visits to the farms of FY 14 WLEB grant recipients: Bonnieview Farm in Craftsbury and Snug Valley Farm in East Hardwick. The team met with the farmers to see their granted projects first hand and better understand the impact the new infrastructure is having on the farms. They also sought to identify any difficulties they may be encountering and provide resources and networking to ensure the farms' ongoing success as part of an enhanced focus on grantee stewardship. Bonnieview's new cheese cave is nearing completion and will allow for improved quality life and business expansion for their sheep milk creamery. Snug Valley purchased a new animal trailer, a walk in freezer, and a delivery van that have vastly improved their systems and efficiency. Both farms described their grant projects as key steps towards achieving an even greater vision for their businesses with detailed ideas for next steps and future projects.
- The Working Lands Enterprise Board held its monthly meeting on August 18. In attendance were six of the seven new members who have been invited to fill board seats created by the Legislature as part of the merger with the Vermont Agriculture and Forest Products Development Board during the 2015 session. Four of the seven have not yet been officially confirmed, but they have been invited to take part in meetings as non-voting members. Secretary Ross facilitated a discussion on WLEB's new policy development and advisory role, another addition to the Board's scope made during the 2015 Legislative session. The Board also provided input into the FY2016 granting plan, and staff are currently finalizing the application, which is due to open in early October.

VAAFM Farm to School Coordinator Joins Vermont Farm to School Network in Presentation to Ben & Jerry's Foundation at Milton Middle School on August 24, 2015

- The Vermont Farm to School Network has applied for a Ben & Jerry's Foundation grant, to cover the cost of enriching and strengthening the Vermont Farm to School Network, building on the work that has been done over the past year, through a system mapping and action planning process.

- Milton Schools were chosen as host because they have a nationally recognized farm to school program, which was significantly boosted by a 2013 Vermont Farm to School Implementation Grant.
- Milton Food Service Director, Steve Marinelli and Farm to School Coordinator, Brooke Gannon has been instrumental in developing a model of farm to school that is truly sustainable. Thanks to the efforts of Marinelli, Gannon and others, school meal participation has seen a major increase, which has turned a struggling food budget into a profitable enterprise, benefiting the entire community.
- Gannon has also worked closely with the district's educators, successfully integrated agriculture literacy and nutrition education related to farm to school into the school's curriculum.

VAAFM Farm to School Coordinator, Zipparo and Vermont Farm to School Network Common Core Group Meet to Develop the Next Phase of the Farm to School Network Steering Committee on August 27, 2015

- The Common Core is made up of several farm to school leaders: Ali Zipparo of VAAFM, Jess Hyman of Vermont Community Garden Network, Erin Roche of UVM Center for Rural Studies, Steve Marinelli of Milton Schools Food Service, Ryan Torres of Greater Burlington YMCA, Beth Roy of Upper Valley Farm to School, and is coordinated by Betsy Rosenbluth of Vermont FEED/Shelburne Farms.
- Common Core members represent the five work teams that are working on projects designed to move five major levers in the farm to school system, identified through the system mapping process.
- The group selected 7 new members to add to the Common Core group, out of a list of 20 nominees. The new members will represent an at-large constituency, and will convene with the Common Core 2-3 times a year, to discuss higher-level strategy for the Vermont farm to school network.

VAAFM Deputy Secretary LaClair, Local Foods Administrator, Willard and Senior Agriculture Development Coordinator, Zipparo Meet with Key Farm to School Leadership from Vermont Food Education Every Day (FEED), along with NOFA-VT Executive Director, at Shelburne Farms to Discuss Several Upcoming Events

- The group began planning for the release of the 2016 Farm to School Grant Program RFP, which will be available for Vermont schools to apply beginning in early October.
- VAAFM and FEED have had a close partnership in developing the grant program since it began in 2007. In 2015, FEED began coordinating newly required technical assistance for planning grantees. FEED is nationally recognized for their work providing farm to school TA, especially through the Farm to School Summer Institute, which is held annually at Shelburne Farms.
- Planning for National Farm to School Month, which takes place in October, and Agriculture Literacy Week, which takes place in November, also began.

VAAFM Farm to School Coordinator Works with Agency of Education's Tom Alderman on Developing Criteria Related to Educational Priorities, for the Vermont Farm to School Grant Program

- This partnership between Agriculture and Education, as it relates to curriculum, is part of a new effort to build a stronger bridge between the two agencies around farm to school.
- Traditionally, the grant program has been strongly supported by the Agency of Education Child Nutrition Program at the Agency of Education, but the curriculum connection has been deficient. This new effort to better connect the grant program with Vermont education standards has been part of an overall effort to better integrate farm to school into several related state agency priorities.

Produce Safety Program Development & Preparation for Food Safety Modernization Act (FSMA) Implementation

- Local Foods Administrator Abbey Willard, Assistant State Veterinarian Shelley Mehlenbacher & Produce Safety Coordinator Kristina Sweet presented further plans for a Vermont produce safety program to Agency leadership along with a timeline for implementation of FDA's Produce Safety Rule. The team will seek feedback from Vermont's produce industry on a potential state produce safety program this fall and winter.
- Local Foods Administrator Abbey Willard & Produce Safety Coordinator Kristina Sweet participated in National Association of State Departments of Agriculture (NASDA) conference calls on NASDA's proposed Operational Plan for FSMA implementation and a proposed funding model for state produce safety programs to implement FDA's Produce Safety Rule. The funding model is currently under development with input from states and FDA.

- Produce Safety Coordinator Kristina Sweet participated in an FDA FSMA Preventive Controls Rule Readiness Training webinar on using a systems-based approach for supplier management in human and animal food processing.
- Local Foods Administrator Abbey Willard, Assistant State Veterinarian Shelley Mehlenbacher & Produce Safety Coordinator Kristina Sweet initiated planning for an FDA public listening session on final FSMA rules to be held in Vermont this December. The Agency of Agriculture will host the listening session at a to-be-determined location along the I-91 corridor to encourage participation from throughout New England.
- Local Foods Administrator Abbey Willard, Assistant State Veterinarian Shelley Mehlenbacher & Produce Safety Coordinator Kristina Sweet met with representatives of Vermont's Congressional Delegation to brief members on funding needs for FSMA implementation and the Agency's efforts to support the produce industry within Vermont.

Inter-Agency Local Product Procurement Advisory Group meets to explore opportunities for SOV to increase purchases of local food and wood products

Representatives from VAAFM, AOA, BGS, VDH, FPR, ACCD shared project updates including:

- Statehouse Buy Local Market
 - Hundreds of attendees; team of 10 VAAFM employees, NOFA, Capital City Farmers' Market. Very successful. Connected state workers to local food; allowed Capital City Farmers' market to explore possibility of a mid-week market in Montpelier; provided marketing opportunity for local vendors
 - Possibly use the market as a way to promote state procurement next year. Similar to speed dating model.
 - Possibly consider alcohol next year, as a permitted item for vendors to sell. Agency of Administration will consider. Customers and potential vendors would be very happy.
- Local Food Tracking in State Government with VAAFM and BGS
 - Looked at state facilities, worked with broad line distributors to see what local product is purchased by SOV, to establish a baseline, which will then lead to a target.
 - To get to 10% (Farm to Plate goal for state) local food purchasing, need to transfer \$107,688 in spending toward local food
 - Correctional facilities don't purchase powdered milk from St Albans Coop, because not fortified with Vitamin D—good market opportunity for accessing VT milk.
- Gardens at Corrections Facilities pilot with VAAFM
 - In an effort to increase local food available at VT facilities, VAAFM worked with the VT Community Garden Network to plant a small garden at Woodside Juvenile Detention Center this summer
 - Additionally did an inventory of current facility gardens and interest in creating more: there are 5 corrections facilities currently with gardens. There is room to develop more gardens. Good opportunity to enhance rehabilitation while including workforce development.
 - Jolinda suggests work with the DOC Commissioner on garden initiative
- Waterbury Facility VCPM project with AOA and VDH
 - Had presentation in June from VCPM project on facility. Surveyed employees- almost half responded. Almost everyone wants local food available at the facility.
 - Manager is interested in continuing local food use (as she does at 108 Cherry), but there are some challenges with the procurement of local food, due to staff mobility limitations.
- State Park Concessions
 - Lake Elmore's healthy options were almost entirely healthy. Other state concessions are interested in doing, as well. Meeting with in October to try to solidify next steps.
- Forest Products
 - Working Lands Forestry Sector System Mapping Project

- Goal: identify where to invest dollars
- RFP to look at gaps in infrastructure that would help guide investment; build relationships. Yellowwood Associates was awarded contract. Very collaborative project.
- Forestry Sector System Mapping Project Findings
 - Public awareness about forests is important
 - Opportunities for furniture, solid wood projects, and construction
 - State procurement policies were mentioned. Example- Waterbury facility bid specified yellow poplar, which doesn't grow in VT.
 - For construction- really trim and other small parts, rather than major timber for a job. There is no construction grade mill in the state, anymore, so no capacity to process our wood.
 - Architects don't think about what kind of wood should be used to ensure that it is local- their goal is almost entirely esthetic
 - Cross laminated timber is an opportunity- instead of concrete foundation. A company, Woodworks, has a lot of experience in this product, and is rolling out a series of workshops on the process around the US. Can be used as continuing ed. Credits for architects
 - BGS and subcontract architects should be educated on local product usage
- Split bids is also an opportunity
- Deb D. will work with BGS commissioner to engage ANR earlier in the process, before specs are made.
- BGS
 - There were matchmakers- 4 in total- low attendance at first; more producers attended later events. Need improve on vendor outreach and coordinating buyers.
 - Purchasing advisory council: on hold because of large IT changeover. Council will be reinstated. Hope to get info out in Sept. in newsletter and start up in Oct
 - Healthy food standards were put into place. Embraced and got rolling. Seems to be working alright. No recent complaints.
- There is a VT Chamber "Manufactured in Vermont" matchmaker coming up in September and the VT League of Cities and Towns is hosting a matchmaker event in October.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

- Drew Harding, Apiary Temp in 2015, has completed his employment with Consumer Protection, and has returned to his Senior year of college at the University of Maine – Orono.
- Henry Marckres, Chief, Consumer Protection and Deputy Secretary Diane Bothfeld, attended a meeting at the Human Rights Commission regarding ADA and access to fuel pumps on Tuesday.
- Henry Marckres, Steve Parise and Scott Dolan of the Consumer Protection section, have completed follow up inspections for USDA in the Country of Origin (COOL) program on Thursday.
- Henry Marckres, Chief, Consumer Protection will be judging maple syrup and products at Champlain Valley Fair on Friday and the Moose Festival in Caanan on Saturday.

Meat Inspection:

- Met with Individual in White River Junction to discuss plans for a slaughter facility mainly geared to lambs and poultry. Individual has been operating under current exemptions and is ready to make the next steps to expand the business. The facility will probably start as a custom slaughter then move to State Inspection and eventually to federal

inspection to service other nearby states. Individual was also given contacts for the ARMs division for activities related to on-farm wastewater management

- Spoke with individual from Wells concerning the next phase of the construction for a custom slaughter and processing facility in that area. The building is basically completed and now working on the wastewater portion of that operation, Contact were given for the ARMs division for this operation as well since this would also be farm operation that could control wastewater disposal through the Required Agricultural Practices (RAPs). This approach also gives the opportunity to find out actual water usage and effluent strength before designing a conventional wastewater system appropriate for the operation
- Sugar Mountain farm in Orange is in the final phases of development of their Hazard Analysis Critical Control Point (HACCP) plans and label approvals in order to start processing swine under State Inspection
- Bear Trap Processing in Milton, operating under State Inspection, has begun to offer services to more producers enabling those producers to expand the sales of their products.
- Multiple label approvals have been submitted for approval by this establishment as well as other State Inspected facilities showing that if the inspected facilities are available more producers will use them.
- The efforts of the Meat Inspection program to provide technical support to those parties interested in inspection services continues to show an increase in the development of such facilities. Consequently the burden on the inspection service continues to increase and may lead to the need to add additional Food Safety Specialist positions in order to fulfill the mandated daily inspection for products entering commerce.
- Activities are continuing in an effort for all State Meat Inspection Personnel to meet the identification verification requirements mandated by HSPD12 for access to federal government computers to maintain our “At Least Equal to” status for the Public Health Information System (PHIS) and to continue with our Cross-Utilization contracts for providing federal inspection services at 100% reimbursement

Animal Health:

- Animal Health Field Staff
- Completed poultry testing for a producer in the St. Albans areas who is considering enrollment in the National Poultry Improvement Plan
- Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.

Agricultural Resource Management:

North Lake Farm Survey Initiative (encompasses last two weeks):

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 400 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. Over 130 farms have been fully surveyed to date, data summary is ongoing and summary materials are being developed for public presentations. The following number of farm facilities were surveyed within the last week as part of this initiative:
 - 9 SFOs
 - 3 LFOs

Medium Farm Operation (MFO) and Large Farm Operation (LFO) Programs (encompasses last two weeks):

- Staff conducted a complaint investigation and while on site also conducted an Initial Facility Evaluation of a MFO in Addison County as the farm recently became a MFO. The complaint was related to a manure stack and the farm remedied the issue prior to our investigation. The farm was in compliance with the MFO General Permit at the time of the inspection.
- Staff conducted a technical assistance visit of the LFO in Addison County related to LFO permitting. The farm was authorized to construct additional animal housing which required a permit amendment.

- Staff are responding to complaints about the construction of a manure pit by a LFO in Addison County.
- Staff conducted a follow-up inspection on a LFO in Addison County to evaluate vegetated buffers on corn land. No violations were observed.
- Staff conducted a technical assistance visit on a MFO in Franklin County to work with the farm to install livestock exclusion near a spring/well.
- Staff conducted a technical assistance visit on a MFO in Franklin County to discuss field runoff onto neighboring residential property. We are working with land owners and the farm manager to best address storm water runoff from ditches on to neighboring property.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff finished reviewing all LFO annual reports so that each farm can be notified of deficiencies. We are working internally to figure out next steps related to reporting deficiencies which also include deficiencies in nutrient management plans.
- Staff are continuing to work on the FoodSafety Water Quality database.

Conservation Reserve Enhancement Program (CREP) (encompasses last two weeks):

- Staff worked with a SFO in Franklin County and certified CREP and BMP practices.
- Staff participated in visit to a SFO in Franklin County with FSA state director and other staff, NRCS State Conservationist, and Val Dolcini (national head of FSA).
- Staff visited a SFO in Franklin County to mark out an area when an excavator needed to adjust a stream crossing.
- Staff visited a SFO in Chittenden County to evaluate a potential CREP buffer with VLT and future landowner.
- Staff visited a SFO in Chittenden County to meet with a contractor to get cost estimate for installation of burying 2300' of pipeline for a frost free livestock watering system.
- Staff met with the director of Winooski Valley Park District, and Burlington Parks and Rec Land Steward to discuss a potential riparian project on Intervale Farmland.
- Staff visited a SFO in Lamoille County to certify/inspect BMP contract work with two contractors and brainstormed a plan to collect silage leachate not previously noted in a previously conducted farm survey.
- Staff visited a SFO in Lamoille County to conduct and inspection of BMP practices recently installed.
- Staff participated in a water quality meeting in Enosburgh with ANR-DEC, other AAFM employees and members of various watershed groups.
- Staff visited two farms in Orange County to evaluate CREP project sites and for meetings with landowners and the Upper Valley Land Trust

ARM Water Quality enforcement

- A small farm in Cornwall will receive a Notice of Violation with proposed penalty for operating with more than 200 mature dairy animals without first seeking coverage under the State's MFO General Permit, and for violations of the Required Agricultural Practices Regulations (RPAs) including the discharge of manure and milkhouse waste to waters of the State.

Major Developing Issue and Public Records Request

- An organic cut flower farm in Ferrisburg is protesting the construction of a manure pit on neighboring land owned by a large farm operation. The flower farm claims the odor of the manure, both when stored and when land-applied, will

taint her flowers and make them unmarketable. The Agency has received numerous email and phone messages requesting information on how the public can get involved to repeal the farm's permit and stop the construction of the pit. The flower farm now has legal counsel and a Public Records Request has been filed with the Agency to request copies of all documents related to the construction of this manure storage structure.

← Sarah

Secretary's Comments:

Avian Influenza – Agency staff continue to meet internally to prepare. Sec Ross, Deputy Sec Bothfeld, State Vet Haas participated in call with 9 other states (NEASDA members) to discuss and coordinate plans for an outbreak that would likely affect multiple states and cross state borders. Experiences and challenges were share and explained. State Vets are meeting regionally and planning. Emphasis was made on the importance of coordinating messaging with the USDA and across states. Communication personnel will be exchanging emails and contact information to assure connectivity and communication coordination. Additional meetings will occur at the staff/State Vet levels to continue to advance coordination and collaboration. This is seen as a very major challenge with very significant impacts by all the states.

CLF Settlement Discussion – After some back and forth between State attorneys and CLF, after it looked like there might be an impasse, there now appears to be an agreement. This will be firmed up over the course of Friday and discussed with Sarah London on Monday morning.

Water Quality – Attended and spoke at all three TMDL meetings located in St. Albans, South Burlington and Rutland. Meetings were well attended by the Press and public except for Rutland where fewer than 40 members of the public attended. It's clear there is some skepticism on the ability to achieve goals especially in Misissiquoi Bay and South Lake. It's also clear the public is losing patience and sees farming as a major contributor.

Breakfast on the Farm – Sec Ross attended this event on the Vander Way Farm last Saturday morning. Over 500 members of the public attended and over 100 people volunteered. Thousands of dollars of contributions of cash and in kind were made. It was very successful first effort and there may be a kitty to help fund another event next year.

Food Safety Modernization Act (aka FSMA) – Sec Ross participated in NASDA call where leadership states discussed how to NASDA and the state should engage and plan for the new rules and their implementation. There was strong agreement that the states must see that FDA is able to adequately fund states for implementation and that all rules be funded and implemented so there is a level playing field. There was particular concern for the implementation of rules on domestic producers/farmers and inadequate implementation on foreign suppliers (importers) thereby creating an uneven circumstance for US producers/farmers. VAAFV will be meeting with VT Congressional Delegation representatives to discuss these and other concerns Friday afternoon.

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Deborah L. Markowitz
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Justin G. Johnson
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State of Vermont
Agency of Natural Resources

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: August 28, 2015

Subject: ANR Weekly Report

Governor Level Issues:

Costco Case Victory: After almost a year waiting for a decision in the Costco wetland/gas pump case the Environmental Court issued a decision supporting ANR's actions to reclassify the wetland and to issue a permit after determining that the new development would not adversely impact the wetland. It also upheld our stormwater permits. This is an example of the unnecessary cost and associated with the environmental court system we have in place today. After a week long trial where all of our permits decisions were re-litigated (costing the party many thousand dollars in legal fees and expert costs) the applicant had to wait an entire year for a decision that simply reflected what we knew at the start – that DEC permits are based in science and law.

ED Board Meetings, Public Meetings and Radio on Clean Water: We had great Ed Board meetings at the BFP and RH to discuss the TMDL and our Clean Water implementation plan. Alyssa also did a great job on VPR with Steve Perkins (EPA) talking about the TMDL and Plan. The public meetings went well. Sue, Chuck, Alyssa and I all participated along with Steve Perkins and some of our staff. More than 200 people came out in St Albans, at least 150 in Burlington and 50 or so in Rutland. Folks had a variety of questions. Not surprisingly, in St Albans they were concerned with quick action and when they would see a difference in the water quality. Folks from Lake Carmi and Fairfield Pond were also very vocal. Some farmers were concerned about the ever-changing directives in nutrient management, and James Ehlers just threw bombs. In Burlington there were good questions about funding and implementation as well as questions about the basis of the various targets. The forestry targets were challenged and LCI challenged whether the goals were even achievable at all in certain areas. In Rutland there were questions about funding. Overall it went very well.

Meeting with Casella: I met personally with John when I was in Rutland earlier this week. He has been unhappy with decisions from our Solid Waste Dept so I thought it would be helpful to hear from him directly. I found a way forward with one of his requests and overall it was a good meeting.

Bottle Bill: Trey Martin and DEC staff met with Andy MacLean (VT Beverage Association), Kevin Deitly (consultant for the VT beverage distributors), Karen Flanders (Casella Waste Management), Tom Moreau and Jen Holliday (Chittenden Solid Waste Management District) to discuss the beverage container redemption program. The group requested the meeting in order to offer potential options for ANR to consider for changes to the redemption program, which would integrate it into the existing recycling system, with potential short term fees that could be used for Universal Recycling infrastructure.

Branbury Beach Reopened: The popular swimming beach at Branbury State Park was closed last weekend due to a significant number of people getting ill after swimming there last week. Working closely with the VT Department of Health, swim water and drinking water samples all passed easily. VDH conducted a confidential survey of the people reporting illness, and reached the conclusion that the cause was likely a human-to-human viral transfer through the lake water. As the reporting in essence declined and time passed, VDH advised that the beach could be reopened Monday morning.

EVERYTHING ELSE:

Press Issues/Releases:

Jay Peak Resort (JPR) Public Records Request and Media Coverage: A request was received regarding recent correspondence between VNRC, represented by Vermont Law School's Environmental & Natural Resources Clinic, and Jay Peak. At root was the question of whether JPR was following through on water quality commitments set forth in the February, 2015 Settlement Agreement signed by ANR, JPR and VNRC. After a flurry of public records response activity, a VTDigger reporter then requested an interview and wrote a story. JPR is meeting most of their commitments in the settlement agreement. A timeline has been set for compliance with the commitments they are not yet meeting.

Public Hearings on Proposed ATV Rule, September 16 and 24: Two public hearings will be held to receive comment on a new rule proposed by the ANR that would allow the Agency Secretary to designate connector trails for use by all-terrain vehicles (ATVs) on public lands owned by ANR.

Vermont's Migratory Bird Hunting Seasons Announced: The VTF&W Board approved the 2015 migratory bird hunting season dates at its August 12 meeting. A printable copy of the regulations can be downloaded from the VTFWD website. A printed version also will be available from license agents and post offices in early September.

Storm Damage at Mount Mansfield: One Year Later: Commissioner Snyder was interviewed for an article in the Stowe Reporter regarding a severe storm last summer that caused damage to an area of Mount Mansfield State Forest and the condition of the area a year later.

FPR News Stories on WCAX: Commissioner Snyder was interviewed by Anson Tebbetts last Friday about changes to the current use program (to be aired at a later date), and also about last week's closing of Branbury State Park beach after some swimmers there became ill. The beach was reopened after the weekend.

Significant Events/Meetings:

Combined Sewer Overflow Notification: DEC continues to develop the new online Combined Sewer Overflow (CSO) Incident reporting form. It has been tested and errors are now being corrected. Go-live was scheduled for August 26. After that time, wastewater treatment operators will be able to report CSO incidents in real time by uploading reports to a public website. Staff will then verify the reports online within 24 hours.

Microcystin Detected in Intake Water of Alburgh Village Water System: As the weekly sampling of Lake Champlain water systems' raw and treated water continues, the Department of Health notified DEC that the Alburgh Village raw water sample contained 0.2 ng/ml microcystin (the test's detection limit is 0.16 ng/ml). The water test was immediately repeated and the resampled raw water result was ≤ 0.16 ng/ml. It should be noted that the results of both the *treated* water samples were ≤ 0.16 ng/ml, so the users of the water system were not at risk at any time.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning

Anbaric Greenline – Kingsland Bay State Park Landfall: OPLA facilitated a meeting and a site visit this week amongst the Anbaric Greenline technical team, Rutland district stewardship team, and FRP senior leadership intended to explore the potential for Anbaric to utilize Kingsland Bay State Park, Ferrisburgh, as the landfall site where Anbaric's 400-800MW DC transmission line project would exit Lake Champlain and continue along a terrestrial route to an existing VECLO substation in New Haven. The construction project is broken into three phases, two of which involve in-lake work that would impact views and use of the lake, the ability hold events such as weddings, and the general use and enjoyment of the park for the public; the third phase focuses on extending the terrestrial line out of the park, which could impact traffic in and out of the park. The dialog was positive and focused primarily on the exact steps involved in each phase, how long they will take, and whether opportunities exist to schedule the bulk of the work outside the park's peak season. The district stewardship team will regroup internally and work with FRP and OPLA to develop a set of proposed conditions and performance measures for

the use of the park to share with Anbaric for their consideration. Anbaric would like to begin their Public Service Board regulatory process around the first of the year, so establishing their landfall location is critical for the project moving forward.

GMP/growSolar 5MW solar projects: OPLA met this week with representatives from growSolar and Green Mountain Power to discuss four large-scale solar projects currently under development through a joint venture of the two companies. GMP and growSolar have plans for another 4 or 5 additional large-scale projects in the future; I believe GMP's goal is to develop roughly 40MW of new generation through this partnership. The projects range from 2.5 to 5MW, with most at the higher end of that spectrum. Two projects have already had pre-hearing conferences at the PSB and docket schedules will be set shortly: one is just off the exit 11 off-ramp in Richmond and the other is on the IBM campus in Williston. A third project in Hartford is filed with the PSB, but the formal proceeding has yet to begin; the fourth – at the Windsor prison – has faced local opposition and GMP is waiting the results of a Seletboard hearing on September 8th to decide whether they will continue with that project. GMP and growSolar met with OPLA on several occasions over the past 18 months while in the pre-development phase for these projects to review potential locations, so all the sites they have selected have been well vetted and do a good job of avoiding most significant natural resources. It's encouraging to see such substantial new renewable capacity sited in a way that avoids impacts to important natural resources.

Ranger Solar initial contact: Ranger Solar, an out of state firm, is in the early stages of developing some very large scale solar projects in Vermont. Ranger is currently in pre-development for three separate 20MW solar generation facilities, with a fourth in their pipeline. Each project would require roughly 100-120 acres of land. Ranger has contracted with natural resource consultants familiar with Vermont's ecology and regulatory framework, and those consultants have developed preliminary natural resources assessments for the first three sites, which Ranger will present to OPLA on September 1st.

Swanton Wind – site visit request and MET tower investigation: The developers of Swanton Wind, a proposed 7-turbine utility scale wind project outside of St. Albans, provided ANR this week with an updated natural resource assessment and project layout. OPLA has been coordinating ANR review of this project at various stages of pre-development for over a year, but it now appears the developers have settled on preferred layout and would like to begin moving forward with permitting in the fall or winter. The project faces significant local opposition. Swanton Wind has requested a site visit with relevant ANR technical staff to walk the site, review key natural resource features and provide general comments and feedback in advance of their permit filing. This type of pre-file visit is typical for large projects as it provides regulatory staff the opportunity to review the proposal, request additional info if necessary, and flag potential impacts that may prevent a project from receiving permits. Often the goal of such meetings is to encourage developers to reconfigure projects to reduce potential impacts to the environment. OPLA is working to schedule the site visit, which will likely occur in mid to late September.

ANR is also participating in a recently opened investigation at the PSB exploring whether a meteorological tower (MET) was erected at the Swanton Wind site without the necessary PSB permit.

OPLA/NRB Coordination Meeting: OPLA and NRB staff and leadership met this week in the latest of a series of monthly meetings intended to improve communication, coordination and efficiency related to Act 250. The bulk of the meeting focused on developing a process and position for how to address the increasing number of solar energy projects proposed at sites with existing Act 250 land use permits. Solar developers are increasingly looking to site facilities in sand and gravel pits and brownfield; often these locations are subject to existing Act 250 jurisdiction. While energy projects, which are permitted by the PSB, do not require review by Act 250 nor amendments to existing Act 250 permits, if Act 250 conditions do exist that may constrain the use of a parcels for energy production or other uses, the NRB would like to ensure the PSB is aware of these restrictions and that they are addressed appropriately through the Section 248 process. Often these existing permit conditions protect important natural resources, so ANR shares the NRB's interest in making sure these conditions survive the Sec. 248 process.

New Applications: Week of August 17th, OPLA received 8 new Act 250 applications and 7 new Section 248 petitions.

Environmental Conservation (DEC)

Aquatic Plant Accumulations (North Hero & Alburgh): DEC continues to receive complaints, some of which were forwarded from the Governor's Office and Senator Leahy's Office, from residents of North Hero & Alburgh (specifically near Blockhouse Road, Poor Farm Road, and Cedarvale Estates Road) expressing concern about significant aquatic plant accumulations along the lake shore. Staff has responded to each of these complaints. Many allege the accumulation is attributable to aquatic plant harvest activity occurring in Carry and Pelots Bays of Lake Champlain. A harvest inspection occurs this week. Staff suspect that the large accumulation is related to increased recreational boating activity in the area, and not the harvesting itself.

Agriculture Digester Air Emissions Meeting: AAFM and DEC Air Quality & Climate Division representatives, along with representatives from Green Mountain Power (GMP), met about air emissions and DEC registration fees associated with the operation of agricultural manure digesters and generator engines ("Cow Power" projects). Facilities with air emissions of more than 5 tons annually are subject to annual registration fees. Some digesters are emitting up to 35 tons of methane annually. Letters were sent informing the digester/generator operators of the new requirements shortly after the legislative session. Some farms expressed surprise and concern about being covered by the air quality fees. All parties discussed emissions fees for criteria air pollutants and hazardous air contaminants. Existing Cow Power projects were ineligible as CO₂ offset projects under the Regional Greenhouse Gas Initiative (RGGI), but new projects could explore that option as a way to generate added revenue. AAFM, DEC and GMP

agreed to keep lines of communication open for opportunities to help reduce emissions and yield other environmental benefits at these agricultural facilities, as well as reduce their fee burden.

Little Averill Lake Dam: We issued an NOAV to Hydro-Coaticook for alteration of the outlet gate of Little Averill Lake without prior approval from DEC. A portion of the gate was removed which is causing a dramatic lowering the water level of the lake and discharging at an excessive rate. DEC is concerned that the gate opening may have been improperly sized and as a consequence the owner has been directed to immediately engage a qualified engineer to prepare and submit plans for DEC review and approval. The corrective work will require a Dam Order from DEC.

American with Disabilities Act (ADA) Collaboration: At the request of the Vermont Human Rights Commission, we are assisting with outreach regarding needs and requirements for compliance with the ADA at gas stations. To be in compliance, gas stations must provide pumping service and customer access. In order to help spread information about the Act, we included an article in the summer Underground Storage Tank Program newsletter. In addition, the 2015 on-line self-certification has been updated to include questions on the Act requirements; any no answer will generate an email containing contact information (web address and phone) for the Vermont Human Rights Commission.

Vermont Yankee: Technical staff submitted prefiled testimony to the Vermont Public Service Board last week regarding Entergy Vermont Yankee's application for a CPG with the Public Service Board in Docket 8300 (Dry Cask Storage), indicating that ENVY should perform environmental sampling of building materials and soils during the demolition of the North Warehouse to make room for the dry cask storage facility.

Fish & Wildlife (FWD)

Staff Recommends Putting on the Brake for New Parking Lot: Staff attended a meeting with DEC and Mount Snow regarding Mount Snow's proposal to enlarge a parking lot located at the Carinthia Resort in Dover. The proposal would expand an existing parking as part of Phase 1 of a previously approved Master Plan, but it would require filling a class III wetland and diverting a stream via a culvert into an existing 300' long culvert. The result would be the elimination of roughly 400' of stream channel. Considering impacts to streams and riparian buffers, staff drafted a memo to OPLA and recommended that the applicant explore options to avoid diverting stream flows in order to maintain water quality and a natural stream channel.

Bear Activity: Bear season is only a week away. This week was busy with routine permit checking of houndsmen/women. Outreach for bear issues is still ongoing and staff members are trying to stress the importance of being proactive about keeping trash, compost and birdfeeders out of reach of the bears. Do not feed the bears...

Deer Activity: Whitetail road kill has been steady this week and reported deer jacking calls are up from previous weeks. Wardens are responding steadily to statewide night activity including

shots fired and lights in fields. Warden Dukette responded to a deer trapped inside the Newport City Motel fence, and the deer was able to get out of the fence safely with a little help.

Saving the Monarch: Staff worked with others to revise a Vermont section for the AFWA Monarch Report. Staff have included the Monarch in the Grassland Butterfly SGCN group in Vermont. What VTFWD is doing now with our state land management is to identify and track our meadow and other habitat work that may benefit pollinators so that we can have some understanding of what's going on with state lands in terms of pollinator conservation. Staff are also working with state lands stewardship teams to bring pollinators to the discussion when planning habitat work so that habitat management focused on birds and mammals is mindful of opportunities to benefit pollinators. In addition, USDA - NRCS has expressly stated that they want pollinators considered in their farm bill conservation programs. Staff are now working with NRCS in Vermont to figure out how to make that happen with our WHIP and EQIP projects. Staff have a draft proposal SWG proposal for doing specific work to benefit Monarchs and other pollinators, but have not yet secured the needed funding. As part of ANR, we have recently listed three species of bumble bees as state endangered and threatened and have convened a group to work on promoting pollinator conservation in Vermont.

Forests, Parks and Recreation (FPR)

State Lands Administration Meetings: Lands Administration staff along with other ANR and district staff met this week at Kingsland Bay State Park with representatives of the Anbaric Green Line project. This transmission line project would run from Plattsburgh, NY under Lake Champlain to Kingsland Bay SP and then would run underground along highway rights-of-way to a substation in New Haven. Lands Administration staff will also be meeting this week with the Town of Middlesex to discuss the proposed Hoyt donation (addition to CC Putnam State Forest). Additionally, we will be meeting with representatives from the Joint Fiscal Office, Property Valuation and Review, and the VT League of Cities and Towns this week to begin development of options for ANR PILOT as required by the legislature.

Forest Legacy: A preliminary property survey is nearing completion for the Molly's Falls Pond Project and we are on track to close on this landmark acquisition in the near future. Appraisal of the Dowsville Headwaters Forest Legacy fee acquisition project is now underway. The Department received a preliminary response from the Northeastern Area Office of the U.S. Forest Service regarding Sweet Tree's sugaring development on a portion of the lands encumbered by the Hancock Forest Legacy easement. While the Forest Service stopped short of stating a position on Sweet Tree's sugaring infrastructure and development, they did outline several areas of concern where they requested additional information from the Department. We will soon be following up with the Forest Service on this matter. Monitoring of Forest Legacy conservation easements is ongoing.

Burton Island State Park: Park facilities at Burton Island continue to be powered by generators and this will continue through Labor Day weekend. Engineering for the replacement

main power line has been completed and permits are being obtained for possible construction before next spring operating season.

Comprehensive Energy Plan: The Agency of Natural Resources has participated in developing a draft 2015 Comprehensive Energy Plan that integrates our need for local, renewable, clean energy sources with other environmental goals. Department of Forests, Parks and Recreation staff and Commissioner Snyder have drafted the wood energy section emphasizing strategies to implement modern wood heat technology to improve efficiency, air emissions, and the local wood economy.

Road Decommissioning: We initiated the first phase of the road decommissioning at West Mountain Wildlife Management area. This includes the removal of water crossings, reestablishing drainage along the roadway and scarifying the road surface to encourage natural regeneration. The total for the project this season is nearly 3 miles of road decommissioning.

New Record for Sugar Maple: During their carpool ride home on Friday, Aug 21, Windham and Windsor County Forester Sam Schneski and State Lands Forester Aaron Hurst stopped to measure a sugar maple for a possible big tree record. The tree is located at the Sojourns Health Clinic in Westminster in Windham County. After measuring the tree multiple times, Sam and Aaron determined it was indeed the new state record holder for the largest sugar maple at 349 points. The previous record holder in Dummerston scores 336 points, but has some serious structural issues and is leaning right over the owner's home.



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

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: August 28, 2015
Subject: Weekly Report

Commissioner's Office

DHR Deputy Commissioner, VSP Lt. Miller and DPS Deputy Commissioner met to discuss content for training for SOV workers on ...reading escalating individuals, personal safety and threat assessment. This is only the initial conversation with DPS assisting with subject matter expertise.

DEMHS

Issues/Updates:
Director Christopher Herrick began work this week.

General Information/Other:
Recovery and Mitigation Section staff provided a draft presentation to the Deputy Commissioner reporting on program status as of the fourth anniversary of Irene.

Deputy Director and R+M Chief conducted a call with the RPC Directors to discuss interpretation of FEMA's memo regarding RPC sub-grantee/contractor status. It was communicated there is no change from the Commissioner's previous position.

Time extension requests were submitted to FEMA Region 1 Acting Administrator for some Irene PW's requiring additional time beyond 09/01/15. Additional period of performance extensions can only be granted by FEMA and no longer the Grantee (SOV) beyond 48 months from declaration date.

Public Assistance program delivery is winding down for DR4207 (severe winter storm of Dec. 9-12, 2014); 64 project worksheets have been written for 51 eligible applicants. To date, federal share of \$3,705,156 has been obligated.

Public Assistance program delivery for DR4232 (flooding in Addison and Chittenden County on June 9, 2015) is ramping up. There are nine (9) applicants and approximately 16 project worksheets expected. Site visits are underway.

VPR ran an interview with Elizabeth Shogren, the reporter who wrote a story about FEMA last week. The story was favorable to the Recovery effort.

Initial VT ALERT presentations this week have been provided to the town of Colchester and the National Weather Service

The State Emergency Response Commission (SERC) met this week. Key items discussed were: HAZMAT Calls, DEMHS tickets, ANR Calls, By-Laws revision, and LEPC reports.

Fox-44 did an interview with Chief of Staff regarding changes in Emergency Management after Hurricane Katrina.

PIO met with Deputy Commissioner of Human Resources to discuss VT Alert and potential for notifications to state employees. It was determined we will move forward to use this as a tool for notifying state employees.

Legislative Contacts:

R+M Chief fielded an inquiry from Senator Leahy's staff regarding status of Bennington's Second Appeal for an additional \$1.1 million from Irene (still awaiting FEMA's overdue decision - nothing new heard in months).

HS Chief fielded a request from Senator Sanders' office regarding a municipal inquiry on the availability of HS funding that was recently released. The funding announcement was that of the standard grant award made to the States and not new incremental money.

CJS

VCIC:

Met with The Legislative Committee on Administrative Rules (LCAR) to review the proposed changes to the Marijuana Program.

Forensic Lab:

Coverdell (funds Evidence Technician): 2015 application submitted, waiting on award notification (\$60,000)

DNA Backlog (funds 1 DNA analyst & pays for bulk of DNA supplies): 2015 application submitted, waiting on award notification (\$150,000)

VSP

A Troop

FF

18 total arrests, 9 DUI

Investigated an aggravated assault in Waitsfield in which two males were smoking marijuana. This led one of the males being stabbed and threatened to have his throat slit.

Two adults from Canada were riding their bicycles on Perry Hill in Waterbury and failed to emerge from the trails after dark. Family contacted VSP, SAR was activated and shortly thereafter they emerged on their own accord.

BCI

NUSI, sexting case involving a 12 year old female and 27 year old male who is a member of the St. Albans Fire Department, investigation continues this week.

NUSI, sexting case involving a 14 year old male and 32 year old male.

NUSI, Sex assault case reported by 16 year old female that happened with an adult male when she was 4-5 years old, investigation on-going.

Continued A-Troop assist in various levels on Barre/Berlin homicides.

WCSIU, sexting case in Williamstown involving 14 year old and unknown on-line predator, working on identifying that person, investigation on-going.

WCSIU, Possible sex assault case in Williamstown involving father and 12 year old son, DCF/SIU interview.

Citizen assist in Westford with APS, this involved the 83 year old mother of our shooting victim who is suffering from dementia. Det. Baker assisted in lining up assistance from the Champlain Valley Agency on Aging. Basically she has no caregiver and is refusing help.

In custody death at CCCC, female inmate who was lodged three days earlier. On a 15 minute welfare check she was found unresponsive. Cause and manner of death is pending toxicology, but case deemed natural death at this time.

B Troop

FF

20 total arrests, 6 DUI

Called to a residence in Barnet VT for a burglary. Investigation revealed Joshua Smith (24) and Lynn Sheppard (22) had burglarized the residence on four separate occasions as well as another residence. They both confessed and were arrested.

Kathryn Lamadeleine reported a home invasion by two male subjects with a knife at her Barnet residence. This was discovered to be a false report.

1st degree aggravated assault & cruelty to animal charge, the same subject arrested for DUI one day after.

Stabbing involving three people at party, male lodged.

BCI

Attempt to locate individual for interview for NYSP regarding sex assault

Assault Case at corrections- Inmate assaulted an officer

Theft case from the correctional center-DOC officer stole money while on duty

Sex Assault intake by Caledonia SIU

Sex Offense intake Orleans SIU x2

Follow up and arrest in previous L&L Case

Stabbing incident in Corinth where two individuals were stabbed at a party and the offender was beat up.

Homicide Investigation in Greensboro initiated on Sunday night.

Reported Home Invasion /assault in Barnet. Female may have made the entire incident up after interviews and evidence at the scene.

Follow up meeting with ICE/Orleans County SA/ U.S Attorney's office regarding Sex assault on multiple children. Offender has been in custody for some time now. Offender is Will Allen. More interviews are being scheduled.

Fire investigation in Sutton, VT

Follow up investigation interviews in Newport Center Fire investigation

C Troop

FF

25 total arrests, 11 DUI

Multiple Directed Patrols to include Benson concerning illegal ATV operation on the roadways.

Vermont Hard Cider held a large concert in Middlebury which included a patrol contract; multiple DUI arrests.

Responded to a collision and arrested the operator for DUI-drugs and possession of heroin.

We had two missing hiker cases in the Silver Lake area and were able locate the hikers unharmed.

Marijuana plants confiscated on MERT detail.

MV Stop by Trooper resulted in the arrest of 4 individuals from Hartford, CT. (500) bags of heroin, (60) grams of crack, bag of marijuana, etc. seized from vehicle.

BCI

New case / Dead Body Natural causes death of an eighty-two year old male in Pantton.

New case / Agency Assist - Follow up with DCF – Middlebury regarding an adult female possibly showing up for a supervised visitation with a gun. Subject is Brady Disqualified. Investigation on going, CrimeNtel report filed.

Grant heroin OD death -Consult with AG's office and Grant family. AG's offered deal to accused to ID next level up heroin dealer in Burlington area that provided fatal drugs. Investigation continues.

Search of Otter Creek – Missing person Denise Hart

New case – Untimely. 53 y/o male Mitchell Oldenburg – natural causes.

Depo at AGs office for (Pelletier homicide)

New Case: Phone extraction for Bristol PD

New Case: Assist Shaftsbury uniform with large fraud case money being taken out of the victim account and sent out of the country.

Follow-up on Berlin homicide.

Phone conference with Lamoille Deputy S.A. regarding domestic assault that required CNU in Johnson, VT.

Case Follow-Up: Child Abuse. Town of Fair Haven. It was reported a 3 year old boy suffered severe burns from a hair straightener. Case Completed.

Case Follow-Up: Sex Offense. Town of Clarendon. It was reported a 5 year old girl may have been sexually abused by an unknown subject. Case Completed.

Case Follow-Up: Sex Offense. Town of Fair Haven. It was reported a 15 year old boy may have been sexual abused by an 18 year old male. Case Completed.

Case Follow-Up: Sex Offense. Town of Proctor. It was reported a 27 year old male have been sexual abused by unknown male subjects. Case Completed.

Arrest of suspect for sex assault for 2014 case

Assist uniform C3 with drug arrest at C3

Case prep and arrest of suspect for Voyeurism case

D Troop

FF

14 total arrests, 1 DUI

Responded to a one vehicle into a tree, then caught fire, accident in Landgrove – lone occupant (operator) is deceased – autopsy to be done.

Bratt PD officer in personal vehicle was in parking lot and someone struck his car and drove off. Plate obtained and Tpr located and cited subject for LSA.

Sgt. arrested Fugitive from Justice from the America's Best in Brattleboro after being contacted by the NHSP that Richard Rapazzo was there.

Wanted Person- I91 NB MM 21. Subject walking on I-91. Identified as Justin Watson with an active warrant. Transported to SSCF by WCSD.

Arrest for Gross Negligent Operation of a Motor Vehicle, Death resulting. This arrest was a result of a fatal motor vehicle crash that occurred on I91 in the town of Norwich. One tractor trailer unit had broken down (flat tire) and was pulled off into the breakdown lane. The operator was outside of the truck, possibly looking at the size of the tires when another tractor trailer unit side swiped the stopped truck and hit the operator who was outside.

BCI

Missing Person – Andover - Follow Up

Death Investigation – Barnard – Call Out. 45 year old male drown while kayaking. Still under investigation to clean up some conflicting witness statements.

Sex Assault – Randolph – Call Out

2 DRE Evaluations Reviewed

Assisted uniform with suspicious involving a woman screaming for help on Knapp Pond Road in Cavendish, uniform tied up with missing person case, unfounded

Discovery material collected for SA's office for Det. Sgt. Kinney's sex assault case State vs Badger

Dead body, Andover. 49 year old male with medical history of COPD and chronic alcoholism. OCME signed off.

SAR activation for missing Brookline subject.

Victim interview for 17 year old digitally penetrated while at camp at Marlboro College

Assigned 17 year old female alleging sexual assault when 7 years old by family friend – victim lives in MA and courtesy interview has been requested

Case follow-up, overdose ICAC phone dump complete

Controlled phone calls at A1 for open case

Assigned case 15D102675 – Threatening Gov. Employee over Jail Phone call

Assigned case Missing Person/Death Investigation -- 21 year old male located with self-inflicted gunshot wound.

Continued follow up on South Londonderry Arson fires

New non suspicious/injury fire in Springfield

TOPS

Call to Bellows Falls for missing 7y/o autistic child. Located prior to arrival.

Assisted NIU with car stop/consent search/ arrest of two subjects and attempt to locate two subjects from NJ in a federal investigation in Barnet and St. Johnsbury. Operator arrested for DLS and passenger arrested for small amount of crack.

COMPUTER CRIMES

Continued forensic examinations on several state and federal child exploitation cases

MAJOR CRIMES

Follow up on Herring case all week. Aggravated Murder charges filed August 21, 2015

Helland Homicide – Evidence from HQ,

Meeting with Suspects Family (Windsor murder/suicide)

Meeting with Lt Merrigan concerning Morales Homicide,

Lott Homicide, completed reviewing DVDs for holding cell and processing room

Sarah Hunter homicide, completed supplementals for interviews conducted last week, met with SA Marthage to discuss case, evidence and interviews with cell mates.

Berlin Homicide, completed supplementals for interviews, attended meeting in Barre, additional follow up in Barre.

Assist D-Troop BCI with missing person in Newfane, VT

Fire Safety

The Division received \$5.8 Million in new plan review construction valuation collecting \$32,000.00 in permit fee revenue.

The Rumney School opened on time Tuesday after our Fire Marshals completed multiple inspections to assist the community.

Butch Sutherland met with a Rutland Harold reporter regarding the Bennington Furniture store in Rutland.

The Williston office move is near completion and it should be noted BGS has done an outstanding job assisting us from the start.

The Fire Prevention safety trailer is set up at the Champlain Valley Fair this year we expect to have hundreds of young children go through the safety trailer where they learn many lifesaving skills including. We also included the live burn demonstration trailer this year so people can visually see how a sprinkler system activates.

We are moving forward with filling Chris Herrick's former position. Todd Cosgrove, Assistant Fire Marshal out of Williston and Deputy Chief of the Haz Mat Team sent me an email expressing interest in this job. Todd is an outstanding employee and would be a perfect fit for this job.

Legislative:

I contacted Representative Jansen Wilhoit this morning in response to an inquiry he made regarding the freight elevator at Mayo Furniture in St. Johnsbury. Karen actually sent me an email and asked me to contact him so the inquiry must originated at HQ. We are trying to work with the owner by providing him with some options and we will continue to work with him. I told the representative we could arrange a meeting at the site so he could see things first hand. He seemed interested in this so this will be the next move on our part.

I have been in contact with Diane Derby (Senator Leahy's Office) regarding the upcoming AFG workshops. She asked how to distribute the workshop schedules to the Fire Departments. I told her I would take care of it if she could send to me.

Administration

Received FY17 Budget Instructions which require a level fund initial budget exercise. This equates to a GF cut of about \$2.5M as we have to define "level fund" as the FY16 budget as passed as reduced by the "Labor Savings" or "Contingency Plan" target which for DPS was a little over \$1M. We also must cut our base by the cost of any DPS employees who have applied for the Retirement Incentive. DPS has six people who have applied, so that will be an additional \$500k.

Met with Division Directors to discuss General Fund cost savings to prepare our Preliminary Budget proposal in response to above.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: August 28, 2015

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Waterbury Media Request: Most every media outlet joined the Governor for a tour through the construction site this week. Coverage was excellent and the timing was perfect considering we are rapidly approaching the four year anniversary of the event.

Sculpture on the Highway: The Curator's office received the happy news that they have been awarded a 38K Transportation Enhancement Grant to create new signage for the Sculpture on the Highway at Welcome Centers all along Interstates 89 and 91!

Historic Building Checklist and Windows Project in Capitol Complex: UPDATE: Hope to have a pilot project for 133 State Street windows this coming season, and Tracy has created a draft protocol and checklist for use in Capitol Complex and BEYOND! She has also created notebooks for the project managers—and Bob has been incredibly supportive. Thank you, Bob! UPDATE: Sally Fishburn is working on the big window at 133 State Street, and we hope to keep her window rehab in the building moving along pretty continuously.

Pittsford Academy: Tour given to Legislators on Wednesday. Governance Committee meeting this Thursday was postponed to September 4th. Painting doors at outdoor range. Small heated room painting steel doors. Wood chip boiler contract. FBI looking to place a storage container near the firing range – need to know process for allowing this to occur.

New Health Lab: Everyone has moved in and pretty much completing set-up for their operations. The BSL-3 suite went live on Friday, August 21, 2015. Trying to finalize punch list and warranty issues. Also working to finalize financials. Looking to meet with PCC next week to discuss delay claim.

Montpelier 1 Baldwin Street: Replace 1-Pipe Steam Heat: Construction began on 8/18/15. All demo has been completed. All of the new radiators have been delivered to the building. They are currently assembling the new radiators and laying out new piping in the basement.

Montpelier 120 State Street: Asbestos Incident: An asbestos incident occurred on Monday, August 17th, at 120 State Street that BGS was not aware of the work that had been scheduled by DII and DMV. A report was submitted by Crothers Environmental documenting the incident and subsequent cleanup and testing.

New Maintenance Building: Contract with Kingdom Construction is in process. Kingdom will begin preconstruction services as soon as the contract is executed. Received Fire Safety permit on 8/25/15.

Randolph Ag/ANR Lab New Construction: Not much progress; apparently VTC is receptive to the idea of putting our small wood chip boiler near their campus boiler to facilitate future development of a campus-wide wood chip boiler for additional savings. We are also close to development of the RFP for traffic consulting services to address permit issues regarding traffic impacts by the project, as well as improvements to the entrance intersection.

White River Junction District Court: Duct Cleaning: Work commenced on 6/1/15. Mold was found in the system. Chuck's Heating & A/C is working with Crothers Environmental to remove the mold in containment with negative air machines and HEPA filters. Painting the ductwork and replacing the insulation liners in the AHUs and VAV boxes will then occur. Extremely long runs of flex found in the building, which we are replacing with hard duct on a Time & Materials basis with a NTE cost of \$65,000. Change order in process, completion date changed to 11/6/15. Fans in the three attic AHUs are in bad shape. We will clean them only because the building is due for a major renovation and the fans and motors will be replaced at that time as part of the renovation.

Property Sales:

- 43 Randall Street – advertised
- Pierpoint Avenue – Jeff needs to do some title work pre-sale
- ANR property in Berlin

FINANCE AND MANAGEMENT

- 2017 Budget Instructions were issued this week, other than a couple minor questions we have received no significant push back from departments.
- Had our first status meeting with KPMG on Thursday to go over this year's audit progress. It is early but things are currently on track with no big issues. KPMG did state they will be asking a lot more questions about open liabilities associated with the Vermont Health Connect. We will need Lawrence to attend a couple of our meetings to provide overviews of status.

1
Lawrence

HEALTH CARE REFORM

Issue Updates:

All Payer Model: The key piece of an all payer model and waiver agreement with the federal government is the future trend rate for health care spending growth and any consequent savings targets. Project momentum with both federal partners and local stakeholders is constrained by the fact that nobody is certain whether our trend and savings numbers will be close enough to federal targets to make a deal a real possibility. The federal team offered to swap trend and savings numbers by the end of August. Vermont countered that it would like to visit the federal team in person in mid to late September to trade numbers. Al's preference is to make the trade in person (this is not a requirement of CMMI). Due to the hospital budget hearings, in person meeting is not possible for several weeks. It could be that there are other factors driving Al's decision to target mid to late September; however, Michael does not know those reasons and would prefer not to speculate. AOA and GMCB staff will continue to work with contractors to refine the State's negotiating position and arguments over the next few weeks in preparation for the in person meeting.

The federal negotiation gets a lot of attention; however, Michael believes that the will is there to make a deal. As stated in previous reports, Michael believes the biggest challenge and most likely potential reason for failure is designing, building, and implementing the system with enough specificity for a 1/1/17 launch. AOA staff continues to push GMCB staff to better organize the project and make progress on the myriad work streams. For example, Michael is pushing GMCB staff to unify the project. Today, there are five major contractors on the project. Four of those contractors operate without a uniform project plan and do not communicate on a regular basis. The fifth contractor, the one in charge of helping the GMCB design a rate setting agency, has not been hired yet (although the contractor was chosen). Michael will continue to push on this front aided by Lawrence and Robin as needed.

Excise Tax/Large Group Market: The primary activity continues to be data collection. As stated in a previous report, the original assumption was that the State could use an existing data set for the project. This turned out to be wrong. Accordingly, the actuaries are collecting new data. The data collection is going fast, but it is likely not going fast enough for the study to be completed by the November 1st deadline. AOA staff will have a revised timeline by Labor Day, and we will likely need to discuss a revised timeline with legislative leaders sometime shortly thereafter. Beyond data collection, Michael and Devon continue to develop materials for our large group of stakeholders, conduct legal analysis, and manage the actuaries.

SIM/VHCIP: The SIM project continues to await federal approval of contracts. We have been told, repeatedly, that the approvals will be any day, but the Feds keep missing those deadlines. We continue to escalate at CMMI and have been told we will know by Monday. We are at risk of missing critical milestones and meeting with project leadership and Finance and Management in the next week to determine next steps. If we do not have contract approvals by 9/1, we will have several contractors leave the project.

Despite the lack of contract approval, however, we are making progress on many areas. Specifically, we will have the results of the Medicaid and commercial Shared Savings Programs in the next week, which we expect to show Medicaid savings from the program. We are working with Sue and Scott to plan for a public announcement in September. We are also embarking on a reorganization of the project's structure. This will streamline the number of meetings we hold and speed up the policy vetting process.

We are accepting feedback this week on that proposed process. If approved, we would anticipate the reorganization to take 4-6 weeks as we reassign staff and modify work plans.

Updates on the APM were presented to both the SIM Payment Models Work Group and the Steering Committee. These updates were the first time that some detail about the total cost of regulated care was presented to the SIM stakeholders, although several of the members of the group have had updates. Several stakeholders learned that the total cost of regulated care was limited (at this time) to Medicare Parts A and B, which excludes many Medicaid services. Stakeholders need additional education that the APM sets a cap on services and is not a guaranteed revenue stream for those within the model. Additionally, stakeholders expressed the desire to attend the GMCB's Monday APM provider/payer meetings. GMCB does not want to open these meetings more broadly, so they may have some pushback from some SIM stakeholders. Stakeholders requested a roadmap of how and when total cost of care would be expanded. Because of the uncertainty and concern raised around the APM at the SIM meetings this week, we will work on talking points that discuss the total cost of regulated care, roadmap, and process/timeline that will reduce confusion.

Universal Primary Care: We held a project management meeting with contractors on Tuesday to discuss progress and any issues that have come up. Wakely will continue to refine their primary care recommendations as they incorporate additional data, as well as policy assumptions and stakeholder feedback from AOA. Wakely and Steve Kappel are in the process of looking at FQHC revenue and CPT code data to come back to us with a recommendation on how to include their services in the universal primary care cost analysis. We expect to hear a report from them today or Monday. We also identified an additional question we need to think through for the status quo and universal primary care cost projections. We are meeting with Sharon Winn from Bi-State Primary Care Association to get her feedback on Wakely's initial recommendations and talk with her about FQHC data that may be helpful to us. Michael is coordinating our work on UPC with Richard Slusky's primary care work group at the GMCB.

Federal Exchange: The AHS/VHC team is finalizing cost estimates on moving to the SSBM and we are reviewing as a team on Monday. The briefing for the Governor is scheduled for Friday 9/4, with the expectation that we will have a press conference on 9/8 to announce the recommendation and cost estimates.



Other Issues/Significant Meetings:

Robin was at the Aspen Institute August 22-24 with Hal Cohen, Ken Schatz, Tracy Dolan, Beth Tanzman, George Till, Bill Lippert, and Ginny Lyons. The state was funded by Aspen Institute/RJW to work on the Adverse Childhood Experience issue and determine how to move forward with this initiative. This could be a good, collaborative legislative topic that spans health care reform and early childhood issues for next session.

HUMAN RESOURCES

Legislative/Policy Update:

Policy Review Committee: The committee discussed the Veterans Preference policy this week. There was discussion about the legislative language being outdated and possibly trying to update it. Regardless, we believe we can move forward with a good policy update. We ought to keep thinking

about ways to improve our hiring practices for Vets, as in addition to it being the right thing to do, it makes us more appealing as an employer.

Young Workforce Development: Working with Recruitment to explore what the State can do as an employer to attract young talent—possibly expanded internship and fellowship programs. The working group proposed flexible telework schedules for young families. We already have a good policy on telework, so working internally on ways to promote.

Goal to Eliminate Poverty: DHR is a party to two proposals of the working group (which we did not sit on). The first related to bringing back a program called VCOP which was essentially a workforce development program administered by DHR that put unemployed and undereducated Vermonters to work and provided training. The second set a goal of doubling the number of disabled Vermonters who work for the State. Working through both proposals to see if they are feasible or if there are alternative options.

Communications Update:

Press Requests: Hilary Niles has requested the FY15 update to the employee compensation information on the open data site. Doug and Harold expect to complete that work by the end of the week.

Terri Hallenbeck with Seven Days requested compensation data (both regular pay and compensation time for cash) for all legislative staff members and the Lt. Gov's office from January to August of this year. That data will likely be complete by the end of the week.

Significant Events/Meetings:

Continuing to reach out to institutions of higher education in order to expand our post-secondary education offerings to state employees. In addition to the special rate schedule Champlain is offering, the Vermont State Colleges would like to partner with us to create a portal on their website designed to drive state employees to the type of course work best suited for them and their jobs. We have reached out to the independent colleges through the Association of Vermont Independent Colleges, their trade association, as well UVM to set up conversations with those institutions. Additionally, we plan to survey the needs of each department as it relates to their missions as well as the goals and needs to their employees. The added benefit of course in engaging with our colleges and universities is establishing relationships which may help with recruitment and identifying and addressing our workforce needs.

Addendum to PSAP MOU providing additional benefits – travel time, retention bonus, Reemployment rights upon closing if an impacted employee declines to go to another PSAP has been finalized.

Bargaining with VSEA Units has begun.

Met with AHS Deputies regarding HR issues.

Met with DOC about HR and legal support for disciplinary actions.

Completed staffing and revision of ESI breach notification letter requiring approximately 998K be refunded to the State. Letter should be on Commissioners desk this week.

Opening conversations are underway with Tom C. regarding possible training of cabinet members in a substantial portion the supervisory training, in part to ensure they can support their supervisors in implementing the strength-based work, and in doing performance reviews.

Secretary Markowitz conveyed to DHR that she would like DHR to do an HR orientation for the new leaders/administration that will be coming on board in 16 mo. She wants to participate in any orientation program.

it's a little early...

Working with VPCH on retention, sign-on and referral bonuses in an effort to attract and retain more psychiatric nurses. Working with Commissioner Reed approval of amounts for each bonus.

There was an issue with a dental plan change that went into production. Basic story is that the rates were incorrect. Employees with domestic partners were overcharged due to taxable/non-taxable rates mismatch. About 130 employees affected. The Benefits team has reached out to employees and Payroll is working to make the employees “whole” for this next pay cycle.

INFORMATION AND INNOVATION

Status of Governor’s Priorities:

IRS Audit – September

- Visits for VDT, DCF and for VHC occur 9/15-17
- Site visits to
 - Optum – 9/15-17
- Healthcare/Hosting Move:
 - The figures below describe an improved security posture.
 - High findings should be remediated by end of September
 - VHC went from 75 actionable findings to 52 actionable findings
 - Go-Live post-Labor Day weekend 9/7/15
- GAO Audit closure
 - Summary: The GAO audited the CGI implementation of the Vermont Heath Connect Spring 2015. The results of the visit yielded 19 findings. Table 1 categorizes the 19 findings.

Table 1

Finding Category	Count
Dispute	4
Not detected in Optum by Optum Vulnerability Assessment	9
Risk accepted for Background Checks	1
Accepted and already on POAM	5

Evolving Issues:

Voice over Internet Protocol (VOIP) Project - We have voiced the following concerns with our VOIP vendor via email:

- The implementation team has clearly not read the contract and a transition of knowledge from the sales team to the implementation team does not appear to have occurred. Decisions made during contracting are being second guessed by NWN's design team and designs were provided that were not to contract specs. NWN is still disagreeing with utilizing the design as specified in the contract.
- The implementation plan was a copy and paste from the proposal. It did not meet the contractual expectations and we are not confident that the Project Manager and the team supporting her are going to meet the expectations going forward.

Web Updates:

- Harry and VIC are working with the Police Academy to implement the Event Registration Service for them to schedule trainings.

Oversight Project Updates:

- **AHS – IE:** Completed ABC and obtained State CIO approval. This has been over 2 years in the making!! DDI Vendor tentatively awarded and both negotiations and Independent Review (IR) commencing. IR will be the combination of both IE and ACCESS (legacy system) transition of programs.
- **VDOL – UIM:** Labor notified both the other 2 states in the Consortium and the Federal Dept of Labor that they are leaving the consortium, awaiting information on impact. They are already initiating work with Idaho and Iowa to partner up with them, and been invited to participate in both a requirements gap analysis and access to a test environment (to their solution built so far).

LIBRARIES

Issue Updates:

Today movers are taking away thousands of books from the Dept of Libraries that have been withdrawn from the state library. The upper reading room and two floors of stacks will be cleared out by next week.

TAXES

Legislative Update:

Compliance Clean Up: Our reorganization of the personnel and business processes in the Compliance area is starting to move more quickly. The Asst. Director, who was overseeing field audits, is leaving for DFR. We are looking for a new role for the Director, and then Val Rickert will be fully in charge. Cutting through resistance from the legal department, Val has finished a new SOP which incorporates two important concepts – every taxpayer will get a notice and invitation to work informally with the Dept before an assessment, and once there is an assessment and appeal, there are clear guidelines to

move the case to resolution or hearing within 18 months. Staff will be trained on the new procedures during the quiet period when VTax is going live.

Unfortunately, as has plagued the Dept, we just can't move quickly enough in this area. In the latest, a field audit was opened on a very prominent taxpayer in Chittenden Cty; the conduct of the auditor was quickly challenged and Rep. Condon is now involved. The Commissioner is working to resolve.

Appeal Backlog: Our new SOP will govern audits and appeals going forward, and leadership has been working on a strategy to clear up appeals that have sat for literally years. Our policy and outreach team is working with the compliance and taxpayer services division on documenting parameters under which groups of cases will be closed (based on age and balance size) with appropriate notice.

Dams: In the first valuation appeal by Transcanada to go to trial, the town, Dept and AG won a very strong favorable opinion. Hopefully this will lead to settlement on all the appeals. Unfortunately, the valuation expert, whose testimony was key to the win, went well over budget. We are exploring payment of the invoice, together with the AG (there have been appropriations to support town payments to the expert). This Byzantine matter highlights the need to re-evaluate the state's appraisal process – something our new PVR Director is very interested in.

Current Use Town Audits: The Current Use bill requires that the Director of PVR convene a study group on the structure of municipal payments – they held their first meeting this week. The bill also requires that the Dept select 3 towns annually, and audit their valuation of current use properties, imposing our values for the towns if a certain deviation is met. We have engaged an appraisal firm to conduct the audit. Our statistician has sliced the town valuation data in various ways to rank candidate towns for audit – unfortunately each measure points seems to point to a different set of towns. By next week, the fiscal team, with advice from our lawyers, will have a memo recommending three towns, and we will run the work past JFO, Deb Brighton, VLCT and VALA before moving forward.

Current Use: Kyle Midura interviewed the Commissioner – the gist was that applications for the easy out have been slow. Clark Hinsdale wrote a blistering editorial in the Ag Newsletter, Fences, criticizing the new penalty structure on fair market value of a parcel, as well as the easy out, particularly the provision that prevents a parcel from coming back into the program for five years. Sen. MacDonald stopped by the Commissioner's office to suggest that perhaps the five year lock out should apply by owner, not by parcel.

Pilot: The Director of PVR is working through a couple PILOT issues with Montpelier.

Operations:

VTax Project: Remains on track to transition from systems testing to end to end testing on Phase 2 next week. The systems testing definitely took a toll on both business users and the project team this go round – since development was more complex for these tax types, more scenarios failed in testing, leading to a great deal of scrambling. The work got done, but with a high degree of stress – the project team has documented lessons learned, including accelerating the testing schedule on the front end to leave more time for fixing and retesting. This will be critical for next year, Phase 3 income taxes.

In meantime, our taxpayer services corporate examiners are working at double speed to clean up returns that never processed in the ETM system – amazing how much havoc that failed system caused in its short life. There are still about 5000 corporate returns that are hung up, and despite yeoman work, the

team will probably not have this down to zero when Phase 2 goes live. These returns account for some of the refunding action that is impacting revenues, even though we are largely down to small dollar returns.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Jessica Gingras, Director
Date: August 28, 2015
RE: Boards and Commissions Update

Constituent/Board Outreach

Early Learning Challenge Grant (ELCG)/Pre-School Dev. Grant (PDG)/Act 166 (LAST WEEK): In preparation for the first Blue Ribbon Commission meeting (Sept. 2nd from 10-12:30), I met with Carolyn Wesley and Julie Cadwalladar-Staub to go over current child care/education programs. My goal is to make sure that all of the current programs and efforts aren't being duplicated by the BRC, and communicating efficiently as that was the intention of the ELCG. The goal is to bring both Julie and Carolyn into the BRC group to contribute/be a resource for any questions new members have about existing programs and grants.

U.S. Committee for Refugees and Immigrants (USCRI) – The Vermont Refugee Resettlement Program reached out and request a meeting at their program space in Colchester. This program is the only one of its kind in Vermont, and resettles approximately 325 individuals annually (roughly 200 adult workers) – they have some of the highest employment rates and wage rates in the country. I will be meeting with them in the next few weeks to tour their office, meet their staff, and discuss both their successes and needs. More to come!

Governor's Veterans Advisory Council – I met with the GVAC per their request to discuss the possibility of removing Ed Deptula from the Council. The expressed their frustration with his disrespect for other Committee members, his disruptive nature and asked for my guidance on how to remove him. After we spoke at the appointment meeting I followed up with them letting them know that Sue Allen would be in touch to discuss the matter in further detail. Their goal is to remove Ed from the Committee within the next week by vote of their executive committee.

Let's Grow Kids – I had several meetings with Let's Grow Kids over the last three weeks – all of which were to discuss the first BRC meeting. We have finalized an agenda/speaking items.

Early Childhood Alliance – I met with the Early Childhood Alliance (Lindsey DesLauriers and Matt Levin) to discuss their role and position within the Early Childhood Ed community. They are interested in being kept abreast of the Blue Ribbon Commission and will be attending all of the BRC meetings.

Implementation Team meeting/Early Learning Challenge, Race to the Top (LAST WEEK) – I attended the Implementation meeting last week to introduce myself to the group. Some takeaways/points of interest from that meeting:

- **The CIS Data System** – an interim system went live last week that will allow paper records from the regions to be entered digitally at the state level. The development of CIS-specific system is scheduled to launch January 2016.

- **Home Visiting** –work is being done to create a coordinated system for identifying a model that is best for families regardless of agency or region, and to create smooth transitions between models as needed, so that you don't have a situation where multiple people are visiting the same family. The screening elements of the models also promote connecting families to other services (particularly other CIS services) in the area. There is grant funding directed at technical assistance and training in the evidence-based models, however:
 - Ultimate goal is to identify strong future funding, specifically Medicaid funding. There are plans in place to ask for \$2 million in additional Medicaid funding for EBHV and \$1 million in MIECHV funding for continued infrastructure support. They are working on getting approval from all partners.
- **Funding/Grant Spending Update:** a budget update was given about the status of year two spending .We are generally on course to spend what we budgeted in year two.

The group will be meeting September 4th to continue these sustainability discussions; I plan on attending this meeting as well.

APPOINTMENTS

JUSTICE OF THE PEACE

APPOINTED: Francis Kidder – Town of Orange, Republican (replaces Elsie Beard)

District #8 Environmental Commission

APPOINTED: Mike McDonough

From the Bennington Banner: “He has been a high school coach for 37 years, was once president of the Better Bennington Corporation, and is a member of the Bennington Economic Development Partners. He is also on the Downtown Design Committee and a long-time member of the Vermont Downtown Board.”

http://www.benningtonbanner.com/localnews/ci_27525161/mcdonough-says-bennington-has-turned-corner-its-approach

District #4 Environmental Commission (Chittenden County):

APPOINTED: Anthony Stamper

Global Foundries - Ph.D. in electrical and computer engineering – Lifetime IBM Master Inventory with over 350 patents for the company. Business friendly.

Public Safety Broadband Commission:

APPOINTED: Doug Johnson

Replacing Chris Campbell, who represented the VTA)

APPOINTED: Barbara Neale

New Director of E-911 in David Tucker's place

Utilization of IT in Government Committee:

APPOINTED: Tim Kenney

CTO of MyWebGrocer

State Police Advisory Commission:

APPOINTED: Mary Alice McKenzie

**will be serving for the rest of Ugo's term until 6/30/2016*

**State Program Standing Committee for Child, Adolescent,
and Family Mental Health:**

REAPPOINTED: Ronald BosLun

APPOINTED: Tiffany Hubbard,

Director of School Based Services, WCMHS

Licensed Clinical Mental Health Provider, as well as a Director of School Based Services for a MH agency serving children and youth.

Financial Literacy Commission

**New Board, 3 appointees*

APPOINTED: John Pelletier

Director, Center for Literacy at Champlain College since 2010, and has more than 20 years' experience in the asset management industry and has served as COO and chief legal officer at some of the largest asset management firms in the U.S.

APPOINTED: Lisa Falcone

Working Bridges Project Director (Non-Profit Rep) - Has worked in higher education and workforce development including at UVM, IBM, and the American Association of Community Colleges in Washington, D.C.

APPOINTED: Linda Tarr-Whalen

Author and Activist (public member seat) - Serves as a member of the Board of the United Way for Chittenden County and as Co-Chair of the Women's Leadership Council

Formerly Ambassador to the United Nations Commission on the Status of Women under Bill Clinton, and Dep. Assistant for Women's Concerns for President Jimmy Carter

APPOINTED: Martha "Marty" Reid

Executive Branch Seat, South Burlington – State Librarian

Travel and Recreation Council

REAPPOINTED: Matthew Crawford

Public Relations Specialist

Vermont Universal Children's Higher Ed. Savings Account Program Fund Advisory Council

**Shana is designee and made the following recommendations for appointments*

APPOINTED: Jane McLaughlin

Vermont Community Foundation (philanthropic seat 1 of 2) - Special Project Director at VCF since 2013 - Serving as the lead philanthropic adviser for the J. Warren and Lois McClure Foundation for the summer and fall of 2016.

APPOINTED: Vicky Smith

Executive Director for King Street Center - Has served as ED For King Street for the last 8 years; prior to that she was Director of Programs. Has worked as a social worker for DCF, and hold a Master of Social Work degree.

APPOINTED: Ashley Orgain

Manager, Seventh Generation – Business Rep. - Manager of Mission Advocacy and Outreach – she is also the ED of the Seventh Generation Foundation, a non-profit dedicated to promoting social and environmental progress through education, conservation, research and advocacy.

APPOINTED: Daniel Tukey

Global Foundries – Business Rep. - Government Affairs

Employment of People With Disabilities Council

APPOINTED: Eileen Casey

**PWD*

APPOINTED: Mark Hastings

**Manager of Bond Auto - he also consults with AHS employment programs to create effective progressive employment models for businesses and direct placements of program within Bond Auto sites throughout Vermont*

Technical Advisory Committee

REAPPOINTED: Denise Johnson-Terk

(Wastewater Assistant Seat)

REAPPOINTED: Ernest Christianson

(Agency Tech Staff Seat)

CT River Watershed Advisory Committee:

REAPPOINTED: David Deen

APPOINT: Kenneth Niemczyk

Retired City Planner - Retired planner for the Town and Village of Woodstock, and for the City of San Bruno, CA. Taught at University of Oregon, lectures at VLS, and Stanford University. Extensive background and experience in environmental design, law, and natural sciences.

Vermont Municipal Bond Bank

APPOINTED: Debbie Winters

*replacing John Valente

Elevator Safety Review Board

REAPPOINTED : Frederick Bashara

Owner of multi-story building

REAPPOINTED: Alan Lawler

Local Rep. for Kone Elevator

Electricians Licensing Board

APPOINTED: Kevin Bourdon

BRC Financing Early Childhood Care:

APPOINTED: Michael "Luke" Ahmann

Air National Guard Office, Active Air Guard – Commander. Children utilize military family program at Greater Burlington YMCA

APPOINTED: Laurel Bongiorno

Dean of Higher Education Administration (Champlain College): Champlain College's Dean for the Division of Education and Human Studies

**Once these appointments are made, the BRC will be fully staffed. I am Justin's designee to the Committee, and will be attending all meetings. The first meeting will be held on: September 2nd*

Vermont Special Education Advisory Council:

REAPPOINTED: Lori Valburn

VTrans Chief of Civil Rights

REAPPOINTED: AJ Van Tassel

Attorney General Investigator

International Trade and State Sovereignty Commission:

APPOINTED: Ted Mudd

Purchasing and Logistics Manager (Hubbardton Forge)

Has over 18 years of International experience dealing with companies in Asia and Europe as well as Canada and Mexico. Well versed in NAFTA and customs procedures and worked with US Customs, Brokers and Trading Partners for many years.

**(Business Rep. Seat)*

Pathways From Poverty:

APPOINTED: Trine Bech

Attorney & ED of Vermont Parent Representation Center - Serves as ED of Vermont Parent Representation Center, a non-for-profit organization providing legal advocacy, representation and direct social services for families of young children to prevent deep involvement in the child protection system.

APPOINTED: Michelle Fay

Voices for VT's Children

Vermont Interagency Coordinating Council for Families, Infants and Toddlers:

REAPPOINTED: Pam McCarthy

President/CEO Vermont Family Network

Board of Allied Mental Health Practitioners:

APPOINTED: Scott Giles

(President, VSAC)

**public member seat*

Vermont Housing and Conversation Board:

APPOINTED: Hanna Sessions

Farmer (Blue Ledge), Cheesemaker & Artist - Runs Blue Ledge farm (goat dairy) with her husband. Recently started to produce, age and market goat and cow cheeses. Served on Addison County Community Trust, and currently serves as the President of the Middlebury Farmers Market.

State Program Standing Committee for Adult Mental Health:

REAPPOINTED: Marla Simpson

Support Line Operator for "Pathways Support Line"

Vermont Rail Advisory Council

APPOINTED: Jeffrey Munger

Act 264 Board:

APPOINTED: Tiffany Hubbard

Vermont Veterans' Memorial Cemetery Advisory Board:

APPOINTED: Thomas Drew, Leicester

Replacing Bob Walsh - Deputy Adj. General from 2006-2012, appointed Adjutant General in 2012 before retiring in 2013.

Use Value Appraisal Municipal Reimbursement Study Committee

APPOINTED: John McClain

Telecommunications Advisory

*WE HAVE FIVE AT LARGE MEMBERS TO THIS BOARD

APPOINTED: Kerrick Johnson
(VELCO).

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: James Giffin, Interim Commissioner
Date: August 27, 2015
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: We have identified an issue with the new fortified wine law that allows licensees through a permit process to purchase fortified wine at a 25% discount from Agent stores for resale. All of our Agents are also licensees. They have said they want to purchase the fortified wine at a discount from themselves and then resell it with a fortified wine permit in their beer/wine section of the store. From my discussion with staff here, this was not the intent of the legislation. This could affect DLC revenue by \$200k if all Agents took advantage of the 'loophole'. Instead of receiving an 8% commission on the sale, stores would receive an 8% Agent commission on a lower retail price, but also receive 25% of the retail price on the sale. I will look for Board support not to allow Agents to receive fortified wine permits and clarify the legislation next session. We would implement this by way of the application process and say that entities that had both a 2nd class license, and were an under contract as a liquor Agent, could not receive a fortified wine permit.

Press Issues/Releases/Contacts: None

Significant Events/Meetings: None

Summary of Key Department Activity:

Agency Issues: Some of the Agents have requested that Jim Harrison of Vermont Grocers and Retail Association organize a meeting to discuss the proposed changes in the Agent contract. One of the areas of most concern is the length of the contract and if contracts will be extended indefinitely as has been the past practice. I have consistently said this will be a board decision, but I know of nowhere else in State government you have a contract for life and it is never bid. They are also concerned of fairness and political pressure of the review team if a contract is bid. Meeting scheduled for September 16th.

IT POS system: None

Warehouse: On Thursday August 20 the warehouse had a voluntary visit from Project Work Safe through the Department of Labor, to check for any existing or potential hazards throughout the warehouse. The walk-through went well, with a few minor hazards observed. Their report will be sent to DLC in about 2 weeks, and DLC will have 45 days to fix any/all of the hazards that are in their report.

Enforcement: DLC Inspectors conducted an Inspection at Raven's Den in Manchester after an ex-employee reported wine off invoice. We had a similar complaint last year. We found wine off invoice and wrote a ticket with a fine. They went back today and the owner admitted to the around 60 bottles of wine off invoice. We have seized the wine and placed it in evidence. The most expensive bottle is \$150.00. We have issued a hearing ticket to the owner, since he continued with this activity.

Commissioner's Commentary

Sent from my iPad