

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

Sent: Sunday, May 03, 2015 12:14 PM

To: GPS

CC: Miller, Lawrence; Johnson, Justin; Springer, Darren; London, Sarah; Allen, Susan; Coriell, Scott; Richards, Alyson

Subject: Weekly Reports - Executive Privilege 05 01 15.pdf

Attachments: Weekly Reports - Executive Privilege 05 01 15.pdf; ATT00001.txt

just a few notes. lawrence the DVHA VHC update appeared to be a mix of old and new info so a close read by you would be appreciated to ensure that we understand the status. There is a mix of statistics re: number of COCs outstanding and mixed signals on post R1 impacts on customers - take a look particularly for the letter that is being drafted re: expectations.

WEEKLY REPORTS

Checklist
5/1/15

Elizabeth Miller/Alyson Richards

- ☒ 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

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

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

Sarah London

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

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☐ Department of Liquor Control – Mike Hogan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: May 1, 2015
Re: Weekly Report

LEGISLATIVE ACTIVITY

- **Priority Housing Projects:** House Natural Resources decided that there was too many questions and not enough time to answer them and give stakeholders a chance to testify. So, we will be holding off on developing a solution for priority housing projects in designated areas that have an existing Act 250 permit. Natural Resources Board (NRB) Chair, Jon Groveman and Noelle will start to look at on-the-ground examples to understand and identify the key issues and develop a fix for next year that addresses some of the concerns raised in House Natural.
- **House Corrections and Institutions:** Provided an update to the Committee at the request of the Chair to ensure that all members were aware that the Division for Historic Preservation is considering demolishing two sites – the Bishop's Cabin and the Fuller Farm House in Hubbardton. Noted that the Town of Hubbardton and the Historical Society is interested in the farmhouse and we have met with them to outline what would be needed for a long-term lease in terms of repairs, maintenance and upkeep.
- **H.272 Current Use and Technical Tax Bill:** The Senate Finance Committee moved key provisions from the bill to H.489 which is known as the revenue bill. Sections of importance to ACCD were all transferred intact – qualified rental housing, downtown tax credits, TIFs and language transferring responsibility for property mapping from the Tax Department to VCGI. H.489 will be considered by the full Senate on Thursday and Friday.
- **House Transportation:** Megan testified in House Transportation concerning the byways section of the Transportation Bill. Moving forward we are going to use the Travel Recreation Council for any issues that arise on the current byways and dissolve the byways council. If the federal funding ever is brought back we will revisit the legislation.
- **Economic Development Bill:** S.138 passed unanimously out of committee and is on its way to Ways and Means, and will also need to go to Appropriations before going to the House floor. The bill is 172 pages of provisions that span numerous topics and agencies of state government including: Emergency Response, Uniform Commercial Code, Fortified Wines, Workforce Development, Disabled Persons Workforce provisions, Access to Capital and Licensed Lender changes, Gun Suppressors manufacture and distribution, Yankee Closure Response, Land Use, Domestic Export changes, State Treasurer, Block Chain Technology Study, First Time Home Buyer Down Payment Assistance, Relocation Tax Credit Study, Cloud Tax clarification, Research and Development Tax Credit restoration to previous levels, Wood Manufacturer Tax Credit extension and on and on . . .
Most notable to ACCD is that the Governor's Economic Development initiatives have all survived, including five changes to the VEGI program, additional future funding for the Department of Tourism and Marketing, and Vermont Strong Scholars program changes.
- **Budget:** The budget passed out of Senate Appropriations with the ACCD sections unchanged from the House version except that the Senate gave the Department of Tourism and Marketing discretion in how to take the \$2,800 cut originally targeted at the Vermont Ski Areas Association. There is also new language that makes it clear that ACCD may not make any commitments for the Vermont Strong Scholars Program until funding is appropriated to pay for it.
- **Miscellaneous Tax:** Senate Finance passed the revenue bill out of committee with the Fee Bill attached to it. ACCD is in favor of all the sections which affect our Agency including authorizing language for us to charge fees for limited VCGI services, and updates to the Downtown Tax Credit.

PATRICIA MOULTON, SECRETARY:

GS Precision: We are inching closer to having a deal to keep GS Precision in Vermont. Norm Schneeberger has willingly reviewed sites in Brattleboro. We hope to get a firm yes or no from him within the next few days.

Should he say yes, it will be a fevered pitch to get all the financing in place to meet construction deadlines. Stay tuned!

Precyse: I attended the graduation of the first Precyse medical coding class conducted by Vermont HiTech. 15 graduates, all hired by Precyse at starting salaries between \$13 and \$15 an hour with benefits, slated to go up to over \$20 within the next couple years. All graduates and families were extremely pleased. This is a program funded by Vermont Department of Labor and the Vermont training program at the Department of Economic Development.

Vermont Technology Alliance: I attended the Vermont Technology Alliance CEO dinner with Governor Shumlin. 80+ technology company CEOs in attendance. Very well received.

Rutland young professionals: I met with a group from the Rutland Young Professionals who are being honored by the Vermont legislature Wednesday with a proclamation. Very exciting group. Over 950 email addresses of young professionals in the Rutland area. Hundred to 150 attend their monthly mixers. Got some great ideas from them on retaining and attracting young people. Will be folding into legislative recommendations for legislation next year. They are holding a summit of all young professional groups in the state this September 12 in Rutland. Very exciting.

LUCY LERICHE, DEPUTY SECRETARY

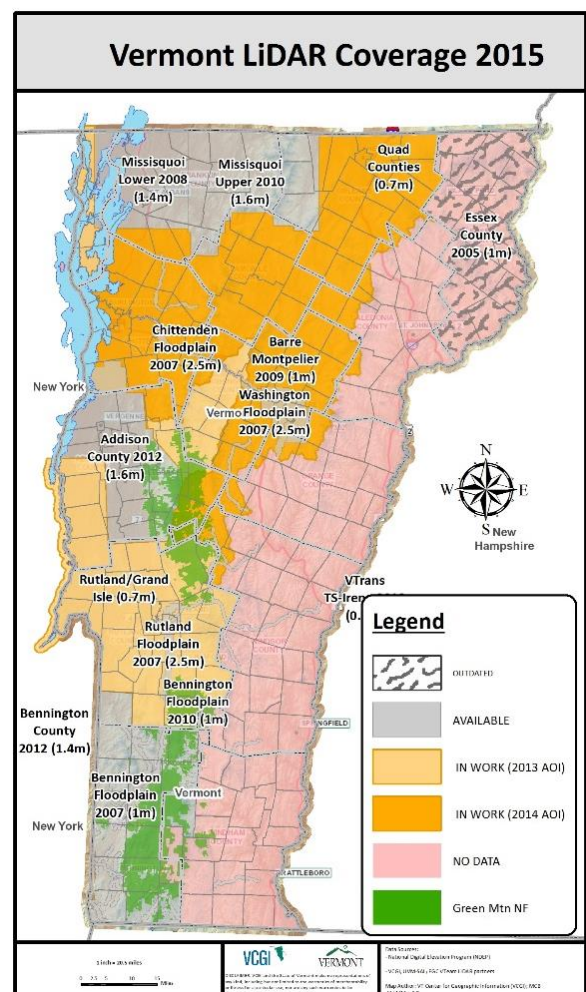
- **Data Management:** High level conversations about data management are happening with the Agency of Administration and DII with the assistance of David Metraux, Trisha Standen, Ken Jones, and ACCD Executive leadership. At issue is the lack of any state policy, process, or structure around how to manage data in state government. This issue is enormous and we are in the beginning stages of exploring how to forge a path forward.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Marketing Manager

- **Don't Move Firewood:** Heather has been working with the team from Forest, Parks and Recreation to increase awareness around this issue, including design and production of a new "Buy Local, Burn Local" Euro sticker and a companion poster to be 'tagged' to trees in walkable neighborhoods during outreach events. If you are traveling over the Memorial Day holiday, but sure to stop by the Guildford welcome center on your return to get your sticker and help spread the word!

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

- **VCGI Imagery Program:**
 - **Orthophotos:** VCGI opened up all remaining flight lines in the 2015 acquisition area (Bennington/Windham Counties) on Monday 4/27/15. As of 4/29/15, the acquisition contractor has acquired 4 flight lines (out of 21). We've had an especially challenging spring acquisition season given late snow in the mountains and persistent cloud cover. Our hope is that we'll get a few clear days within the next week to complete the flights.
 - **LIDAR:** LiDAR currently being flown for Vermont is vertically accurate to 9cm and supports 1' contours and sub-meter Digital Elevation Models (DEM) and Digital Surface Models (DSMs), as well as other "derivatives", e.g., Aspect, Slope and Feature Height. For a sneak peak on how this data is being employed to accurately



map solar potential, see the St. Albans City prototype (<http://bit.ly/16DLKBh>). For a list of more applications see Attachment A of the VT State LIDAR Plan on the LiDAR web page (<http://vcgi.vermont.gov/lidar>). In collaboration with partners, VCGI will soon be pursuing additional funds under the USGS's FY16 BAA program to complete outstanding areas of the state.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- The director of marketing from Jay Peak shared this video with the quote "this doesn't make me as happy as should" <http://www.cbsnews.com/videos/a-tale-of-two-winters-for-skiers-in-northeast-and-west/>. It has been a remarkable season that is still going strong in Jay and Killington.
- Megan met via skype with a firm in Australia that is vetting travel writers and tour operators to come to Vermont. We will work with Montreal Tourism for arrivals. Susan Murray is supporting our efforts and we hope to host several both this summer and next winter.
- Megan has spent most of the week at the Discover New England Summit in Portland, Maine where we hosted over 90 tour operators from the UK, France, Germany, Austria, Japan and Italy. Vermont had a very good representation of lodging and attractions.

Steve Cook, Deputy Commissioner

- **Grand Point North:** Cook met with Alex Crothers owner/operator of Higher Ground. VDTM will collaborate with Alex and Grace Potters Grand Point North on a summer advertising campaign focused out of state to boost weekend participation in the summer weekend long festival. Media will focus on lodging packages during the event.
- **Pownal Music Fest:** Cook is working with Richard Hein, owner and operator of the former Pownal Race Track and soon to be concert venue. Cook will meet with Hein and fellow partners on site to discuss future event and marketing partnerships. The first event is scheduled for Aug 22nd. Below is a link to some background about this project. [LINK](#)

CULTURAL HERITAGE TOURISM ♦ Catherine Brooks, Cultural Heritage Tourism Coordinator **Cultural Heritage Projects**

- **International Cultural Heritage Panel Preparation:** Catherine is preparing her presentation for a panel presentation at the National Association of Interpretation international meeting in Montreal. Asked by the Champlain Valley National Heritage Partnership to participate, Catherine will provide an overview of projects entered into by Vermont with New York and Quebec during the 2009 Quadricentennial.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Testified at House Commerce public hearing and recruited two key businesses to help the case: GW Plastics CEO and Maponics CEO. Helped to turnaround the committee. *+ rule.*
- **Attended Job Fair press conference with Governor and DOL.** 13 businesses were present to tout the jobs available in their shops. Amongst the businesses present: Ben and Jerry's, IBM, Precyse, C2, National Life, Blue Cross Blue Shield, Cabot Hosiery, Revision Military. (Revision spoke up when asked by Galloway of VT Digger if there were any businesses for whom the lowered wage threshold of VEGI would have impact.)
- **Attended the BCIC annual meeting** - very good showing of about 75 people. Two speakers - each Presidents of local colleges: Bennington College and Southern Vermont College. In addition to all they do for the community, i.e. education and special grant funded programs - Bennington is working on Quantum Leap, a program for at risk youth and Southern Vermont graduate students who stay in VT. And a large percentage of them have different learning styles. Both of the Presidents are newcomers to Vermont and had some feedback for Bennington about what the community could do to make the transition easier. This feedback can be used wherever we are in the state as what they said resonated well as I reminisced what it was like when my family and I first arrived. For example: there is no listing of all the community has to offer in terms of cultural and recreational opportunities. Where are the playgrounds and trails? There is also no easy way for a non-Vermonters to know which oil companies serve the area. This was crucial feedback with a relatively simple fix. Of course I had to ask what ultimately swayed their decision to come here. The beauty of the place, the fresh food, the peaceful existence in which to raise kids. The key takeaway however is that we should not apologize for what we do not have but instead what we do have. And we need to be proud of it and shout it out!

The presentation from the college presidents was good to hear especially since it came right after my meeting with the Bennington Economic Development partners meeting. This is a group of folks from the Superintendent of Schools, to the Selectboard members, to the town manager, and Economic Development office, the downtown association, and the regional workforce head. They are keenly interested in recruitment of businesses to Bennington but are unable to do so successfully. It was interesting to hear their gripes as we expect it to be so different amongst the regions when in fact their issues resembled very much what I used to hear in the GMEDC region.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Risk & Insurance Management Society (RIMS) Conference:** Dan Towle, Director of Financial Services attended the RIMS conference that went from Sunday through Wednesday. Dan coordinated marketing efforts for the team from Vermont and the nearly 15 Vermont service providers that joined the State in working the booth for this conference that draws nearly 10,000 people. The event was held in New Orleans, LA. Activity at the booth was very positive and several solid prospects were identified. It also provided a great opportunity to get in front of many of our existing clients. This conference is the largest conference that Vermont exhibits and provides an excellent opportunity for Vermont to meet with its existing clientele and have prospective meetings.
- **New Vermont Captive Insurance Legislation:** Dan has prepared a press release that is pending the Governor's signature of S.98, An Act related to captive insurance companies and risk retention groups. The release announces the newly passed legislation that should garner significant interest from the industry. Vermont's expansion of allowing marketable securities for minimum capital is ground breaking and will attract attention.
- **Congressional Meetings Being Scheduled with the VCIA:** Meetings are scheduled for next week for Dan and Rich Smith, President of the VCIA to meet with Vermont's Congressional Delegation. The purpose is to update the delegation on Vermont's Captive Insurance Federal concerns and to encourage them to reintroduce legislation to solve the confusion concerning the unintended consequences to the captive insurance industry with the Non-Admitted Reinsurance Reform Act (part of the Dodd-Frank Financial Reform Act). Confirmed appointments include Senator Leahy's and Congressman Welch's staff. Other potential meetings being scheduled include Senator Sanders, the Self Insurance Institute of America (SIIA), and several law firms that are active in captive legislation.

VERMONT EB-5 REGIONAL CENTER ♦ Brent Raymond, Director

EB-5

- Multiple calls with Senator Leahy staff regarding EB-5 reauthorization legislation and VT project's status.
- Was an expert panelist for a two day Council Development Finance Agencies' Intro EB-5 Finance WebCourse.
 - Required panelist con-call with CDFA and others to structure the 1.75 hour panel topics
 - PowerPoint presentation prep

The panel went very well. I had several follow up questions from the attendees during the Q&A period and have had a couple attendees contact me via email afterwards. These types of events help to counter-act negative blog and press exposure over the last year.
- Multiple correspondence, calls and communications with South Face Village, Mount Snow, Q-Burke, AnC Bio, Trapp Family Lodge and Stowe Aviation regarding various aspects of their projects.
- Connected Trapp Family Lodge to Brazilian contact who may be very useful to filling their capital raise needs.

Vermont Global Trade Partnership

- Continued communications with Vietnamese furniture manufacturer and Vermont wood producers for potential export opportunity.
- Communications and assistance with Vermont Slate regarding complexities concerning Certificate of Origin for export shipment to Dubai.
- Assistance to Hearthstone Stove regarding NAFTA valuations – referred to Bob Imbriani due to significant complexities and legal and cost ramifications.
- Northern Border ExporTech final grant report – continued review prior to submission.

Foreign Direct Investment (FDI)

- Received an initial written presentation from Salveo Group for FDI company recruitment services in Quebec and France. Had calls and communications with same to narrow scope of needs and set up a May 20th meeting.

- Communications with ROI's Daniel Silverman regarding a follow-up meeting regarding their services.
- Con-Call with Hong Kong NYC economic development office regarding attracting Asian foreign investment and export opportunities. Have a timeline for a Clean Energy capital Asia investment and export opportunities via Hong Kong. Becky Fu and Byunghoon Ahn also participated and were assigned action items.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Council approved an Initial Application from Vermed, Bellows Falls for up to \$506,750. VEGI is part of a larger incentive package, including WCEDP, to prevent closure of operations following acquisition by Graphic Controls of Buffalo.
- Provided Preliminary VEGI estimate for Community Surgical Supply, Toms River, NJ for potential expansion to New England. They are considering White River Junction.
- Met with Arla Masson, of Built by Newport (formerly Newport Furniture) regarding potential expansion and VEGI application.

TIF

- Presented TIF District Rule to LCAR. They gave unanimous approval. Adopted Rule was filed April 21, so Rule goes into effect May 6.
- Submitted TIF District Annual report to General Assembly.

Windham County Economic Development Program

- Finalized new MOU with VEDA.

Other

- Briefed new VEPC Board member Shawn Straffin of Lyndon.
- With Kiersten, met with Chris Crandell of Thirsty Ventures regarding potential expansion in Vermont.

VERMONT GLOBAL TRADE PARTNERSHIP ♦ Becky Fu, Manager of International Trade

- Becky attended ExporTech training 2015 as a coach, providing international trade resources to attendees, including Hayward Tyler, Country Home Products and NUARI.
- Becky is in conversation with NRG system and Draker Lab for the STEP 3 export trade show opportunities.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

Other PTAC News

- Craig Baden held Preparing for a Matchmaker Workshop on April 28, 2015 at the ACEDC Building in Middlebury, Vermont. The workshop was well received by the attendees and was co-hosted by Chris Herriman of the SBA.

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **Imerys:** The Vermont Training Program awarded \$179,076.68 toward the cost to training existing employees and hiring 10 new employees. The company is investing several million dollars in new equipment which will allow the Ludlow facility to produce a greater amount of talc and offer it in different grades for more products.
- **River Valley Technical Center:** Beth Demers was contacted by Dave Culver of the Springfield based technical center. The center has developed a CNC boot camp with the input of area employers, CCV, and VTC. Dave is now drafting a grant to the VTP to assist with the cost of the tuition. The boot camp seems to have a lot of demand from area employers and those from as far away as Chittenden County.
- **Bradford Machine:** Beth Demers and Adam Grinold met with Jim Hayssen of the Brattleboro based metal manufacturer. The company has picked up several new customers and has one existing customer who is bringing work from Europe and Russia back to the U.S. through contracts with Bradford Machine. As a result, Bradford has needed to bring on new employees and equipment. Jim will be putting together an application to train employees on the new equipment and be able to produce parts successfully for this growth.
- **Laura Zindel Design:** Beth Demers and Adam Grinold met with Laura Zindel. The company produces ceramic table settings with intricate designs. Sales have grown steadily and the company is now facing the transition from a craftsman boutique to more of a manufacturing operation. Laura is planning on the purchase of new equipment and completely re-working the process flow within the shop. Laura is seeking employee training assistance from the VTP and will be working with Beth on a draft.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Deputy Commissioner Hollar

- **CDBG Funding:** The U.S. House Appropriations Subcommittee on Transportation and Housing and Urban Development approved its version of the federal FY16 spending bill this week. It includes funding for the Community Development Block Grant program at the same level as the current year (\$3 billion). This is significant as the committee was operating under very tight budget caps. The bill includes grim news for other key programs. The draft bill would cut HOME funding from its record-low level of \$900 million in FY 2015 to just \$767 million in FY 2016. And transfers funds meant for the new National Housing Trust Fund to HOME. The committee argues this move maintains HOME funding at last year's \$900 million level. The bill also includes cuts to fair housing programs, public housing capital funds and underfunds project-based rental assistance. Next, the bill will be considered by the full House Appropriations Committee.
- **Environmental Reviews:** Received guidance from the HUD Regional Office on the environmental review (ER) requirements for economic development projects. Had requested a conference call to ensure we are providing the best possible technical assistance to potential applicants. With VCDP and GMS, offered a number of scenarios and asked questions based on the pending expansion of Cabot Hosiery Mills. The ER process is the same for all potential Vermont Community Development Projects, including economic development proposals. The reviews must be based on the entire scope of the project. In other words, even if our funds will be used for only one element, such as building an access road or paying for equipment, the review must encompass all phases of construction and site work. The prohibition on "choice-limiting actions" also applies. Such actions include entering into purchase and sale agreements, going out to bid, and entering into contracts. Projects that take these actions prior to completing the ER are ineligible for VCDP funding. Overall the clarifications we received from HUD will better enable us to guide and work with applicants. The requirements are entirely workable if project sponsors just come to us early in the process. Unfortunately, it will not be possible for us to consider an application from the Town of Northfield for the Cabot project unless they can put the project on hold until the ER is completed. The advanced stage of the project creates other complicating factors for our funding, so it's important to note that ER is not the only challenge.
- **Vermont Council on Homelessness:** The Department of Children and Families is rethinking how it provides emergency housing, which it does through a number of programs. DCF asked council members for feedback on its proposal to use general assistance funds for community grants for providing emergency housing rather than motel vouchers. While all agreed spending \$4.5 million on motels is not a sound approach, council members and others said more time was needed to develop alternatives and that community grants would need to come with very strong guidelines. DCF wants to make the change by October 1. Many were concerned about the transfer of responsibility from a state program that essentially functions as an entitlement to a locally-based program grant program. Others noted that there will always be a need for some motel vouchers to address sudden needs such as a family fleeing domestic violence.
- **Praise for Strong Communities Quarterly:** Received a note of appreciation from the Town of Hinesburg. Credit really goes to Commissioner MacKay for the vision behind the newsletter, Richard Amore for making it happen and all in DHCD who set aside other work to contribute content. It is appreciated and helping our partners.

"Kudos to the Department of Housing & Community Development for putting out the Strong Communities Quarterly email newsletter. I just finished perusing the Spring 2015 issue. Very well done. Inspiring even! It's really helpful for me as a municipal planner to see and hear more about all the interesting initiatives, projects, success stories, and trainings happening around the State. Your quarterly newsletter is a great source of information for me on that front. It's also put together really nicely. Just enough text and photos to catch my interest and make me read, but not so much that I feel overwhelmed and inclined to simply skip it. I passed along three snippets from the Spring issue to various volunteer committees here in Hinesburg."

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

- **Vermont Village Greens Initiative:** Richard Amore, and interns Amie Schiller and Kate O'Brien, presented a webinar presentation on the Vermont Village Greens Initiative and discussed funding and other opportunities to revitalize Vermont's village greens. The Vermont Village Greens Initiative (VVGI) is

working to raise awareness about Vermont's village greens and the important role they play both culturally and economically. Click here to view the webinar. The Vermont Village Greens Initiative is a collaborative effort between the Vermont Urban & Community Forestry Program, DHCD, the Preservation Trust of Vermont, and UVM.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer State Architectural Historian

- **National Register nominations:** At their meeting on April 23, the Vermont Advisory Council on Historic Preservation reviewed and recommended the following properties for listing in the National Register of Historic Places: Jones-Pestle Farmstead, Waitsfield; Community Baptist Church, Montgomery; and Houghtonville Historic District, Grafton. Over the next few weeks Devin will prepare the final nomination materials for submittal to the National Park Service.
- **Vermont Podcast Network:** Devin met with Jessica and James Gelter, who live in Brattleboro and are starting a new business called the [Vermont Podcast Network](#). Their goal is to provide a platform to host Vermont-based podcasts on a wide range of topics, including local history and historic preservation. Steve Cook, Vermont Department of Tourism and Marketing, also joined the conversation, and there's a lot of potential for local tourism podcasts as well. It could be a great opportunity to open a new means of communication with younger audiences about Vermont's historic and cultural resources.

Project Review

- **VTel & Middlebury Congregational Church:** Laura and Jamie participated in a bi-weekly conference call for consultation with the Federal Communications Commission (FCC) and US Dept. of Agriculture - Rural Utilities Service (USDA RUS) for the proposed VTEL telecommunications facility to be located in the steeple of the Middlebury Congregational Church. After more than a year working towards resolution on the design of the project, DHP was thrilled to hear VTEL verbally commit to pursuing the project while addressing all of our concerns. This is a major reversal of VTEL's position on this project and the pending revised plans are a huge step in the right direction. This means there will be no replacement of existing windows with RF-transparent replicas, they will move the equipment further inboard from the exterior windows to minimize the potential visual effects of the equipment within the steeple, attach the equipment in a way that minimizes damage to the existing historic timber frame members and will maintain the current lighting scheme of the steeple, preserving the characteristic nighttime-illumination of this lantern-type steeple. The team is glad to finally have an agreement in place that allows for VTEL to utilize the very tall steeple, while preserving its character-defining features -- a win-win solution for all interested parties.

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

- Arthur's mobile home park activity this week including reviewing a Notice of Intent to Sell that was received for the Pinecrest Park in Morrisville and scheduling a resident informational meeting in West Fairlee for the Cold Springs MHP which is also for sale. Cold Springs MHP is owned by an estate which first put the park up for sale last year. At the time, the park was not a good candidate for nonprofit ownership because of the amount of acreage (110+ acres) and other property included in the sale. The sale notice now includes just 4.6 acres. Pinecrest Park has been owned by its current owners since 2001. The park has 53 lots but only 41 are occupied.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Regular CDBG

Applications

- **Town of Randolph:** The Town had submitted a \$574,000 Implementation Grant application for the 16 lot Armstrong Mobile Home Park acquisition & rehabilitation project. The project includes the upgrade of the current underground water, wastewater, electrical system which are sub-standard and in danger of failure if not addressed soon. The threshold review is not yet complete, but the preliminary review looks promising for no major issues.

Other

- **HUD Proposed New Rule for Sec 3:** (part of the 1968 Act that states that HUD funded-jobs and contracts are to be directed, to the greatest extent feasible, to low-income residents and businesses that employ them) is raising concerns for State CDBG programs, since it appears to require additional state compliance and management responsibilities without additional funding and lack of training and assistance from HUD. Staff will be attending training webinars and conference calls to learn more and provide comments to HUD on the proposed rules.

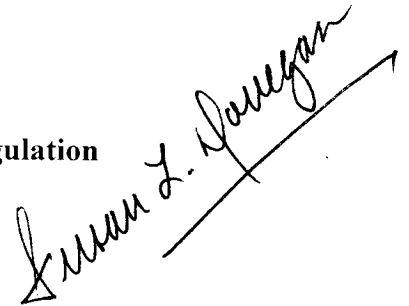
- **Con Plan:** The draft is available on the DHCD Housing website. Public comments were accepted through April 27, 2015. The Consolidated Plan must be submitted to HUD by May 15, 2015.
http://acd.vermont.gov/strong_communities/housing/planning/consolidated_plan

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Department of Financial Regulation
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Montpelier, VT 05620-3101
www.dfr.vermont.gov

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: May 1, 2015
Re: Weekly Report



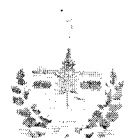
Captive Insurance Division:

Monroe Indemnity Inc. is Vermont's newest captive insurance company bringing the total to 1037. Its parent company is PricewaterhouseCoopers, known worldwide as one of the "Big 4" audit firms. PwC boasts a network of firms in 157 countries with more than 180,000 employees and total revenues of \$34 billion in FY2014.

Banking Division:

Commissioner Susan Donegan and the Banking Division's deputy commissioner and chief of examination attended the bi-annual meeting of District 1 (northeast) for the Conference of State Bank Supervisors (CSBS). Regional regulation trends and issues were discussed including problems recruiting and retaining staff, earnings pressure on financial institutions, continued consolidation of the banking sector, and cybersecurity. Representatives from the Boston FDIC office, Federal Reserve Board, Office of the Comptroller and the Consumer Financial Protection Bureau provided presentations relating to federal banking issues. The northeast region banking divisions are about to embark on a new software application pilot program that will be used to conduct bank safety and soundness examinations. This program is slated to be rolled-out nationally and coordinates with the FDIC so that states will have connectivity with FDIC-led joint exams. This is a very desirable step toward continuing efforts to modernization banking supervision.

Merchants Bancshares Inc., the parent company of Merchants Bank, announced this week that it will acquire Nuvo Bank and Trust of Springfield, Mass. This merger adds a commercially-oriented institution to Merchant's portfolio. Nuvo, which has \$153 million in assets, focuses on small and medium-sized businesses, professionals and individuals in western Massachusetts. This out-of-state acquisition benefits the Vermont banking sector by allowing growth without



cannibalizing any existing in-state financial institutions. We anticipate the regulatory review and approval process to continue through the summer with a target completion date of early fall.

Covered Bridge Credit Union in Windsor (one of Vermont's smallest credit unions) has made positive steps in exploring a merger with Members Advantage Community Credit Union. While this transaction reduces the number of state chartered credit unions from 17 to 16, it is the right move for Covered Bridge, which has been struggling with changes in management issues. Members Advantage has offices in Barre, South Burlington and White River Junction and serves more than 12,000 members.

As of midnight last night, the merger of Vermont State Employees Credit Union (VSECU) and Bennington Electrical Employees Federal Credit Union (BEEFCU) became official. BEEFCU, which was established in 1976 as a manufacturing credit union, has \$3 million in assets, two employees, and serves about 450 EverReady employees and their families. A new branch office of VSECU will open in Bennington today.

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To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: May 1, 2015
Re: Weekly Report

Status of Governor's Priorities:
none

Legislative Issues/Contacts:
No legis contact this week

Press Issues/Releases/Contacts:
none

Significant Events/Meetings:
none

Evolving Issues:
none

Summary of Key Agency Department Activity:

Collected feedback from staff about ways to improve our department that were identified as weaknesses in the Employee Survey from last October. Our next meeting will likely involve an HR person based on requests from the staff. Rose Gowdey helped me initially and I will update her with most recent input.

Senate has added back the marketing funds that HAC removed. It also appears that the restrictive language in H.489 for lottery and liquor licensing has been removed as well.

Executive Director's Commentary:

Our 2nd Chance vendor has decided to accept only a 6 month contract extension instead of 12 months, ending in October 2015. This will require an accelerated process to find another vendor and get a site designed, up and running. There are only a few qualified vendors that I am aware of to do this. 2nd Chance has grown to be a significant aspect of our sales success. I am not trying to avoid the RFP process but we are looking at the time table and may request a sole source option. I will provide more info once I get some details from potential vendors.

Justin F+1

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, May 1, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Legislature

Transportation Bill: The House has postponed action on the Senate passed Transportation Bill until next Wednesday so they can discuss with their leadership on what action to take. There is only one issue that separates the two chambers and that is how they reduce our budget by \$1.5M. The House had reduced the leveling program by \$1.5M (which we supported at that time). The Senate restored that cut to the leveling program and instead imposed an additional cut to labor costs and to projects. The House wants to restore the leveling cut as the Senate is proposing, but pay for it in a different way. The House wants to borrow \$1.5M from the cash balance of the Town Highway Structures Grant Program and then repay the grant program in FY17 by using the scheduled JTOC transfer of \$2.5M. Senator Mazza left it up to Senator Kitchel to make the deal or not and, given the challenges with the big bill, she wasn't in a mood to restore the Senate imposed \$500K reduction in personnel costs. The Senate was willing to restore the project reductions but wouldn't let go of the personnel reductions.

Construction and Operations Highlights

- We have 31 active work zones: 18 bridge, 4 reclaim, 4 paving, 4 safety, 1 park 'n ride. We anticipate a total of 105 projects in 2015. 30% of the program has an active work zone.
- The bi-weekly estimates paid to the contractors this week amounts to \$1,795,014.39
- Winter maintenance finishes at \$30M. This is \$2M above last year's record investment and \$4M above what we budgeted (based on the last 4 years' average winter maintenance costs). Working hard to keep FY15 in balance by juggling between appropriations.
- Maintenance teams busy with spring activities: patching, guardrail replacements; litter picking, sweeping, tree maintenance, fencing, etc.

Economic Development

I continue my outreach to our largest urban/urbanizing areas and meeting Mayors/officials to discuss what further transportation investments can support their growth and future economic development strategies. Thus far I have visited St. Albans, Rutland, Winooski, Burlington, Montpelier, Barre. These are fruitful discussions both for seeing what an impact transportation infrastructure can make, and also recognizing the future needs of our key economic/social sectors. We are thinking about adding a program area to our future TBill to focus specifically on projects (new or existing) that support economic growth.

Climate: Resilience & Mitigation

Environmental Excellence: Very pleased to announce that VTrans is the recipient of an **FHWA 2015 Environmental Excellence Award in the area of Climate Change**

Adaptation and Resilience. Environmental Excellence Awards are granted biannually by the US DOT to state transportation agencies that are making "outstanding contributions to environmental stewardship and partnerships above and beyond traditional transportation project outcomes." This is the first year climate change was included in the program.

Regional Collaborations: VTrans initiated, and I helped to lead, a New England DOT Climate Resilience Workshop, which brought together every NE state DOT with UNH climate researchers and federal agencies. This is the first important gathering to share lessons/strategies across the region on the important matter of infrastructure resilience in the transportation sector.

Mitigation: Next week kicks off The **WayToGo Challenge**. This annual event is one of our strategies for motivating Vermonters to be climate leaders, get out of their cars, change modes, reduce costs and improve the environment. We would appreciate your help in promoting this effort which is expanding each year. It is running for 2 weeks this year and thus far the results are promising:

- 1,396 total participants (including 150 state employees)
- 310 Teams (including 11 state agency teams)
- 72,986 miles saved
- 50,747 pounds of Carbon Dioxide saved

Scott

Media

- Represented you at the BTV announcement of AA service to Charlotte, NC
- Dismayed by the recent bicycle fatalities, along with last week's tragic loss of another young Vermonter on our highway, I am submitting an Opinion piece to media regarding our need to focus on safe driving. This is in conjunction with driver distraction campaign this month.

Scott FTI

Brattleboro Bridge

- Staff at VTrans are developing a revised strategy to complete the bridge inspection and the pot hole repair work that was suspended mid-stream due to overwhelming traffic issues through town.
- An after-action meeting was held with the project team and the local emergency responders to discuss lessons learned. I also spoke with Town Manager directly and fielded call from Reformer.
- The contractor continues to work on lift 8 of the Pier Table 1. Scheduled concrete placement for this is May 7, 2015; this is approximately one week behind schedule and not considered a threat to the overall completion at this time.
- The second global settlement meeting is scheduled for Thursday, April 30th.
- Preparing with Liz Miller for a Monday conference call with PCL leadership.

F-11

Waterbury IM 089-2(43)

The blasting operation is going well; minimal impacts to traffic and we are on schedule to complete the blasting by Friday, May 8th. The traffic issue on Tuesday stemmed from the need to replace the temporary pavement marking tape in the northbound lane. The tape has been a source of complaints from motorists and identified as a safety issue. A window of opportunity presented itself to correct this issue and the work took slightly longer than anticipated and extended into the PM peak traffic. Reports from staff clocked the delay at 20 minutes. Revisions to the sign package are underway and this should help clarify the work zone for motorists. The smart work zone is installed and training for staff scheduled for Thursday. The smart work zone can be activated once training is complete.

DMV's Super Employee

Stella Lafountain was WCAX's Super Senior last week, and she turns 90 on May 26; DMV will be celebrating her birthday on May 15th. You may wish to drop her a card of congratulations.

Lisa note

NOTES FOR STAFF

Fairpoint Rail ROW

Fairpoint Communications is still continuing to seek a reduction in the fair market value of their lease with the Rail Program for occupying State rail ROW. State statute requires the State to charge fair market value for occupations of State rail ROW by utilities seeking to use the ROW for their infrastructure. The Rail program and Fairpoint conducted a joint inventory of all Fairpoint occupations of the State rail ROW. The number of occupations approximately doubled. The State charges less than the private railroads located in VT but Fairpoint is requesting we reduce our lease amount of \$91,000 by \$50,000. VTrans' Assistant Attorney General has reviewed their arguments for why we should reduce and has found nothing in their arguments that is a compelling reason to alter our position and, moreover, state statute does not provide that flexibility. The next step in this dispute is a hearing before the Transportation Board where we anticipate that we will prevail.

Just FYI

Workforce Development

Recruitment: One of VTrans' five Goals in our Strategic Plan is to develop our workforce to meet the future needs of the Agency. To that end we have initiated a new recruitment effort by launching four regional VTrans Career Fairs/Open Houses.

Working in conjunction with DOL and our Tech Centers and Universities to promote summer temp and internship opportunities, we see these as critical to engaging young Vermonters and expanding the diversity of our workforce. Our Civil Rights section leads these efforts. These initiatives, in combination with a series of diversity trainings, new employee orientations and other strategies are beginning to have an impact on increasing race and gender diversity -- including in our garages -- and changing the culture of the Agency to one of greater teamwork and acceptance.

Highway Safety

This month marked Distracted Driver month and we participated in a national Tweet-Up #JustDrive. I am submitting an Op Ed to enhance the message.

- 2015 Highway Fatalities to-date: 9 (may include yet determined untimely deaths or not yet satisfied 30-day rule): 5 operators, 2 passengers, 2 pedacyclist, and 0 pedestrians.

Aviation

- Supported BTV and the mayor presser announcing new American Airlines non stop service to Charlotte NC, beginning in August.
- FAA has finally approved it and we plan to begin construction of the 288 solar array. This will replace 80% of the airports electrical operating expenses.
- Held bid opening for the Newport parallel taxiway project. Apparent low bidder selected and grant application will be submitted to FAA on May 1.

Maintenance

Activities and Accomplishments:

- 560 linear feet of fencing, repaired 987 linear feet of guardrail, 200 linear feet of ditching, 4,673 lane miles of snow and ice control, maintained 130 signs, 28 ton of patching, 23 ton of picking litter, 21 lane miles of sweeping, cut 219 trees, and maintained 142 culverts.
- 1,074 hours training by AOT and non-AOT staff, 836 hours maintaining buildings and grounds, 428 hours maintaining equipment and 1,007 hours maintaining winter equipment.
- Several rock slides these past 2 weeks, including several onto roadway: I-91 in Ryegate, I-89 in Royalton, and US 5 in Barnet which will be left in ditch line for now (not a safety issue) due to peregrine falcons nesting in the rock cut above. All under contract for removal.

Winter Maintenance Figures (Final)

FY 15 Winter Maintenance Costs to date = \$30,265,441

FY 14 Winter Maintenance Costs to date = \$28,470,269

FY 15 Salt Usage to date = 132,266 Tons

FY 14 Salt Usage to date = 131,684 Tons

FY 15 Total Hours spent on Winter Maintenance to date = 266,706

FY 14 Total Hours spent on Winter Maintenance to date = 255,734

Facilities

Our Materials facility is having some problems. We are working to commission the building and in doing so removed some socks from the ventilation system. One particular sock had extensive debris collected, to our surprise. Our chemist analyzed the material and found strong concentrations of lead and zinc. We are working to figure out why the ventilation ducts are breaking down and shedding material.

Justin
FYI

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: May 1, 2015

Highlights:

VDH:

Addison County Steering Committee on Opiate Addiction pg. 3

Governor Shumlin and Health Department Parents Promote Physical Fitness Month pg. 4

DMH:

Vermont Psychiatric Care Hospital (VPCCH) pg. 4

Brattleboro Retreat pg. 4

University of Vermont Medical Center (UVMC) pg. 5

Patients Stuck in Level 1 Beds as well as Other Psychiatric Beds pg. 5

DAIL:

Office of Child Support Success Story pg. 5

May is Older Americans Month pg. 5

DOC:

King Arthur Flour proposes a baking program for VT prisons pg. 6

Population pg. 6

DCF:

Work4Kids – Office of Child Support Pilot Program pg. 6

DVHA:

VHC pg. 7

Secretary's Message

As reported last week, Commissioner Ken Schatz, DCF staff and I, rolled out the emergency housing initiative, including a descriptive memo for stakeholders. Draft legislation was provided to the Senate Appropriations Committee for the budget bill, authorizing creation of a flexible community based grants program to serve homeless individuals, use of General Assistance funds for this purpose and if implemented, authorization to modify or repeal GA emergency housing rules and policies. However, concerns raised by advocates related to whether communities would be ready to provide services by October 1, 2015 and the loss of an entitlement to emergency housing resulted in the Committee not including any of the requested language in their amendments to the budget bill. Our approach now is to let the legislation go, and continue to have conversations about the initiative with stakeholders, including the Vermont Council on Homelessness, Vermont Affordable Housing Coalition, the Poverty Council and the 13 local Continuums of Care. We will try to implement all or at least a portion of the initiative in several communities by using Housing Opportunity (HOP) grants and General Assistance funds to implement coordinated entry and assessment, create warming shelters and other strategies to

avoid the use of motels this winter. If successful, we can come back next year with legislation early in the session and a state-wide strategy.

504
I met with several of my Commissioners, my staff and Secretary Holcombe, to follow up your request to explore the full service school model and how AHS and AOE could collaborate to initiate this model more extensively throughout the state. We have begun to lay out the next steps to build a solid concept and attainable results. It was clear throughout the conversation that we need to build on what we already have, leverage current resources, and partner closely with communities using data to create a shared understanding of each unique community's needs and the solutions and models to address those needs. We are all excited to begin this work, which is at the heart of our shared mission to create safe, healthy and successful families, schools and communities.

Agency of Human Services Central Office (AHSCO)

Department of Justice Grant- Reducing Recidivism

The AHS Secretary's Office is working with the DOC as a member of the Executive Steering Committee for the Department of Justice Reducing Recidivism grant. As part of the federal expectations around communication related to this grant, AHS will be reaching out to the Governor's Office for assistance and guidance in messaging related to the grant progress and outcomes.

Ally

Building Bright Futures State Council

The AHS Secretary's Office sits on the BBF State Council as a participating member. Additionally, we have been working offline with the Executive Director of BBF to re-structure the State Council into a more effective and efficient public and private partnership, focused on the Early Childhood Framework and Action Plan and the coordination of the multiple efforts related to early childhood happening statewide.

Leadership Development Program

This week marks the start of the new cohort of the AHS Agency Leadership Development Program. The program, now entering its sixth session, continues to evolve to meet the needs of our future leaders. With a strong emphasis on understanding major initiatives, becoming proficient in guiding efforts in performance accountability and in reinforcing integrated service delivery, the program provides staff from each of the departments with the essential components of leading in our unique environment.

NEK Landlord Meeting

Representatives from AHS, DCF/ESD and Northeast Kingdom Community Action (NEKCA) met this past Saturday with landlords and property managers. The intent is to begin an ongoing dialogue about issues associated with renting to low income tenants and tenants with marginal rental histories. While only 4 landlords attended, it was a spirited and collegial 90 minute discussion with a number of ideas on how we could collaboratively move forward in supporting clients to be good tenants. This will be an ongoing discussion and we are committed to increasing landlord participation.

General Assistance Proposal Discussion in the NEK

There was much discussion in both St Johnsbury and Newport about the recent DCF/ESD Memo regarding the General Assistance Housing program. At this point there are more questions than answers, but the general consensus is that folks support the concept. The questions pertained mostly to financial allocations and expectations. Both St Johnsbury and Newport districts are without any emergency shelter capacity at this point although St Johnsbury is closer to realizing one for the 2015/26 winter.

Addison County Discussion on Self Neglecting Individuals

In Addison, the AHS Field Director co-hosted a meeting with Champlain Valley Area on Aging on the issue of self-neglect with the goal of creating a community protocol for response. This was a well-attended meeting, with representatives from mental health, substance abuse services, elderly services, housing organizations and law enforcement.

Rutland Youth Need for Emergency Beds

The AHS Field Director is working to connect the Integrating Family Services Initiative (IFS) with work in Rutland related to the need for emergency beds and respite options for youth in the community. A small group, including representatives from the city schools, mental health and family services, met to discuss the need and to brainstorm solutions around options and funding.

Connecting Partner Organizations to House Homeless Veterans

With 2015 the national target for ending homelessness among veterans, the AHS Secretary's Office is bringing together state and federal organizations to coordinate the information and resources needed to connect this traditionally hard-to-reach population with valuable federal housing resources.

Data from January suggest there were no more than 11 unsheltered homeless veterans (meaning outdoors), in Vermont but the VA and VSHA had no way of knowing where they were. After agreeing that this group is highest priority for receiving VASH vouchers, AHS requested information from the continuum of care on which providers these veterans are connected with. The VA then used this to target their outreach. The result is that the VA is now connecting with these veterans and VSHA will be issuing them federal vouchers. Our small team is also developing a protocol to be shared with the statewide network of emergency shelters on Wednesday, our next priority once all unsheltered veterans have been housed.

Vermont Department of Health (VDH)

Addison County Steering Committee on Opiate Addiction

The Addison County Steering Committee on Opiate Addiction formed following the Governor's Forum on Opiate Addiction last June. The Addison County Steering Committee and its sub-committees have been working on many initiatives focused on prevention, treatment, recovery and law enforcement support. We recently finalized a list of accomplishments to date and will distribute the attached document to all of the Addison County residents who attended our regional meeting on opiate addiction last fall. One accomplishment is the creation of a document called The Warning Signs of Addiction document, a resource for friends and family members of those who might be struggling with addiction. This document has been distributed through many locations and outlets in Addison County, including schools.

Medical Examiner's Office Collaborates with Product Safety Commission

VDH staff has been working with the U.S. Consumer Product Safety Commission (CPSC) to supply information on deaths related to consumer products. The CPSC is charged with protecting the public from unreasonable risks of injury or death associated with the use of consumer products. In the past year the VT Office of the Chief Medical Examiner (OCME) has supplied the CPSC with information on 50 deaths related to consumer products, and there are still four months in the CPSC reporting year. This is the most thorough reporting to the CPSC that the VT OCME has completed in the past 10 years.

Public Health Preparedness and EMS

- Application was submitted to CDC for five-year, \$4 M project to improve care of patients with stroke. Decision due in July.
- Assisted hazmat team along with environmental health in response to incident in Williston.
- Staff will attend National Alliance for Radiation Readiness meeting next week. This is an ASTHO led group that helps prepare first responders and the emergency management system for all types of radiation emergencies.

Governor Shumlin and Health Department Parents Promote Physical Fitness Month

This week, you will announce that the month of May to be Physical Fitness and Sports Month. The proclamation, advocated by the Governor's Council on Physical Fitness and Sports and the Vermont Department of Health, will take place in Montpelier on Friday, May 1.

In recognition of the month-long observance, the Health Department has developed digital promotion that features children of staff engaged in a wide variety of physical activity, underscoring the importance of fostering healthy habits at an early age.

Tobacco Control Program

- Until April 2015, supportive text messaging services have only been available to registrants of the Vermont Quitline as a way to help them quit tobacco and e-cigarettes. This valuable service is now being expanded to Quit Online participants, as well. The texts help people prepare for their quit date and provide tips to manage cravings. More information is available at 802Quits.org.
- This May, 802Quits will launch a comprehensive portal for Providers. The site features an interactive whole body image, informed by the Surgeon General's Report, as well as resources for patients, easy-to-access CPT codes and order information and more.

Department of Mental Health (DMH)

The hospital continues to maintain census at 22 due to one patient's specific treatment plan. The patient has responded very well to less stimulation. Return to full capacity (25 beds) should be achieved next week if patient progress continues. The hospital continues to work with Human Resources on recruitment of additional staff, with 3 new staff starting next week.

Brattleboro Retreat

Dr. Rob Simpson, President and CEO of the Brattleboro Retreat has decided not to renew his contract and will be leaving at the end of December. The Retreat has engaged Phillips, DiPisa & Associates, a

major healthcare recruitment firm to assist in a comprehensive national search for Dr. Simpson's replacement.

University of Vermont Medical Center (UVMC)

The Department of Mental Health (DMH) has run into some issues with UVMC regarding the annual cost reconciliation process for the balance of services for Level 1 inpatient beds at UVMC. The proposed expenditures presented by UVMC were \$1.6M, while the independent consultant providing cost reconciliation determined \$1M appeared to be reasonable, actual costs. DMH efforts to obtain additional staffing cost details for the expenditures have not been forthcoming from UVMC. A proposal to split the difference has tentatively been put forward by UVMC without additional information provided. DMH is now in consultation with Commissioner Reardon on next steps.

Justin F71

Eagle Eye Farm

Eagle Eye Farm is a residential facility in the Northeast Kingdom. They provide services for 3 very complex mentally ill individuals who were previously located at the Vermont State Hospital. It has come to DMH's attention that one of those individuals may not be receiving the care and treatment DMH expected and approved. DMH is currently investigating the matter.

Patients Stuck in Level 1 Beds as well as Other Psychiatric Beds.

1. The length of time a psychiatric patient remains in a hospital bed after being assessed as needing long term nursing care is a problem. DMH is working with DAIL to address this issue.
2. Criminal cases: The length of time to have a court hearing on a case when the patient has been found competent, can take months. Even patients who are ready for discharge, who are from the court system, can take a long period of time before the court gives its consent. Some of this will have to be addressed by changes in Title 13. DMH is working with Judge Grearson on this. The other is how to set court dates in a timelier manner.

Department of Disabilities, Aging and Independent Living (DAIL)

Office of Child Support Success Story

William, a 38 year old man was referred to VocRehab VT through the Office of Child Support and the Work 4 Kids program. William has a 7th grade education and is diagnosed with Major Depression, Attention Deficit Disorder, mild arthritis in his back and a possible learning disability. William had not engaged in competitive employment in over 12 years which contributed to his low self-worth and low self-esteem. Using a model of progressive employment, William was able to explore different jobs and regain confidence. He has now been successfully employed in the same job for over 11 months and is carpooling the 30 miles from his home with a coworker. The employer has given us consistent positive feedback on William's strong work ethic and advancement in his skills. He is very proud of his job. William recently commented, "Now that I've been working and earning a paycheck, I have a little extra money to do things with my daughter that I never could do before"

May is Older Americans Month

Commissioner Wehry will mark the start of Older Americans month on May 1st with a visit to Newport to have lunch with seniors at Cornucopia. Modeled after the successful FRESH Food initiative created by Vermont Works for Women, Cornucopia provides a supportive vocational training program for

women in transition. Participants receive instruction in basic culinary arts and hospitality, while cooking meals for community meal sites and the Meals on Wheels program. On Monday, May 4, AHS Secretary Cohen and Commissioner Wehry will join Central Vermont Council on Aging for the Art of Creative Aging in Barre. On Wednesday, the Governor will sign a proclamation at 10:15 in the Ceremonial Office.

Department of Corrections (DOC)

Inmate Death

On 4/23/15 Patrick Fennessey attempted suicide by strangulation at the Southern State Correctional Facility. He was transported to a local medical facility and then further transported to Dartmouth Hitchcock Hospital in New Hampshire. On April 28, 2015, Patrick Fennessey passed away at Dartmouth Hitchcock Hospital as a result of his self-inflicted injuries. This matter has been referred to the Vermont State Police, the Defender General's Office and the Agency of Human Services for investigation purposes.

NECC Work Crew Receives Letter of Thanks

Walden School expresses appreciation for a job well done. Elizabeth Benoit, principal of the Walden School sent a letter to Al Cormier Superintendent of NECC, expressing thanks and appreciation for a job well done at the school during vacation week. She cited Professionalism and attention to detail by Paul Trucott and Jeff Corrow, the work crew staff that planned, prepared and supervised the job. She also states the workers on the crew were courteous, appreciative and worked non-stop. She also stated that they each crew member knew their task for the day, and came in ready to work, and it was a smooth transition from 1 task to another. During the week of vacation they were able to paint the gymnasium, the rear hallway, restroom, repair and paint the exterior woodwork and changed light bulbs in the gymnasium and atrium. Ms. Benoit states "This is an amazing program!"

King Arthur Flour proposes a baking program for VT prisons

Hamelman from King Arthur Flour has reached out to VT DOC for a possible collaboration on this project. Jeffrey Hamelman was asked to develop this bread making program by the Federal prison last year. Due to a very slow start up of the program he has decided that he would like to work with Vermont prisons. The goals of the program are: 1) to provide inmates with a marketable skill that will enable them to find rewarding employment upon their release; 2) to instill, through baking, a sense of pride, self-worth, and discipline in the inmates participating in the program; 3) to reduce recidivism; 4) to provide the inmates and staff with tastier and more nutritious breads.

Population

The department's incarcerated population averaged 1,908 for the previous week. The male population averaged 1,754 with 332 being presentenced inmates. The female population averaged 154 with 31 presentenced inmates.

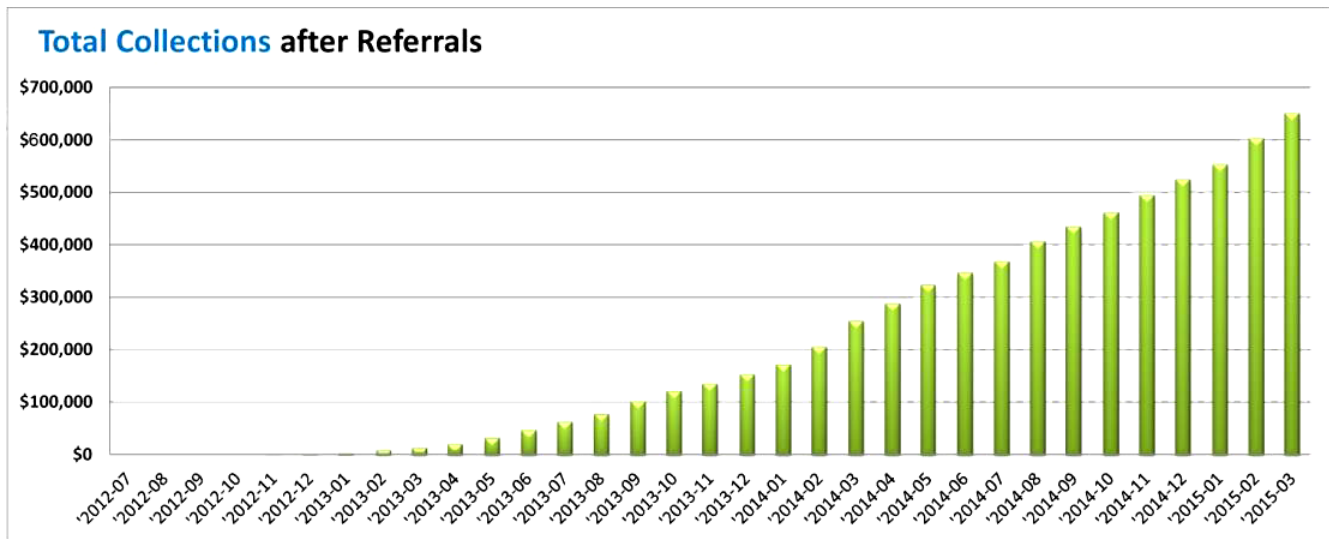
Department for Children and Families (DCF)

Work4Kids – Office of Child Support Pilot Program

VocRehab Vermont is in the third year of a pilot partnership with the Office of Child Support and Invest EAP called Work4Kids. Individuals who have been found to be in non-compliance of child support orders, and who indicate they are unable to obtain employment, are court-referred to Creative Workforce Solutions (CWS) for assistance. Referrals are directed to a local Invest EAP Counselor who

completes an initial intake, identifies barriers and service needs, and determines which CWS employment services are appropriate. Initial data indicates that 90-95% of referrals have significant barriers to employment, with a high percentage having one or more disabilities.

In a recent snapshot of payments by Work4Kids participants, employer-derived payments (the result of successful employment outcomes) were 5½ times higher for participants at the six-month mark than they were in the month prior to referral. This is a significant improvement, representing a more sustainable and consistent mechanism for meeting child support obligations. The Work4Kids project will continue in SFY 2015, refining processes and gathering additional data self-sufficiency.



Department of Vermont Health Access (DVHA)

Blueprint

The Blueprint is continuing to move forward on Blueprint - ACO/Provider Network integration, Unified Community Collaborative development, clinical directory migration from Covinsint to VITL, and ongoing clinical quality improvement collaboratives.

Vermont Health Connect

VHC Project Update

VHC is working towards the delivery of functionality to support Changes of Circumstance (COC), Changes of Information (COI) and Reconciliation between VHC, Benaissance and the Carriers as part of Release 1. VHC is also planning for work to be completed related to Release 2 which includes Medicaid and Qualified Health Plan Renewals, notices functionality, additional financial reconciliation and billing enhancements, and CMS integration. Additional project updates can be found below:

Project Schedule:

- Renewal functionality must be completed by 10/1/15 to be functional for 2016 open enrollment. If the Amendment 7 contract is executed within the next couple of months, that delivery timeline is considered feasible. There remains lack of clarity of funding available for completion of undelivered VHC scope. CMS recently approved the IAPD submitted by the Health Services Enterprise Project Management Office. With this approval, came the approval of all contracts through Amendment 6. However, CMS stated that any activities completed

Review this again -

5 elem
is it?

prior to April 10 will be reimbursed at a reduced rate (down from 65.5% to 50%) from CMCS. The State is still analyzing the financial impacts of this reduction. Any reduction in funding puts the scope at risk.

- The Release 1 implementation timeline is dependent on carrier development and testing execution. BCBS has provided feedback and are committed but concerned with the tight schedule. MVP has provided feedback stating that they could comply with the VHC schedule even through their development schedule does not line up with the proposed plan they will be done development on 5/4. This puts the testing schedule and milestones at risk.
- The Release 1 implementation timeline is also dependent on VHC's operational readiness to accept the implementation of the Release 1 auto-CoC code. Operations identified four critical business processes that must have validated solutions prior to code promotion (see below). Promotion without known solutions for these processes poses negative customer service implications.
 1. 834 Functional Error Correction process
 2. 2014 CoC
 3. How to complete in-flight cases that are partially done when the system is updated at go-live
 4. Fix Special Enrollment Period and Income change errors
- DFR in process of approving additional Dental Carrier Dentegra for participation on Exchange starting Open Enrollment (Nov)
 - Requires CR through Optum to size and schedule – but NOT at the expense of the May release
 - Team recommends commencing initial deliver discussions with Dentegra in parallel to Optum analysis and queue questions for Optum until post-May delivery

Major Accomplishments for the Week/Project Updates

Project Highlights:

Release 1:

- Release 1:
 - Design complete and approved by SoV on 4/22 (2 days late)
 - Optum has indicated that this delay was mitigated and it will not impact the final implementation date
 - Drop 4 sample transactions sent to carriers on 4/17 (4 days early)
 - Final development drop into TEST/PRD on 4/24
 - Functional Specification Design document approved by SoV on 4/23
 - Integration testing in progress with Carriers – have until 4/29 to complete
 - End to end carrier testing commenced on 4/25 with BCBS and Medicaid
 - MVP and Delta Dental in progress

Upcoming Work

- Release 1:
 - Change of Circumstance Development complete
 - Carrier Unit Test / Development Complete
 - Final Approval of Requirement Traceability Matrix
 - Final Approval of Test Plan

- Priority 1 Job Aids complete
- Successfully processed two CoC transactions from BCBSVT, proving the broader solution. Much more testing required!
- Engaged with all there carriers to set up testing for CoC; have pushed the schedule out two days (no impact to end Date/Go-live). Extra time being taken to ensure test data quality to reduce chance of human-error defects in future.
- CoC transactions to be sent on Monday 5/4 to all Carriers by VHC/Optum test team
- Held preliminary design call with Dentegra – provided initial design documentation. Will meet in June, after CoC to drive Dentegra implementation pending an approved Change Request from Optum.
- Release 2:
 - Joint Application Requirements/Design (JAR/JAD) sessions continue for renewals and premium updates

Major Issues and Risks

- Release 1 implementation timeline is also dependent on the completion of all backlog 2015 renewal applications and reconciliation between VHC, their premium processor (Benaissance), the three carriers (BCBS, MVP & Delta Dental), and Medicaid. Workarounds that will be needed post CoC deployment have yet to be finalized but are being worked on. Specifically, a process for completing any backlog work that has been started but not yet completed by the time we implement needs to be finalized. These are also not part of the testing schedule currently. This could impact the timeline. We should have more information on this by the end of this week.
- Lack of a contract with Optum for the completion of work required for Release 2 (Amendment 7) puts the timeline for Renewals functionality at risk. The scope of work for Release 2 has been defined by the SOV. CMS has stated they need 60 days to review and approve any contracts submitted by the State of Vermont. The State submitted the final draft contract to CMS on 4/15/15. CMS recently approved the IAPD submitted by the Health Services Enterprise Project Management Office. With this approval, came the approval of all contracts through Amendment 6. However, CMS stated that any activities completed prior to April 10 will be reimbursed at a reduced rate (down from 65.5% to 50%) from CMCS. The State is still analyzing the financial impacts of this reduction. Any reduction in funding puts the scope at risk.
- Timing of the upcoming data center migration as part of the transition from CGI to Optum for Hosting poses a risk to the VHC Development timelines for CoC and Renewals. Consideration should be given to timing of data center migration of VHC application hardware and how it may impact other implementation delivery dates (i.e., delivery of CoC). The VHC project team and the Hosting team need to remain closely aligned on schedule and upcoming activities to avoid any negative impacts. The Project Manager assigned to the Hosting contract by the HSE PMO is being included in VHC project planning activities to ensure this alignment occurs.

VHC Operations Update:

General Operations Update

The State is working with BCBS and the Vermont Medical Society on a process to reinstate people who were retroactively terminated, but have claims. This may result in an uptick in 2014 case activity over the next five to six weeks. BCBS has so far identified 136 policyholders with claims over \$1,000.

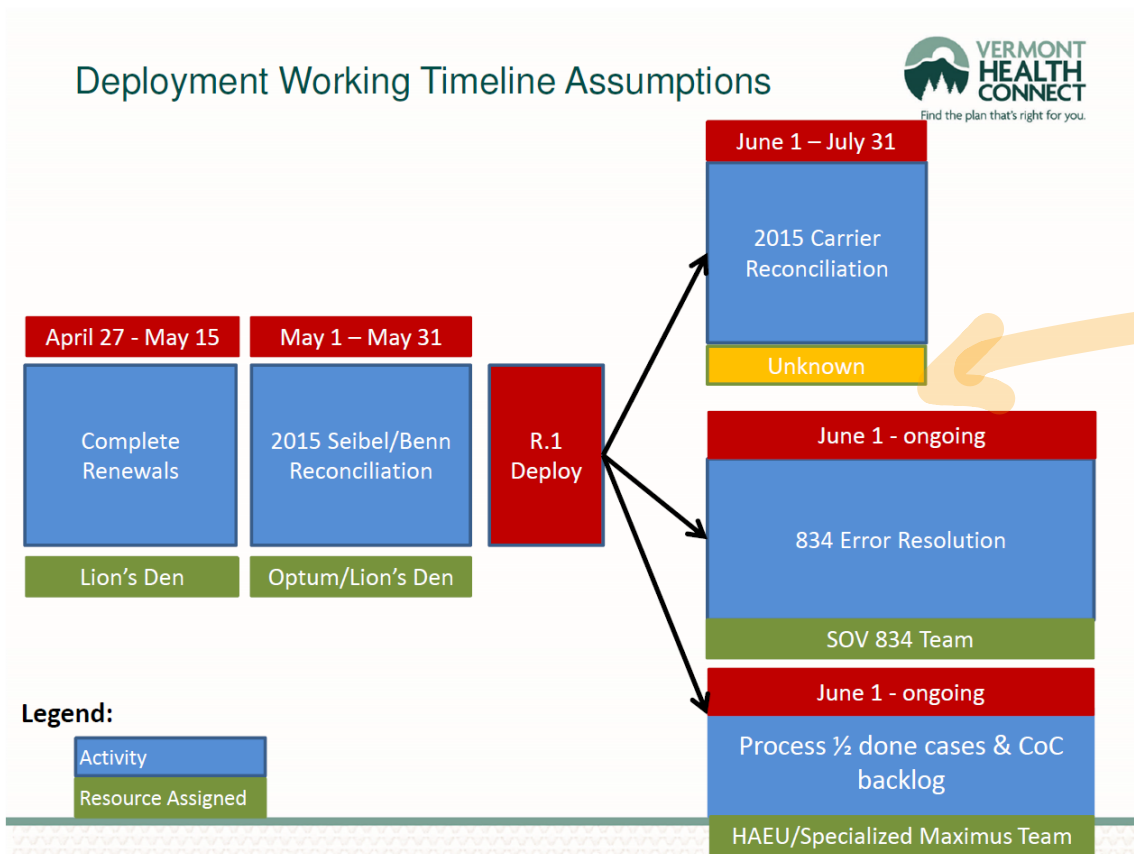
Lion's Den (LD)

There is a steady inventory of approximately 250, 2014 cases in the Lion's Den. 1095A work is winding down and will no longer contribute in a significant way to LD backlogs. As of Friday, VHC was 85.4% complete with renewals.

Lion's Den throughput was up significantly last week, completing an average of 333 cases a day. There are 909 households that still need initial renewal processing and a total of 2,890 that need to make it through the Lion's Den by May 15th. This is possible if we can maintain an average closure rate of 289 per day. **Note, this requires restricting other work in the Lion's Den, including the nearly 2000 2015 CoCs currently in the pipeline (half-completed).*

A CoC is defined as a change requested by a new or renewed member after 12/15/14. The current backlog of CoC requests is 10,788. 5,684 of these requests are Medicaid only households.

There are currently 1,982, 2015 CoC requests in the Lion's Den pipeline. State is working with Optum staff to prioritize LD work in the following order: 2014 cases, 2015 renewals, 2015 CoCs.



All cases will not be through the LD pipeline by deployment. A workaround will need to be developed for 1,000-2,000 half-completed cases.

Solution: *There was a meeting with BCBS on Optum's proposed solution on 4/27/15. BCBS has provided feedback to the State and follow up meetings are being planned.*

There are 10,000+ CoCs in the backlog that will be older than 60 days by the time we deploy. The workaround for processing these CoCs is not finalized. Given business process development and testing timelines, it is unlikely that staff will be fully prepared to execute the workarounds needed to process CoC backlogs by deployment.

Solution: *Operational Readiness meetings are planned to address this issue.*

Optum has not yet identified a way for the State to make changes to 2014 cases post-deployment. This is a significant risk. Goal is to complete reinstatements prior to deployment. A reinstatement may be the result of a fair hearing decision. The end result to reinstate someone is to execute a 2014 CoC with the current functionality. VHC has to withdraw the case and then reinstate it with the changes reported by the consumer. The issue is that once we have delivered the new functionality this current method will no longer work for making these changes. Currently Optum is working to create a similar option for post release 1.

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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:

Secretary's Top Issues

Testing Vermont Cattle for Tuberculosis

- State Veterinarian, Kristin Haas, is in the process of retesting three organic cattle from a herd in Brattleboro for Tuberculosis (TB) following suspect results obtained by the herd veterinarian on the first TB test. The farmer ships milk for pasteurization *and sells raw milk directly to consumers*. His farm and raw milk has been under quarantine since the first test results were obtained on 4/27.
- Assistant State Veterinarian will be completing tuberculosis testing on 17 suspects located at a dairy farm in Orleans County. The farm will be under quarantine until negatives tests are obtained.

Traveling Circus Animals Without Import Permits and False ID Numbers

- Animal Health field staff completed a spot inspection on a traveling circus in Windsor. This circus illegally imported camelids into the state two years ago and were required to leave as the animals did not have current disease tests or other import paperwork. The animals at the circus did have paperwork and the correct tests but did not have an import permit and the official identification numbers did not match up with the CVI that was completed in the last state they were in. The Animal Health Office will be following up.

First Poultry Swap of Season – With Additional HPAI Specific Education

- The first bird swap of the season occurred on Sunday at the Tractor Supply in Rutland. Agency staff tested many birds for avian influenza and Pullorum and answered questions about the current High Path AI outbreak.

Various Poultry Inspection Concerns

- Westminster Meats has decided to undergo a voluntary withdrawal of their poultry inspection for a minimum of 120 days until they can get their HACCP plan in order. Therefore they will not be accepting poultry for slaughter.
- The AAFM meat program documented insanitary conditions at an Exempt poultry producer in southern VT, This facility is the same facility that has been pushing for expanded exempt opportunities

FDA/FSMA Conference in DC

At the request of NASDA (National Association of State Departments of Agriculture) Sec Ross spoke at the FDA's national conference regarding the implementation of the Food Safety Modernization Act (FSMA). He presented a 7 slide power point that included major concerns with the implementation, especially understanding the State/FDA partnership, the implications of the other 6 rules beside the Produce Rule for states and most importantly the funding for the States. Remarks were well received even though they generated some concerns about the process, scope and funding.

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

Status of Governor's Priorities:

Legislative Activities and Issues

Clarification on Current Use update from the VAAFM Weekly Report ending April 24, 2015 concerning Senate Finance Committee-April 20, 2015:

Department of Forest Parks & Recreation provided the committee an approximate decrease in State of Vermont (SOV) reimbursement costs to the municipalities due to the increase in the forest use value rate (2014: \$118/acre versus \$131/acre). Any increases in the use value rate reduces the SOV's liability and the landowner assumes the difference in assessed value. Testimony from Commissioner Snyder described the benefits of the program, and the administration remains neutral on H. 272. It is important that any proposed tweaks not impact the integrity of the program.

April 28, 2015

House General and Military Affairs H. 175

H. 175 is a bill requiring roll off dumpsters to have a size listed on them. Several haulers, the Associated Contractors Representative and the Agency all testified that waste is charged by weight, so this is an unnecessary bill.

Press

- State Veterinarian, Kristin Haas, was interviewed by WCAX and by a reporter with the Rutland Herald on the topic of Avian Influenza, specifically related to what preparations VT poultry owners can make to protect their birds from Avian Influenza.
- Meat Inspection sent information to Local Banquet Magazine concerning allowable activities, markets and facility requirements for rabbit slaughter.
- Meat inspection Program Chief spoke with VT Digger reporter concerning pork in VT.

Significant Events/Meetings:

- State Veterinarians Haas and Mehlenbacher attended the Northeast United States Animal Health Association meeting in Harrisburg, PA this week. There was extensive discussion regarding Avian Influenza preparations across the region and the decision was made by the USDA District One Director to begin holding regular conference calls to help states prepare for disease introduction, utilizing the expertise of state and federal animal health officials from the region who were previously deployed to help with the Midwest response.
- Animal Health field staff continues to support our USDA Veterinary Service staff as they are deployed to MN for the ongoing Highly Pathogenic Avian Influenza Outbreak. Field filled in for VS and completed an obex and lymph node collection in a dead sheep for Scrapie testing.
- Animal Health field staff have been intensively working with a livestock comingling station based out of Iowa to ensure proper identification of calves coming into the VT station from NH and ME. Calves were crossing the VT boarder without state origin ID, in violation of VT import regulations.

- Animal Health field staff completed a spot inspection on a traveling circus in Windsor. This circus illegally imported camelids into the state two years ago and were required to leave as the animals did not have current disease tests or other import paperwork. The animals at the circus did have paperwork and the correct tests but did not have an import permit and the official identification numbers did not match up with the CVI that was completed in the last state they were in. The Animal Health Office will be following up.
- The first bird swap of the season occurred on Sunday at the Tractor Supply in Rutland. Agency staff tested many birds for avian influenza and Pullorum and answered questions about the current High Path AI outbreak.

Evolving Issues:

- State Veterinarians Haas and Mehlenbacher have reactivated the VT Avian Influenza advisory committee as referenced in the Avian Influenza response plan. The first meeting of this stakeholder group will be held on May 5, and a communication/outreach plan will be developed with stakeholder input – **PLEASE SEE ANIMAL HEALTH SECTION BELOW FOR ADDITIONAL AVIAN INFLUENZA OUTBREAK INFORMATION**
- State Veterinarian, Kristin Haas, is in the process of retesting three organic cattle from a herd in Brattleboro for Tuberculosis (TB) following suspect results obtained by the herd veterinarian on the first TB test. The farmer ships milk for pasteurization and sells raw milk directly to consumers; his farm and raw milk has been under quarantine since the first test results were obtained on 4/27.
- Assistant State Veterinarian will be completing tuberculosis testing on 17 suspects located at a dairy farm in Orleans County. The farm will be quarantine until negatives tests are obtained.

Summary of Key agency Department Activity

Agricultural Development:

Business development administrator Chelsea Bardot Lewis represented Food Export Northeast at SIAL Canada in Toronto this week. Eight companies participated in the Food Show Plus program, a trade show add-on service that includes pre-show market research, a retail tour, and one-on-one meetings with pre-qualified buyers. Buyers expressed interest in Vermont products, although Canada's dairy policies continue to be a major barrier to trade.

Local Foods Team Met with USDA Rural Development to Begin Transfer of Mobile Individual Quick Freeze Unit

Local Foods Administrator Abbey Willard, Produce Safety Coordinator Kristina Sweet, and Grants Administrator Melissa Moon met with USDA Rural Development to begin the process of transferring VAAFM's mobile individual quick freeze (IQF) unit to an eligible nonprofit entity or municipality.

- This unit, originally valued at approximately \$40,000, will be transferred to an awardee at no cost for the purpose of promoting sustainable economic development in underserved Vermont communities and supporting small and emerging agricultural businesses.
- VAAFM acquired the unit—designed to flash freeze fruits and vegetables—with grant funding from USDA Rural Development and the Vermont Department of Tourism & Marketing.
- The unit was formerly leased to Green Mountain College, which partnered with farms and nonprofits to conduct a pilot study and develop best practices for use of the unit.
- The unit will be awarded through a competitive review process guided by industry, nonprofit and government stakeholders.

Secretary Ross and VAAFM Staff attend FDA's Food Safety Modernization Act Implementation kick off meeting in Washington DC April 23-24

- Vermont staff joined 450 other food safety and public health stakeholders for a 2-day discussion with FDA about implementation strategies for the Food Safety Modernization Act (FSMA).
- Over 2000 participants from across the country also joined the event by webcast.
- Secretary Ross participated in a partnership perspective panel and shared key messages of state's interest in engaging around FSMA with some ongoing concerns:
 - Education before regulation
 - Need for an adjudication process between FDA, state, and regulated community
 - Funding for state staff resources ... no unfunded mandates
 - MOU outlining specific relationship between FDA and state/local leadership

- Culture change within FDA to advance education of regulated community and workable partnership with states to develop regulatory compliance
- Need for an adjudication process between FDA and state programs and between the co-regulators and the regulated community
- Secretary Ross acknowledged we are in a critical transition period from near final rule adoption to regulatory enforcement. Here the roll of on-farm non-regulatory pre-assessments were explored as an opportunity to provide ongoing education to the regulated community
- His suggested strategies for effective implementation of FSMA were:
 - Addressing compliance on farms
 - Adjusting our state and federal regulations
 - Resource allocation pre and post compliance dates
 - Education, research and development of food safety practices
 - Integration of these rules with other existing regulatory frameworks
 - Recognition that we have a responsibility to develop a responsive, realistic, and dynamic integrated food safety system

VAAFM staff, Abbey Willard, participated in a national FSMA committee addressing On-Farm Pre-Assessment program development

- VT staff joined produce safety staff from North Carolina, Michigan, and Oregon, along with NASDA and FDA staff to begin to develop a pre-assessment program that
 - Encourages voluntary on-farm assistance to promote compliance with the produce safety rule requirements
 - Promotes coordination and strengthen relationship between produce farmers, FDA and regulatory partners, non-regulatory produce safety partners, and educators
 - Provides on-farm training to federal and state partners
 - Identifies outreach topics needing additional consideration, such as research, guidance, and training
- FDA Office of Partnerships is exploring opportunities to use the existing cooperative agreement with NASDA as the possible vehicle to fund the pre-assessment program in the four participating states, including Vermont, in 2016

VAAFM submits a USDA Farm to School Training grant to host a farm to school training event in fall 2016

- Senior Ag Development Coordinator, Ali Zipparo, and Abbey Willard submitted a USDA Farm to School (FTS) Training grant proposal for \$25,000 to host a 2-day statewide FTS training event for Vermont supply chain partners to engage in network and agriculture development learning. The training will take place in November 2016.
- The training will focus on the five critical levers of FTS system change and special attention to procurement and curriculum development needs.
- VAAFM's hope is to connect farmers, distributors, teachers, school administrators, government official, policy mangers, and non-profit partners in discussions about engaging health, education and agriculture across FTS programs.
- The total project cost is \$70,000. VAAFM will know about the status of our application this fall 2015.

Food Safety and Animal Health and Consumer Protection:

Meat Inspection:

- Westminster Meats has decided to undergo a voluntary withdrawal of their poultry inspection for a minimum of 120 days until they can get their HACCP plan in order. Therefore they will not be accepting poultry for slaughter.
- A Notice of Warning is being sent to VT Packinghouse for not notifying the Agency of 2 non-compliances with humane handling regulations.
- Poultry producers/processors in the state are looking for guidance and information about biosecurity against Highly Pathogenic Avian Influenza to ready themselves if/when it comes to new England. We are working to equip inspectors with appropriate sanitizers and gear to prevent cross contamination amongst farms.
- State Inspected Ready to Eat Food processor in Burlington is expanding production days from two to four to meet product demand.

- In process of reviewing Hazard Analysis Critical Control Point plans for new products under State Inspection at Mad River Food Hub, a new Poultry plant in Randolph Center, new Red meat slaughter and processing facility in Milton. These plants will be starting operations in the near future.
- The meat division received several inquiries from caterers concerning the production of meat products for further sale other than at catered events.
- The AAFCM meat program documented insanitary conditions at an Exempt poultry producer in southern VT, This facility is the same facility that has been pushing for expanded exempt opportunities

Animal Health:

The Avian Influenza outbreak continues to evolve, with Minnesota being the hardest hit state to date. The outbreak has involved approximately a dozen states with a total of 110 confirmed positive farms, including 98 commercial facilities and 12 backyard flocks. Millions of poultry have been impacted, as well as multiple species of wild birds. Some daunting statistics from MN follow and foreshadow the potential needs that VT will have if/when we are impacted. Note the significant number of responders needed, which more than doubles the entire staff of the VT Agency of Agriculture, and note involvement of other state agencies/entities such as the MN National Guard and the MN Agency of Transportation:

Current Incident Response Personnel

- Minnesota Board of Animal Health and Department of Agriculture 85
- U.S. Department of Agriculture 139
- Total number of incident responders 224

To date, animal health officials have completed the following response zone activities:

- Visited with individuals on over 11,000 premises to provide education and information on avian influenza
- Conducted surveillance testing on 583 backyard flocks falling within the control areas of infected flocks
- 49 flocks have either been depopulated or are in the process.

Water Delivery

- Large amounts of water are needed in foaming systems being used as part of euthanasia efforts, which are in place to control further spread of avian influenza virus.
- The Minnesota National Guard is delivering water for use in the disease containment effort. Forty-one soldiers and 15 water trucks are available to supply water. The Guard provided 16 thousand gallons of water in Kandiyohi County today. The Guard began its mission on Monday and will continue to provide support until civilian contractors become available. The soldiers and equipment are from the Willmar-based 682nd Engineer Battalion and the Brooklyn Park-based A Company, 134th Brigade Support Battalion.
- The Minnesota Department of Transportation supported foaming operations on Sunday. Three MnDOT tanker trucks, two 6,500 gallon trucks and one 4,500 gallon truck, moved water from Evansville to Paynesville. The trucks were from MnDOT facilities in Baxter, St. Cloud and the Twin Cities.

Animal Health Field Staff

- Completed a tissue residue investigation on a bob veal calf that was administered the antibiotic ceftiofur in an off-label. The investigation involved a dairy in the Hyde Park area and one of the local livestock dealers.
- Attended the weekly auction at ACCS to monitor for ADT compliance and complete the market report.
- Met with a captive cervid owner to coordinate a date to inventory the deer.
- Working with NY Dept. of AGR regarding a NY State Police Officer requiring a VT licensed transporter driving in NY to remove the VT transporter plates from his trailer. Dealers and transporters are commonly licensed in multiple states and will have all plates displayed.
- Coordinating with a Dairy One inspector to provide Johne's Disease handouts to the producers he works with.
- Coordinating with the Vermont Beef Producers Association Sale Committee to provide USDA compliant animal identification tags to VBPA members. Their next sale is scheduled for May 8-9th.

Agricultural Resource Management:

The Agricultural Resource Management Specialist Supervisor responded to the accidental release of a pesticide at a recycled material sorting facility in Williston on Tuesday 4/28. Other respondents were Williston Fire, VT HAZMAT, IBM HAZMAT and the South Burlington Decontamination team. The pesticide turned out to be a Bear Repellent Pepper Spray that was released when a worker sorted it from the line as a non-recyclable item. It fell to the floor and was released from its container, sending 12-13 people to the hospital to be treated for symptoms including headache, difficulty breathing, nausea and vomiting. Information from interviews with affected employees by the VT Department of Labor is not yet available.

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

- Staff conducted a compliance follow-up visit on a LFO in Addison County to evaluate compliance with conditions to an Assurance of Discontinuance. The farm did appear to be in compliance with everything except vegetative buffers. We are discussing next steps internally.
- Staff are processing Capital Equipment Assistance Program grants and discussing implementation plans with grantees. We are assisting one farm in developing a plan so that the equipment purchased is used as was intended.
- Staff conducted a site visit on a LFO in Franklin County to look at the farm's requested authorization for construction of additional young stock housing. A walk around of the farmstead was conducted to better understand the farm's management and potential impact on local waterways.
- Staff conducted a visit with a MFO in Franklin County to discuss management of a silage leachate treatment system installed by Stone Environmental. The farm is not properly managing the system and we will be following up with them to provide education regarding proper system management.
- Staff saw what appeared to be a SFO spreading manure within the required 10' vegetated buffer along the Missisquoi River in Franklin County. Location and information was sent internally to colleagues so that an official compliance visit could be conducted.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are processing and reviewing LFO annual reports for compliance as well as LFO nutrient management plans (NMPs).
- Staff are continuing to process LFO permit applications and permit amendments. There are several farms that have submitted permit applications for building, expansion and general operation.
- Staff are processing MFO annual reports as all MFOs are required to submit annual reports by April 30 each year. Farms were sent the forms as well as a reminder post card in an effort to improve timely report submissions.
- Staff sent out applications and processed grants for several grants for the Farm Agronomic Practices (FAP) Program.
- Staff are processing USAHerds livestock data, preparing farm surveys and making maps in preparation for the Franklin County Initiative.
- Staff are working on preparing farm data as part of the water quality (WQ) section's efforts in the development of the new WQ database. Database testing will begin in earnest in the coming week.

Conservation Reserve Enhancement Program (CREP):

- Staff met with VLT (VT Land Trust), a DEC River Scientist, a landowner, and White River partnership staff to walk land and discuss CREP options and River Corridor Easement program at a SFO in Orange County. The remainder of the day was spent doing field work to create a CREP plan and potential for CREP and/or livestock exclusion on tributary water way.
- Staff visited a SFO in Orange County to check in on how BMP improvements were working. We discovered that part of fence was damaged by tractor this past winter so we reached out and called the fence contractor, received a quote for fixing the fence and conveyed the information to the landowner.
- Staff met with a fencing contractor at a SFO in Orange County to walk a CREP fence line and discuss details of installation. Also walked EQIP fence line with Contractor as NRCS staff were not available. We reconfigured some EQIP fence lines and brainstormed improvements with landowner and fence contractor. While on farm, we discussed tree planting issues with contractor crew planting the CREP forested buffer. The crew made corrections and we communicated issues with the supervisor who was not on site at the time.
- Staff met with SFO in Lamoille County to establish where temp fence needs to be installed to protect CREP buffer being planted. The fence couldn't be installed yet, because we have to wait for installation of Agency of Ag BMP structures and EQIP practices. Met with planting crew to review planting issues with previous farm and reiterate expectations for work on this SFO.
- Staff flagged buffer limits at a SFO in Wolcott to prepare for buffer planting.
- Staff prepared for upcoming field visits to farms with potential CREP projects.

- Staff processed field data gathered for planning CREP projects in ArcMap.
- Staff worked through project-specific eligibility issues on multiple projects with VLT.

Secretary's Comments:

S v 2

Clean Water Bill, H35

Testified before Senate Finance (last week) and Senate Institutions this week on H-35. Broad overarching conversation with Senate Finance, few specifics. Senate Institutions was specific discussion over taking money from VHCB to fund VAAFM. Explained we did not support because of many reasons including it would reduce money available for matching federal funds and thereby reduce the overall amount of funding available. I subsequently learned, that Senator Mazza told Gus Seelig prior to my testimony, the Committee was going to take 250K which they did.

VAAFM Housekeeping, H484

Various staff testified to and worked with the Senate Ag Committee on various aspects of the Bill. Of particular interest are the portions dealing with raw milk, the Working Landscape Enterprise Board, hemp and fuel price investigation. In the end, the section being considered to address hemp was dropped but language addressing raw milk, fuel pricing and working lands was included.

Eastern States Exposition

VAAFM continues to collaborate with other New England states to understand the actions of ESE's management relative to alcohol sales. Having finally gotten approval from the Board of Trustees to clearly approve alcohol sales in state buildings, management appears ready to impose a 35% cut on all sales. This is a proposal they have yet to discuss with the states or our vendors which in Vermont's building includes Long Trail and possibly two cider companies.

Higher Education Food System Consortium

Attended meeting of Consortium held at Sterling College to review the first ever food system course being taught this summer reflecting the support and participation of the Consortium. It will be a 3 week course that will visit multiple campuses and farms to learn about how Vermont's community base food system works. Discussions also include next steps among the members. There continues to be interest on the part other higher ed institutions in joining the Consortium. Current Membership includes: Sterling, VT Law School, Green Mountain College, UVM, Middlebury, VTC, New England Culinary Institute and VAAFM.

FDA/FSMA Conference in DC

At the request of NASDA Sec Ross spoke at the FDA's national conference regarding the implementation of the Food Safety Modernization Act (FSMA). He presented a 7 slide power point that included major concerns with the implementation, especially understanding the State/FDA partnership, the implications of the other 6 rules beside the Produce Rule for states and most importantly the funding for the States. Remarks were well received even though they generated some concerns about the process, scope and funding.

Press Conference on RCPP

Participated in Press Conference on the official adoption of the RCPP grant agreement between USDA/NRCS and Vermont. Led by Governor and attended by many stakeholders and held at the Conant farm.

Meeting with Governor and Charlie Merinoff

VAAFM Sec and staff will on Friday afternoon attend a meeting with the Governor and Mr. Merinoff regarding his interest in Vermont food and agriculture.

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Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: May 1, 2015
Subject: ANR Weekly Report

Governor Level Issues:

Done.

Hermitage Club: A consent order is likely to be signed by Windham county judge for settlement of permitting violations against Hermitage Club ski area in Dover, VT. The Club has agreed to pay \$205,000 for its failure to comply with Act 250 and ANR permitting requirements. More specifically, the Club constructed unauthorized snowmobile trails over conserved bear habitat, wetland and stream buffers, and commenced construction on a rescue building and other improvements without proper permits.

The Alchemist: Settlement discussions continue with the Alchemist and former landowner Jeffery Hachmann over "as-built" permitting violations. It is the NRB's goal to resolve the violation amicably.

Regional Greenhouse Gas Initiative (RGGI) Proceeds Report: I thought this might be of interest to you. This report explains how the RGGI states are utilizing the RGGI proceeds to reduce GHG emissions. Over the life of the program Vermont has used 98% of its proceeds for energy efficiency projects. Here are links to the [press release](#), [report](#) and [fact sheet](#).

Winter-Kill: In case you get questions about this - Staff received a report of a fish die-off in Bristol Pond shortly after ice-out, with largemouth bass and other fish species found dead. This is indicative of a "winter-kill" event where excessive ice and snow cover prevents sufficient sunlight from penetrating into the water column for the algae and aquatic plants in the pond to produce enough oxygen, resulting in fish die-offs. Bristol Pond has been known to be susceptible to periodic winter kills since the 1950s. It is not a water quality issue.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Clean Water Bill (H.35): We have been all hands on deck working with Ginny Lyons as Senate Finance is considering how to fund the Clean Water Fund. We appreciate the governor taking time to meet with her – both so that she can hear directly about his concerns and so that he can better understand what she believes are her constraints.

Dam Safety (H.37): The House Fish Wildlife and Water Resources Committee has completed testimony on this bill, which would expanded DEC's dam safety jurisdiction to include many small dams below the current threshold of dams capable of impounding 500,000 cubic feet of water. DEC has expressed a number of concerns about the bill, primarily focused on our lack of capacity to implement new requirements in the bill.

H.234: NRB Chair Jon Groveman with Kathy Beyer from Housing Vermont met to discuss H.234. The bill creates on the record review for Act 250 for affordable housing projects and gives affordable housing permit applications priority in the Act 250 process. The NRB and ACCD oppose the bill because questions were raised in the Legislature about applying record review to Act 250 last year that have not been answered or addressed.

S.138: The NRB testified on the priority housing provisions (PHP) of S.138 on April 28 in coordination with ANR and ACCD to address Act 250 jurisdiction on sites with an existing Act 250 permit, but also clarified that if a decision needed to be made today, and the Committee voted to exempt PHP's on such sites from Act 250, the Administration would not oppose the provision. After hearing the testimony, the Committee indicated it had concerns about an outright exemption for PHPs on sites with existing Act 250 jurisdiction attached to it, but also indicated that it had concerns about the NRB, ACCD and ANR language to address this issue. The Committee decided it would like more information before deciding how to proceed, and it did not have time to gather the information this year. The Committee asked NRB and ACCD to do more work on this over the summer, and indicated it would pick the issue up next session. Because the NRB is working with the Town of Colchester who has a PHP that could be affected by amendment jurisdiction this construction season to resolve their issue, tabling the issue for a year could be okay.

Joint Resolution: State Lands Administration Director Mike Fraysier testified on the Duxbury Town Forest proposal this Tuesday before the Senate Institutions Committee which is considering adding it to the Capital Bill, H.492.

H.355: Commissioner Snyder provided testimony in favor of the forester licensing bill to the House Agriculture and Forest Products Committee and to the House Ways and Means Committee. The bill is expected to move to the House Floor for second and third readings this week.

Press Issues/Releases:

Universal Recycling: The Rutland Herald/Times Argus Sunday edition included an article on the upcoming deadline banning recyclables from landfills and requiring parallel collection. It was a balanced article, describing the increased costs for haulers, but also reflecting continued widespread support for increasing Vermont's recycling rates and making sure that people in rural areas have access to recycling services.

<http://www.rutlandherald.com/article/20150426/NEWS01/704269941/1002>.

Lake Champlain Alewife Die-off: Large numbers of small fish called alewives are washing up on the shores of Lake Champlain in Milton and Georgia. State fisheries biologists from the FWD say it is an example of the kind of problems a non-native invasive species can cause. First documented in Lake Champlain in 2005, alewives have since been found throughout most of the lake.

Antlerless Deer Proposal Voted by F&W Board: The Fish and Wildlife Board voted on the FWD's proposal for antlerless deer hunting in 2015 at its monthly meeting on April 22.

VT Walleye fishing kicks off May 2: The FWD is reminding anglers that some of the best walleye fishing in New England is approaching with the start of the VT walleye fishing season on Sat, May 2.

Air Quality Awareness Week: A press release was sent on April 27 announcing Air Quality Awareness Week. The end goal is to have more people register for the EPA's air quality alert system.

Drinking Water Week: A press release was sent on April 29 announcing Drinking Water Week which will be celebrated with a fair for about 200 school children in Burlington. The release included the Proclamation signed by Governor Shumlin.

The Central Office worked to promote the **New England Chapter of the North American Lakes Conference** which will take place in Burlington, at Main Street Landing on May 29 – 30.

Significant Events/Meetings:

Waterbury Dam Meeting with USACOE: ANR leadership met with the New York Regional Commander of the U.S. Army Corps of Engineers, whose district includes the Lake Champlain watershed. Also participating in the meeting were representatives of our Congressional delegation, Representatives Ellis and Stevens of Waterbury, and Waterbury Town Manager Bill Shepeluk. Among other issues, we discussed the transfer of the three Winooski flood control dams to the Corps and agreed to follow-up meetings with Corps' staff and the delegation to explore federal legislation to authorize and fund the Corps to assist Vermont with needed repairs to the dam and to explore the possibility of the Corps taking over a greater level of long-term responsibility for the dam. The meeting was followed by a site visit to tour the Waterbury Dam.

The Vermont Fish and Wildlife Board held its monthly meeting on Wed, April 22. The Agenda included a discussion on Chronic Wasting Disease transmission and risks; a 2nd Vote on Deer Management Rules; and Antlerless Deer Permit numbers for Muzzleloader, Archery and Youth seasons.

Arbor Day 2015: April 28 saw the convergence of a variety of partners to recognize the importance of town forests and village trees. This is the 100th anniversary of the Municipal Forest Act of 1915 and a number of events are scheduled throughout the year, starting today with the reading of a proclamation by the General Assembly in the House Chambers. A press conference was held in the Cedar Creek Room followed by the annual Arbor Day ceremony on the Statehouse steps featuring Governor Shumlin, recognizing this year's recipients of the Tree City, Tree Line and Tree Campus USA.

Earth Day 2015: Secretary Markowitz kicked off ANR's Earth Day celebration last Wednesday with the recognition of FPR's Susan Bulmer, Parks Regional Manager, as this year's recipient of the Canute Dalmasse award. Following this was an inspiring day spent with staff from the Aldo Leopold Foundation discussing the land ethic. Through a variety of facilitated discussions, staff from all three departments within the agency shared their perspectives on what makes Vermont a great place to live, the role we play in building a land ethic, and steps to improve collaboration across departments.

Automotive Technician Training: As part of our automotive technician training program, Air Quality staff conducted another training class on April 8 and 9 in Newport. The purpose of the training is to help automotive technicians effectively diagnose and repair emissions-related malfunctions. Motor vehicles are the largest source of a number of air pollutants in Vermont, and while modern technology vehicles can emit very low levels of pollutants when operating properly, emissions can increase dramatically when vehicles don't function properly. These training classes are an important part of Vermont's motor vehicle emissions control strategy.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs (OPLA)

I-89 Exit 4 Project: An Act 250 application has been filed for the proposed welcome center, hotel and associated housing on two parcels immediately west of Interstate 89 exit 4. The Applicant, Sam Sammis, is seeking partial findings in Act 250 (under Criteria 9B & 10), and the entire project has already been approved by the Randolph DRB. However, the proposal poses significant primary agricultural soil impact issues, which do not appear to be mitigatable on-site. As a result, this project will test whether appropriate circumstances exist at the location to allow for off-site mitigation. The project may also raise 9L issues. OPLA is working with VAAFM to schedule a meeting of state agency stakeholders for next week to discuss the various issues associated with the project. The Act 250 district commission is potentially looking to schedule a hearing on May 22.

Fontaine Gravel Pit (Williston): Aegis Renewable Energy, a solar developer, wishes to construct a 500kw solar project in the Fontaine gravel pit. The pit is located within the middle of a deer wintering area that is currently protected by permit conditions under several Act 250 permits and was the subject on an Environmental Court appeal several years ago. The applicant's consultant is aware of the DWA issue. FWD will need to consider whether the proposed solar project is configured in such a way that honors the existing permit conditions and protects the habitat resource, or whether the layout will need to be modified.

RPC Energy Planning Initiative: OPLA participated Tuesday in the second meeting of a stakeholder process organized by the Bennington Regional Planning Commission focused on developing a set of mapping tools to assist communities to plan for and propose locations for energy generation. Three RPCs have received funding from PSD to develop enhanced energy plans for their regions and the mapping component is a critical element. The maps will attempt to represent energy potential for wind, solar and hydro, significant aesthetic resources, natural resource constraints, transmission capacity and other elements that impact siting.

TDI Clean Power Link: OPLA served TDI with ANR's second round of discovery questions Thursday. Once we receive TDI's responses in mid-May, OPLA will focus in earnest on pulling together the Agency's position on the project and developing testimony from a range of witnesses in anticipation of our June 12 filing deadline.

Environmental Conservation (DEC)

Town of Cavendish Assurance of Discontinuance: This week the Environmental Division approved a settlement (AOD) with the town for letting its solid waste transfer station operating permit expire despite multiple reminders to renew. Once the permit expired the town continued to operate the transfer station without an operating permit for nearly a year. In the settlement, the town agreed to pay a penalty of \$10,000.

Input Provided on Department of Health Grant: The Department of Health is preparing to issue a \$35,000 grant to Vermont Rural Water and Wastewater Association which will target ten small non-community water systems that use Lake Champlain as their water source. Under the grant, the Association will prepare system-specific blue-green algae monitoring and emergency response plans for these systems and will provide training to them as well. We will review the draft plans prior to their finalization. The money for this grant is coming from federal climate change funds.

Lake Carmi On-site Wastewater (Septic) Systems Initiative: Drinking Water and Groundwater Protection staff are meeting with residents from Lake Carmi to develop a coordinated strategy for identifying and repairing or replacing failed septic systems around the lake.

Good.

Water Quality Standards: DEC received partial approval from EPA for the latest package of amendments to Vermont's water quality standards. The approval was for the updates to the toxicity criteria. We are, however, being asked to furnish technical documentation to assist EPA Region 1 in preparing approval for the nutrient criteria portion of the standards.

Fish & Wildlife (FWD)

Testing for Possible Chronic Wasting Disease (Albany): Staff completed a specimen submission form for Penn State veterinary lab, regarding a sick deer dispatched in Albany after interviewing the first responding officer, Deputy Sheriff Tyler Jacobs. The specimen will be shipped for CWD testing.

Smelt Spawning: Staff monitored tributaries of Peacham Pond, Woodward Reservoir and Woodbury Lake for rainbow smelt spawning activity. Rainbow smelt are important forage for many fish species and may provide a targeted fishery by some anglers. Annual monitoring will allow staff to determine the timing and magnitude of spawning. These observations will be used to inform future management strategies.

Summer Access Area Improvements: FWD staff have submitted Lakeshore Encroachment permit applications for a number of fishing access area ramp improvement projects. These projects are scheduled to be completed this summer with funding provided through the capital bill. These projects are generally small ramp repairs or upgrades to existing access areas. The improvements will create a safer and more enjoyable experience to boaters and anglers. Additionally, many of these projects model green infrastructure improvements that improve water quality and prevent erosion.

Where have the Walleye Gone? Staff have continued multiple walleye sampling events. They completed 3 days of walleye seining at sandy point. The seining has been going well with a large number of fish collected - but no walleyes. On Fri, April 24 staff collected the first walleye of the season. Staff have also sampled the Winooski River for walleye. River water temperatures have remained cold and water flows have been pretty high. Two days of sampling collected just over 20 walleye and none were transported to the hatchery.

Forests, Parks and Recreation (FPR)

Call Center is Hopping: The state parks Reservation Call Center is VERY busy fielding calls and making reservations for the upcoming summer season.

Trails: FPR Trail Coordinators are gathering this week to prepare for the trail maintenance and construction season.

Motorized Mobility: Internal staff training is beginning for FPR and DFW field employees administering the new policy related to allowing broader access to agency facilities and lands for

people with physical disabilities. The policy addresses the complex issues concerning use of motorized mobility devices.

Mount Mansfield Research Discussed: District Forestry Manager Ginger Anderson, State Lands Stewardship Forester Diana Frederick, Forest Health Specialist and Climate Change Coordinator Sandy Wilmot, and Fish & Wildlife's State Botanist Bob Popp attended a meeting on April 24 to discuss an effort to establish a hub for mountain science and stewardship in the Mount Mansfield Summit Station. Representatives from UVM and other research groups along with ANR have formed the "Mount Mansfield Science and Stewardship Center." The group is interested in utilizing the Summit Station, a UVM-owned building located on a forested ridge at an elevation of 3,850 feet, to house researchers with the goal of catalyzing collaborative science and stewardship on Mount Mansfield. There are concerns about both overnight and expanded research uses, so this meeting was called to clarify the goals and vision of the Center and to collect ideas and alternatives for a site in which researchers could work and stay to do high elevation work on the mountain. A survey of potential users is being developed.

VAST Seminar: Stewardship Foresters Lisa Thornton and Lou Bushey presented at VAST's (Vermont Association of Snow Travelers) 17th annual spring construction seminar on Saturday, April 25. They spoke about FPR's relationship with VAST on state land, and presented best practices for managing the trails and keeping the partnership strong.

State Emergency Operation Center – Vermont Yankee Drill: On April 22, Protection FPR staff traveled to the State Emergency Operation Center for the 2nd Vermont Yankee Drill. The day was spent role-playing a terrorist attack at Vermont Yankee. It was a very well planned exercise in teamwork and cooperation between agencies. The fire response vehicle (FPR2) was utilized in the field exercise by the VT Dept. of Public Safety carrying monitoring equipment.

Logger Education to Advance Professionalism: Annual LEAP logger education workshops are currently in full swing with Forestry Division staff teaching a number of classes. Fish & Wildlife staff and NRCS Forester AJ Follensbee hosted a wildlife habitat workshop on April 21 in Tinmouth. The LEAP "Primary Curriculum" will be offered April 28-30 in Randolph with UVM Extension & Rubenstein School staff and Gary Sabourin, Watershed Forester, teaching Forest Ecosystems and Professionalism workshops.

Natural Resources Board (NRB)

F-71

Sugarbush Condominiums: Owners of a condominium complex at Sugarbush that burned down and was denied an Act 250 permit to re-build due to floodway and water quality issues appealed the denial to Environmental Court. The case raises important policy issues surrounding vested rights in a previously permitted project that is destroyed by a catastrophic act, when the property owner applies to re-build under Act 250. ANR and NRB have filed notices of appearance in the appeal and will work together on formulating the State's position.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: May 1, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

TDI – We're coordinating with ANR on an MOU schedule. ANR would prefer, and we are likely to agree, to a July 24 target date rather than June. This will enable additional testimony to go in.

Delay FY1

probably OK.

VY – I have not yet heard from Mike Twomey on the settlement proposal.

VGS – The economic cost-benefit analysis is showing zero benefit before construction costs. We are meeting with VGS this afternoon to discuss opportunities to enhance the benefits of the project.

I will f/u. Darren?

Meetings this Week:

Apr 28 – PSD call with Philene Taormina and Dr. Dismukes re Alt Reg; Chris/Darren/Liz TDI

Apr 29 – Chris in DC at National Energy Restructuring conference

Apr 30 – Chris panelist at DC National Energy Restructuring conference

4

May 1 – PSD/VGS meeting re economic benefit

Meetings next Week:

May 4 – Chris/Jim Porter VTA Board Meeting

May 5 – PSD/VTrans meeting re TDI

May 9 – Darren gives presentation at VEC annual meeting

Media: Chris spoke to John Herrick/Digger re NE Transmission; Chris spoke to Susan Smallheer/Rutland Herald re: NRC VY EPZ decision

Everything Else:

PERD

Legislative Items

- Staff is working with the Natural Resources Board to respond to a question from Senator Ashe regarding whether stretch code requirements for Act 250 projects could lead to sprawl.
- To fulfill a legislative request, staff conducted an analysis of administrative costs as a percent of total costs for EVT, BED's EE programs, VGS EE programs, GMP, VEC and VGS (see below). However, administrative cost categories are not consistent across the utilities and the result is not an apples-to-apples comparison.
 - VEC 4.23%
 - BED (Electric Efficiency Only) 5.75%
 - GMP 6.01%
 - EVT (Electric Efficiency Only) 8.00%
 - VGS 13.73%
 - VGS (Gas Efficiency Only) 19.51%

Energy Efficiency Utility Activities

- TEPF Clearinghouse (EEU-2013-10) – Questions from potential bidders on the RFP for services necessary to develop Clearinghouse website and promotional materials are due on 4/29. Department responses are slated for 5/8. Proposals are due 5/30.
- Implementation of Certain Provisions of Act 89 – Monitoring Annual Thermal Efficiency goals (EEU-2013-03) – The Board approved the Working Group's recommendations for monitoring and reporting the State's progress in meeting the building efficiency goals stated in 10 VSA §581(1).
- Staff reviewed VEIC's draft petition and schedule related to VEIC's request for Board approval to use Energy Efficiency Fund (EEF, FCM, & RGGI) monies as security and collateral for loan funds related to USDA's Rural Utility Service (RUS) Energy Efficiency and Conservation Loan Program (EECLP). VEIC filed the petition on 4/27/15.
- Staff met with VEIC and continued to draft potential improvements to the DRP process. Draft concepts to consider and discuss with VEIC continue to evolve prior to the next in

person meeting on May 1st. The two main considerations are related to 1) a more detailed scenario for modeling and 2) starting the DRP with an acceptable range for total compensation then subsequently negotiating total compensation based on risk and aggressiveness of QPI's.

- Staff continued to estimate unspent TEPF funds for the 2012-2014 period. Staff estimates approximately \$3.8M TEPF funds remain as the unspent balance in the EEF. Staff may recommend that some portion of the unspent funds be set aside and allocated to the development of the Thermal Efficiency Clearinghouse website development and maintenance costs for the remainder of the 2015-2018 period and to make up a recent shortfall in FCM revenues. The FCM shortfall and Clearinghouse set-aside total more than the TEPF balance, so forward TEPF budgets for the 2015-2018 period are expected to be less than Board ordered budgets in the DRP.
- Staff attended a roundtable discussion with Congressman Welch on energy efficiency and the potential for further Federal action on EE. Both houses of Congress recently passed a small energy efficiency bill (which Welch had sponsored), leading to hope for further bipartisan action on EE.

Public Service Board Dockets

- 7970: Staff began drafting testimony for the second remand of this docket from the state Supreme Court, following the second estimated cost increase. Testimony focuses on the need, economic benefit, and general good criteria. Updated analyses with the AEO 2015 forecasts of energy prices, which reduce the expected energy cost savings from the project compared with earlier projections.
- 8544: VEIC Overall Performance Assessment – Staff met with VEIC to coordinate what materials each party plans to file. Staff began to gather DPS generated performance data in preparation for the May 8 filing. Historical data from 2009 through 2014 gathered so far for submission includes DPS annual verification of EVT savings claims, DPS certification of progress towards QPIs, summary of customer complaints from CAPI, PSB reports to the legislature, DPS benchmarking evaluations, DPS administrative efficiency evaluations.
- Docket 8395 (CEED) – Filed 2015 CEED Evaluation and Verification Plan. Board approved electric vehicle charging station investments. Charging stations will be owned by municipalities and applicable GMP tariffs will apply.

Thermal Energy Finance Pilot (Heat Saver Loan)

- Staff represented the Department at Governor Shumlin's Earth Day press conference at Opportunities Credit Union in Burlington's North End. The event was covered on ABC 22. Representatives from OCU, VSECU, the Vermont Fuel Dealers Association, EVT and VLITE joined the Governor when he announced that Heat Saver Loans will now be available for technologies including cold climate heat pumps, central wood pellet heating systems, solar hot water installations and home energy efficiency weatherization activities, which together with high efficiency oil and propane furnaces provide opportunities for residential property owners to access low cost finance to save energy and money.

- Drafted new grant agreement for Energy Futures Group to provide supplementary marketing, outreach and coordination services for TEF Pilot program for \$15,000. Grantee has signed the grant; will move forward internally next week
- Convened conference call of partners to work on program details, including the potential to incorporate VGS customers into the program design, thus allowing these homeowners access to the same low cost financing that other lower income households enjoy. General agreement was to do so; PERD staff will follow-up with VGS to explore how this might work.
- Processed OCU invoices for contractor services (\$5,675.75 and \$5,374.13).
- Submitted quarterly report to VLITE

PERD/SEP Funded Projects

- SEMP – Met with SEMP on 4/23/15 to continue discussions about how to support their work with schools in the most effective manner for all parties. SEMP staff are in general agreement with the Department’s proposed work scope, which will include only limited work on biomass with schools (i.e., Windsor County Public Schools, the one part of the state not covered by the SWET program under the Dept. of Forests Parks and Recreation), along with technical assistance to schools considering PV. PERD staff will work with SEMP to help them improve their reporting capabilities, with the intention of facilitating quarterly reporting for the department and DOE.
- SEP Competitive Interconnection Grant –
 - Completed a draft grant agreement document for GMP.
 - GMP and VELCO presented about the importance of “visibility” of generators on the grid for operations and about the “DG Map” project that GMP is funded to build on this grant that will improve the “visibility” of the state of the grid in different locations for project developers.
 - The next step for the rule update is for PSD to prepare a “strawman” rule for the group to discuss. Expected next meeting in mid to late May.

Clean Energy Development Fund

- Approved an invoice for SSREIP incentive payments totaling \$37,724 for 24 solar PV projects adding 163.9kW to the grid. There were also 2 residential SHW projects installed (\$1,982 in incentives).
- As part of the VT State Wood Energy Team (SWET) funded by the US forest service participated in a national call of SWETs from other states to share what VT was doing on wood energy and to learn what other SWETs were engaged in and what successes and problems they have had.
- Completed grant documentation for two interest rate buy-down programs for thermal energy efficiency program. One administered by VEIC through their PACE program and one operated by NeighborWorks that is not connected to PACE. Both programs have interest buy-down rates that are greater for lower income borrowers.
- Continued to work on the Windham Advanced Wood Heating Program grant agreement documents and budget.

- Windham Solar Finance Program
 - VSECU requested use of PSD CEDF logo for the application form and for use on their website. Requested drafts of form and location on their website where logos will reside. Upon receiving, will forward to fund manager for approval.
- Clean Energy Industry Report 2015
 - Review data memo with survey results and draft outline, and provided feedback to contractor; updates were provided back to the department based on feedback
 - Anticipating the first draft report with findings on Monday. Staff will work with the contractor to develop the introduction after the legislative session ends. In the meantime, suggestions for topics to cover in the report are welcome.
- Upcoming Meetings:
 - 4/30 – ANR (DEC) sponsored meeting re: a wood stove change-out program in VT. CEDF and the new Air Quality Division Director are meeting prior to the 4/30 meeting to discuss possible ways CEDF could be supportive of the effort to discontinue the use of old highly polluting wood stoves.

Renewable Energy Items

- Discussed hydro situation with New England Hydropower, who is interested in developing the Middlebury Upper hydro site but who are unable to proceed without obtaining development rights from Anders Holm, whose project aspirations have been in limbo for nearly a decade. This is one of the last remaining economic and low-impact hydro potential sites in VT. In the meantime, we were copied on a reply from Mr. Holm to a query from NE Hydropower indicating his project is in a much more mature phase of development than it actually is.
- Continued discussions with WEC, VEC, VCGI, and the RPCs regarding obtaining GIS-based three-phase power data for RPC energy planning project as well as for more widespread use. VEC is providing their data to VCGI for use by the RPCs and anyone else with VCGI access; WEC will follow suit if they are able to sift out protected system information.
- Sent VT-DOE storage MOU to Dr. Gyuk at DOE for review.
- Facilitated transmittal to REV of new pseudo-electronic net metering registration form and form info for inclusion in their upcoming newsletter.

Comprehensive Energy Plan

- The team met to establish the plan for 10 public meetings before the draft plan is completed, and 5 after, to be introduced as part of the public project launch document within the next few weeks. Four meetings will be half-day meetings on different subjects; 6 will be regional evening meetings (including 3 in the regions which are doing PSD-funded upgraded energy planning).
- Helped arrange for a Comp. Energy Plan research intern from UVM – Brock Gibian who will intern for PERD June –August for 10-20 hrs/week.

Net Metering

- Replied to query from Vince Illuzzi regarding the ability of a person to net meter once they have completed their PV system if they have, prior to its completion, belonged to Mr. Illuzzi's net metering group. Also explained how group net metering works and common structures for offtaker agreements, and discussed same with a granite business considering joining his group.
- Sent list of net metering billing standards and procedures stakeholder questions to Jake Marren at the PSB for inclusion in this week's general processes working group agenda.
- Prepared slides on the analysis PSD conducted for the fall 2014 net metering report for 4/30 rate structure working group, which is focused on costs and benefits this week.

Net Metering Activity 4/17/15 – 4/24/15

	Registrations	Applications	45 Day Notice	CPGs Granted
Count	26	4	500.00	35
kWAC	179.000	758.00	1	350.00
Ave Size kW	6.898	189.5	500.00	10.00

Cumulative Capacity of ALL Formal Notices Submitted**

Year Total to Date		Total Since 1999	
2014 kW	2015 kW	1999 – 2015 kW	% of 15% Cap
5063.62	15748.76	92020.25	~ 61.3

****NOTE:** This table includes all systems over 150 kW that go through the full 248 process. It also includes systems for which 45 day notices have been filed, in addition to those for which formal 248 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, monthly testing of the "A" Emergency Diesel Generator was completed on Monday). No notifications were received during this reporting period regarding any issue that would adversely impact Spent Fuel Pool integrity. Demolition of now non-essential structures at the VY site continues. On 4/24, demolition of the "Clean Pipe" Building previously located in the southeast corner of the Protected Area was completed. Reconfiguration of several onsite security structures (consistent with VY's recently revised security plan) continued during the reporting period.

PSD Engineering Staff Participates in VY Hostile Action Drill

On April 22, VY conducted a Hostile Action Emergency Drill in preparation for May 13's required, FEMA-graded Hostile Action Exercise. The April 22 featured "full state participation" in accordance with Vermont's Radiological Emergency Response Plan. As such, for the purposes of the drill, PSD's Engineering Director deployed to the State Emergency Operations Center (SEOC) in Waterbury while the State Nuclear Engineer deployed to VY's Emergency Operations Facility (EOF) in Brattleboro. Based on the flow of information during the drill, it appears that communications between the SEOC and the drill's Incident Command Center have improved from previous Hostile Action Exercises. However, the State Nuclear Engineer noticed that there were several instances during the drill where the SEOC had clearer and more concise information than VY's EOF. In response, the State Nuclear Engineer has discussed the matter with DEMHS-Brattleboro and VY EOF Communications staff to determine appropriate means of communicating SEOC information to the EOF's Emergency Director.

NRC Grants Consent for VY to Cancel Parent Corporation Guarantees

On 4/22, the State Nuclear Engineer was notified that NRC Staff had granted Entergy Nuclear Operation's (ENO's) request (dated 12/19/2014) to cancel a parent corporation guarantee of \$40 million provided by Entergy Corporation to address a 2009 shortfall in the VY Decommissioning Trust Fund. The NRC Staff's stated reason for granting the cancellation request is essentially that the parental guarantee can be removed since the shortfall has been made up (based on the reported decommissioning trust fund balance, together with earning credits). The Staff also noted that a new ENO regulatory commitment made in VY's Post-Shutdown Decommissioning Activities Report (PSDAR) of a new parental guarantee to provide either \$40 million or up to 10% of the remaining trust fund balance, whichever is less, provides additional assurance that funds will be available for VY decommissioning and spent fuel management costs.

NRC Issues Draft Environmental Assessment on VY Emergency Plan Exemption Request

On 4/22, the State Nuclear Engineering was notified that NRC Staff had issued a draft Environmental Assessment (EA) on the VY Licensing Exemption Request (dated March 14, 2014) that would eliminate NRC requirements to maintain an offsite radiological emergency plan at VY. In mid-March, the NRC Commissioners voted to grant this Exemption Request. The EA is a subsequent part of the NRC's process that must be completed before the Exemption can be formally issued (or implemented) for VY. The draft EA reports a Finding of No Significant Impact (FONSI) since NRC Staff has concluded that VY's requested action (granting the exemption) would not result in environmental impacts because there would be no increase in the hazards at VY, no decrease in public safety, no additional effluents, and no increase in the potential for or consequences of accidents. In a step not frequently used by the NRC, the draft EA will be subject to a 30 day open comment period that will begin once it is published in the Federal Register, which is currently expected on April 30. The State Nuclear Engineer will work with several State Agencies to assure that relevant comments are filed within this 30-day period.

Vermont Gas Systems Isolated Distribution Pipeline, Middlebury

VGS continues to install and prepare an isolated distribution pipeline system in Middlebury. These facilities are intended to be connected to the company's gas transportation system, via

*might be worth
pressuring
June*

the transmission pipeline and the Middlebury Pressure Regulation Station included in Phase I of the Addison Natural Gas Project. While the regulation station has been constructed, its near-future utilization is not possible because of delays in construction of the transmission pipeline. A distribution main between the Middlebury gate station and Middlebury College has been constructed with connections to Agri-Mark and Vermont Hard Cider. (Agri-Mark is currently utilizing Compressed Natural Gas (CNG) delivered by truck.) VGS plans to activate the distribution main, late in May 2015, to supply Middlebury College and Vermont Hard Cider with gas sourced from the CNG facilities at Agri-Mark. The Department Gas Engineer has requested written work plans for the actions required to initiate operations and is monitoring the company's progress.

Status meeting, 2015 Vermont Gas Systems Addison Transmission Pipeline Project Activity

The Gas Engineer met with VGS representatives this week to discuss the company's schedule and prerequisites for the ANGP construction project. The company plans to complete the most-northerly 10.4 miles (between the existing transmission line in Colchester and the newly constructed Pressure Regulation Station in Williston) this year. A so-called "main line" contractor has not been selected to perform this construction; however the company is currently negotiating with three possible candidates which have indicated availability during the 2015 season. The company stated the project specifications, drawings, welding program, construction inspection program and quality management systems have all been recently revised and are expected to be completed in mid-May. The company representatives also reiterated plans to resume construction related to these items in July (although the company has agreed to hold off constructing a pipeline segment through the Rock Ridge Golf Course in St. George until November).

Regional Policy

NECPUC Meeting with ISO-NE Board of Directors

- On April 24 NECPUC commissioners and some staff met with the ISO-NE Board and some ISO-NE officers to discuss the following issues:
 - Incorporating solar PV into the Installed Capacity Requirement – ISO-NE indicated that the solar PV forecast would reduce the ICR by 300-400 MW, and the ISO-NE Board does not agree with the New England Power Generators Association that such a reduction is inappropriate. FERC Commissioner Moeller, who was present for some of the meeting, noted that distributed generation is in a grey zone in terms of FERC vs. state jurisdiction and encouraged states to discuss the issue with FERC commissioners.
 - Creation of capacity zones – States expressed concern that the timeline for defining capacity zones was insufficient to send the appropriate market signal to developers, as the delineation of any new capacity zones are filed with FERC after the initial show-of-interest deadline for the upcoming Forward Capacity Auction. ISO-NE agreed with the concern and is looking into adjusting the Forward Capacity Auction timeline and also seeing if it could provide preliminary

indications of what new capacity zones might be formed much earlier in the process.

- Order 1000 – Commissioner Moeller noted that the competition requirements contained in Order 1000 appears likely to create additional litigation from those projects that are not selected through the process. Commissioner Moeller suggested that ISO-NE and states work to develop processes to minimize litigation. ISO-NE also noted that it is looking at cost containment issues and that Eversource and National Grid (the two largest Transmission Owners in the region) are willing to work on the development of cost caps that could be applied to individual projects.
- Winter Reliability – The ISO-NE Board stated bluntly that they do not believe that there are any market solutions to addressing gas pipeline constraints.
- Order 745 and Demand Response – The ISO-NE Board stated that it strongly supports the inclusion of demand response in the ISO-NE markets and is looking at contingencies if the Supreme Court upholds the D.C. Circuit’s decision that FERC has no jurisdiction over demand response and therefore it cannot participate directly in the wholesale markets. One member of the ISO-NE board also asked the states why they aren’t doing more to incorporate real-time pricing for retail customers as such action would be likely to more accurately reflect market conditions and reduce costs for customers.

TDI-NE

- DPS and ANR staff had a discussion regarding TDI-NE’s draft stipulation. ANR staff expressed significant concern that a stipulation prior to receiving all parties’ filed testimony creates the appearance that its permits were essentially “bought off.” Also, ANR staff expressed concern with the work load requirements associated with preparing both prefiled testimony and negotiating an MOU simultaneously. It was noted that TDI-NE has significantly more resources than state entities.

Regional Litigation

- On April 26, Allco Renewable Energy Limited, which filed an action at FERC against the Vermont standard-offer program and lost, has filed a petition in the Connecticut Federal District Court challenging two Connecticut programs.
 - Allco claims that an RPS that requires utilities to comply with RPS requirements only with renewable energy credits from New England states violates the dormant Commerce Clause. Allco seeks declaratory and injunctive relief that would allow RECs from any renewable generator in the U.S. to qualify as RECs in Connecticut.
 - Allco is claiming that the Connecticut, Rhode Island, Massachusetts clean energy RFP violates the Federal Power Act and the Supremacy Clause by compelling interstate wholesale transactions.
- Given the potential for any adverse ruling in Connecticut to negatively impact Vermont, DPS staff will be following this and possibly working with Connecticut and NECPUC staff on any responses.

Finance and Economics

Electric

Hyde Park Electric - Community Clean Energy Development Supplemental Tariff Rider: Staff met with VPPSA staff to discuss a draft tariff that would allocate benefits from local renewable energy (solar) projects through a periodic pricing and settlement method to most of its customers. We agreed to work with them in developing a service offering that may be feasible over the longer term but that substantial additional development needs to occur. No information has yet been developed regarding the framework, scope, costs, benefits and alternatives. It appears Hyde Park would like to create a focus on renewable energy and to do so is considering plans to build a 1 MW solar generation facility that would produce benefits that would be flowed back annually to its customers via a bill credit. Hyde Park has applied for a grant from CEDF to support the renewable energy project and for assistance in building or acquiring a state of the art "billing system" that could handle credits to customers' bills for the benefits that are presumed to occur as a result of the new generation.

Interesting.

PSB Board Rule 4.100 Workshop: Staff participated in this proceeding to investigate whether there is a more efficient procedural mechanism to implement the Public Utility Regulatory Policies Act of 1978 ("PURPA") than the procedures contained in Board Rule 4.104(E). Following the workshop the Board has extended the due date for parties to file drafts of a new Proposed Rule by May 29.

SSE New Haven Solar – PSB NMP-5978: Petition of SSE New Haven Solar II LLC ("SSE") for a Certificate of Public Good, pursuant to 30 VSA §219a and Board Rule 5.100 authorizing the installation and operation of a 350 kW net metered ground mounted solar electric generation facility to be located in New Haven, Vermont. Staff reviewed the prefiled testimony of Robert J. Amelang on behalf of the town of New Haven. His testimony describes the economic impact of this proposed project and other similar sized net metered solar electric generation facilities generally in the state of Vermont. He also describes the impact on system reliability of the proposed solar electric generation facility.

Stowe Electric Department (SED): Tariff 8553-Rate Design- Stowe filed for approval of its updated/new rate designs that include updated cost allocations, consolidation of customer rate classes and new optional Time of Use and Critical Peak Pricing rates. The Department filed a recommendation to open an investigation and a pre hearing conference was held on April 14, 2015. Finance & Economics is preparing for the initial round of discovery with emphasis on cost allocators and the commercial class rate increase. Parties are scheduled to file stipulation or litigation schedule on July 1, 2015.

Swanton: Tariff 8536- Swanton Rate Design Filing, Class cost of service and rate design filing. Staff is reviewing the allocators in the rate design spreadsheets and responses to submitted questions. We learned from VPPSA the Department may have agreed to a settlement in the case.

VEC – Transmission charges for wheeling generation under Vermont SPEED Programs: Staff meet with representatives of VEC to discuss the non-payment of wheeling charges by VEPP Inc. VEPP was authorized to pay the wheeling charges but has been unable to pay them because many of the utilities have refused to pay VEPP for the wheeling and continues to dispute that wheeling charges are applicable. VEC has requested PSD help in resolving this matter.

Natural Gas

VGS – Tariff 8562 Interruptible Natural Gas Transmission Pressure Sales Service Tariff Change; VGS proposes to offer large CNG customers a lower price during off-peak periods to encourage utilization of excess capacity. The CNG ‘discount’ will be based on NG volumes in excess of the most recent 12 month off-peak average. The off-peak rate price will be Parkway plus \$.35 per Mcf, a discount of \$.89 per Mcf. VGS claims the rate will cover marginal costs and a contribution to fixed costs. The tariff also clarifies terms of the existing ‘lock price’ program. Finance & Economics will review the filing. A PSD recommendation is due May 14, 2015.

VGS - Docket 8472 Petition Pursuant to 30 VSA §248 Requesting a CPG to Construct Phase VII Looping Project; VGS filed a petition to construct and install approximately 3.0 miles of 16” transmission line starting from the end of the Phase VI looping line and extending through Georgia, VT.

The Phase VII project continues a multi-year transmission system expansion began in 1995 to provide increased capacity and improved reliability. VGS states that the looping project will address estimated customer growth through 2019. Project plans indicate the project is estimated to cost \$10.8 million. We have begun a review of the petition.

Telecom

Stowe Cable – PSB #8428 Technical Hearing Joint Petition of Stowe Cable Holdings, LLC, Stowe Cable Systems, LLC, Stowe Cablevision, Inc. and Jeffersonville Cable Television Corporation for approval of the sale of assets. - Staff provided expert testimony presenting the Department’s recommendations on whether the proposed acquisition by Stowe Cable Holdings, LLC via Stowe Cable Systems, LLC of the operating assets of Stowe Cablevision, Inc. and Jeffersonville Cable Television Corporation, and its operation of one combined cable television system in the area currently served by those companies, satisfies the criteria for the issuance of a Certificate of Public Good (CPG) set forth in the EMCO criteria established by Board Rule 8.214(B) (1),(4), and (5); and determined that it does.

Water

Woodstock Aqueduct: filed its petition for a 20.3% rate increase on November 1. Recommendation was submitted on Jan 12. It was discovered that Woodstock never posted its customer notice, and so changed the effective date to April 1, 2015 to allow time for customer feedback. WA refiled with the Board with an April 1 effective date. This week, Staff re-reviewed the rate design supporting documents provided by Woodstock.

Gross Revenue Taxes

Gross Revenue Taxes (GRT) – Collections Fiscal Year to Date – Annual Returns and GRT continue to be received. The GRT collected fiscal year to date total is \$8,635,142.59 against an estimate of \$8,708,117.00 resulting in a difference of \$72,974.41, or .83%

Public Advocacy

VY EPZ LAR – NRC 50-271-LA-2 – The NRC has indicated that it will release a draft environmental assessment for public comment related to Entergy’s proposed reduction in the emergency planning zone around VY. The EA will likely be published in the April 30 Federal Register and comments in response will be due May 30. The EA complicates the LAR proceeding before the ASLB because Entergy and NRC Staff has argued earlier in the proceeding that one of the State’s contentions was moot because the NRC Commissioners had approved a related exemption request after the State filed its petition. Issuance of the EA for public comments illustrates that the exemption request has not been approved at this point. The State intends to file the EA with the ASLB with short briefing by the end of this week.

FairPoint Service Quality Investigation – Docket 8390 – The Department continues to work toward securing outstanding information from the second round of discovery, as well as develop third round discovery requests. Third round requests are due May 6.


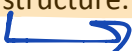
VY Second ISFSI – Docket 8300 – The Board held a status conference in the proceeding. The parties presented an agreed-to schedule, calling for technical hearings to be held in late winter 2016. Entergy is requesting that a CPG be issued by May 2016 in order to facilitate its planned construction schedule allowing for all spent fuel to be transferred to dry cask storage by the end of 2020. Entergy made a presentation to the state agencies after the status conference outlining general details of the ISFSI construction project. Entergy will file supplemental testimony in the proceeding by May 11.

Sheffield Wind – Docket 7156 – The Department met with counsel for Sheffield Wind to discuss possible approaches to resolving the outstanding Brouha complaint at the Board. The Department is reviewing the docket file and intends to form a final recommendation to the Board related to enforcement of CPG noise limit in response to the Brouha complaint.

Vermont Gas Rule 5.409 Penalty Proceeding – Docket No. 8328 – Initial briefs were filed on April 17 by the parties to the case (Vermont Gas and the Department) and two amici (CLF and Ms. Peyser). The Department’s brief made the same recommendation as was made at the beginning—the Board should determine that Vermont Gas violated Rule 5.409 and impose a civil penalty of \$35,000. Vermont Gas’s brief did not oppose that fine. Briefs from amici were strong in their criticism of Vermont Gas (and the Department). Both recommended the maximum penalty. Ms. Peyser urged the Board to order additional discovery and hearings and appoint independent counsel. Reply briefs are due May 1. The Department is not planning on filing a reply.

Swanton Rate Design – Docket No. 8398 – The Department and Swanton filed a stipulation

resolving this case on April 24. The Department ultimately supported the rate design filed by Swanton, with Swanton agreeing to one Department request regarding its provision of local wheeling service.

 Rule 4.100 Workshop – No Docket – A workshop was held on April 28 to discuss revisions to Vermont’s rule implementing PURPA. Major issues discussed were: removing the statewide composite structure, eliminating the annual ratesetting proceeding, using real time vs day ahead pricing for as-available energy, length of PURPA contracts, and wheeling issues. The Department expressly sought feedback on the elimination of the statewide composite structure in favor of a more typical utility-by-utility implementation of PURPA. Small utilities had some concerns about potential administrative concerns. VEC was not opposed so long as the avoided cost rate was set correctly. Producers generally seem to favor the composite structure. Proposed Rule changes are due May 29.  right

Separately, at the Department’s request and with general support from stakeholders, the Board waived the requirement to begin a new annual ratesetting proceeding on April 1.

GMP Rate Design and Integration – No Docket – On May 4, GMP will file a rate integration and design, fulfilling a requirement of the merger order. GMP has met with the Department on a number of occasions and has done extensive outreach with customers. The rate design is revenue neutral so there are winners and losers in this filing. In order to mitigate rate shock resulting from the integration, GMP is proposing a 5-year annual phase-in (generally capped at 2 percent per year).

Addison Expansion—Docket 7970—In the second remand proceeding, we continue to discuss the Department’s economic benefit analysis, both internally and with VGS. Discovery responses were provided by Vermont Gas last week and staff continues to review. Non-petitioner testimony is due May 6 and the Department’s initial draft is in circulation internally for comment.

VGS filed notice of non-substantial changes to the project design on April 3. These changes had been reviewed in advance with the Department, ANR and AOT. Vermont Gas has requested a Board ruling by June 1. In response to the Board’s request for comments, the Department recommended that the requested ruling be granted, ANR found that the changes would have no significant impacts if certain permit amendments were obtained, and the Palmers recommended that the request be denied.

Work continues with VGS concerning right of way issues. The Model Forms, together with the Eminent Domain Fact Sheet, were posted on the DPS website on April 15; we have heard nothing from the landowner group since the posting. The resolution of issues regarding the reimbursement of fees to affected landowners continues, seemingly on a daily basis.

VGS Looping Phase VII-Docket 8472-This project was formerly a part of the Expansion Phase II docket and is the next extension of their long-standing plan to loop the existing system. Now that VGS has asked to withdraw Phase II, the looping piece is a stand-alone docket. A prehearing conference has been scheduled for May 5 and VGS will circulate a proposed schedule in advance.

Vermont Gas-Plouffe condemnation-Docket 7819- In advance of a May 1 due date for the Landowners to submit testimony rebutting certain presumptions, VGS finally reached a settlement with the Plouffes. The agreed-upon settlement amount was equal to a previous offer which had never been responded to. Hopefully, this settlement will conclude this matter.

GMP/AARP Low income assistance program-Docket 7535- A proposal (or proposals, if no consensus) with respect to the EAP surplus and collections is due to the Board by April 30. The Department is discussing options with GMP.

National Grid/ Vernon Switchyard-Docket 8453-This was a petition brought pursuant to Section 248(j) associated with the replacement and upgrade of certain components at the Vernon Station #13 Switchyard. The Department worked with the petitioner to obtain additional information not contained in the petition and, ultimately, the Department found that it was appropriate for the petition to proceed under §248(j) and that there would be no significant impacts on the substantive criteria of §248. The Department recommended that the CPG be granted without further process or a hearing.

VEC Substation Expansion and Rebuild in East Berkshire – Docket 8450 – The PSD will participate in a May 6th site visit and public hearing.

GMP IRP – Docket 8397 – In a letter, GMP informed the PSB it will respond to the Hearing Officer's questions by May 8th and specified that it was not requesting a workshop be scheduled.

TDI New England Clean Power Link Project – Docket 8400 – The PSD's aesthetic witness conducted a site visit of the Alburgh portion of the project, accompanied by the project manager. TDI submitted supplemental responses to ANR's discovery. The PSD is working towards issuing a second round of discovery on TDI by April 30th. TDI's responses are due by May 14th. With reference to our 30 V.S.A § 218c(7) obligations, the PSD has managed to schedule a meeting with the Castleton Selectboard for June 8th. After conferring with the PSD, the petitioner responded to the PSB's request that the parties finalize a site visit itinerary and date. The requested site visit date is May 21st, with May 20th as the alternative date.

Telecommunications

Connectivity Grant – Award letters are ready to be mailed. Three bidders inquired about when the awards would be announced. In response, staff sent each bidder a notice that states the DPS is pushing off a decision until May 8, 2015. The Department anticipates awarding ECFiber with \$365,000 to build fiber to the home projects in Norwich, Pittsfield, Randolph, and Royalton. The Department plans to award \$231,000 to build projects in Norwich, Jamaica, and Rochester.

VTa Financials – Staff is concerned about the possibility of cost overruns associated with the

VTA's many middle mile fiber construction projects. Staff worked through project budgets with the VTA's accountant, which raised concerns about the sufficiency of allocated funds for each project. The project manager intends to make materials purchases of up to \$450,000 and perhaps more. His first round of purchases will cost an estimated \$275,000. This initial purchase will spend most of the materials budget for almost every project, leaving very little money left for future purchases. The "Corning fiber" budget for at least two projects is overspent. Staff intends to meet again with the project manager to discuss his plans for keeping the fiber projects under budget.

VTA Telecom Assets – VTA own several telecommunications assets, including a cell phone tower in Bethel. Staff reviewed the files associated with the Bethel tower. It appears that to transfer the lease, the VTA will need to notify the town, notify the tower Tenant (AT&T Mobility) and request permission from the Board to transfer the CPG. The tower brings in revenue of \$1,200 per month. Rent is \$200 for the land is \$200. The tower is 4 years old and has thus far cost the VTA nothing in maintenance. Much of the maintenance responsibility falls on AT&T. Staff will be reviewing contracts with CoverageCo to see what responsibilities the VTA owes CoverageCo with regard to the radio equipment the VTA owns.

AMO/Comcast Meeting – Comcast met with several AMOs to discuss issues related to Comcast's CPG renewal. The main issues discussed with the AMOs were the interactive program guide, Remote Origination, and HD transmission. Comcast representatives stated that they would present a partial solution to some of these issues at the next AMO/Comcast meeting in May, but were reluctant to discuss anything further beforehand. The AMOs presented a list of issues that they felt were important. No substantive issues were resolved, but the meeting went well and the parties were amicable.

Public Records Request – The VTA received a public records request. VTA staff responded on Wednesday, April 29th. The requester asked for documents related to the VTA's pending RFP for fiber management, documents related to the DPS assuming duties related to fiber management, documents related to the appointment of James Porter as Director, and copies of the VTA's websites, which the requester wanted placed on a hard-drive he would provide. The VTA had very little responsive to the request. Materials responsive to the RFP were treated as exempt under the trade secrets and contract negotiations exemptions, 1 V.S.A. § 317(c)(9) & (15), because release of materials related to the RFP could give one bidder an advantage over another bidder. The response included an exemption log. One employee of the VTA never responded to the request for documents, however, VTA staff was able to find some emails between her and other VTA staff. VTA Staff should be made aware of the importance of responding to records requests in the future.

Search FBI. Wm. Harker?

Connectivity Grant – Award letters are ready to be mailed. Three bidders inquired about when the awards would be announced. In response, staff sent each bidder a notice that states the DPS is pushing off a decision until May 8, 2015. The Department anticipates awarding ECFiber with \$365,000 to build fiber to the home projects in Norwich, Pittsfield, Randolph, and Royalton. The Department plans to award \$231,000 to build projects in Norwich, Jamaica, and

to admission of all prefiled testimony and there was no cross-examination of any witnesses. The Board asked a few questions of the Department and Joint Petitioners' witnesses, but there do not appear to be any significant issues.

Comcast CPG Renewal — Telecom and CAPI staff attended a meeting with representatives from the Vermont Access Network and Comcast on Tuesday, March 28, to discuss issues related to public access programming. The meeting was cordial, and the parties highlighted a series of issues where there is disagreement between the parties. Two more meetings are scheduled in May and June to try to resolve public access issues prior to Comcast filing its CPG renewal petition.

Duncan Cable CPG Renewal — Telecom and CAPI staff attended a public meeting held by the Board in Dover on Wednesday, April 30. The meeting was scheduled for public commentary on Duncan Cable's petition to renew its CPG. Several employees of Duncan Cable and one member of the public attended. The sole member of the public who spoke supported Duncan cable and highlighted Duncan Cable's commitment to community involvement.

FairPoint Request for Waiver of Service Quality Reporting — The Department filed an opposition to a request for waiver of service quality reporting from FairPoint. FairPoint has petitioned the Board for a waiver of several service quality metrics during the period of its worker strike. The Department opposed the waiver request on the grounds that it was not timely filed and that the worker strike is not an adequate justification for waiving its service quality requirements.

Wireless Telecommunications Facilities (248a) Petitions — Division staff filed recommendation letters with the Board for the following projects:

- AT&T application for limited size and scope modifications to a 120 foot tower in Bethel;
- AT&T application for *de minimis* modifications to a 60 foot tower in Bennington;
- AT&T application for *de minimis* modifications to telecommunications equipment installed on the roof of the City Center in Montpelier;
- VTel application to construct a limited size and scope 100 foot tower in Rochester;
- VTel application to construct a limited size and scope 100 foot tower in Pownal;
- VTel application for *de minimis* modifications to two towers (75 feet and 60 feet) located near the summit of Burke Mountain in Burke;

VTel Calais Projects — VTel has not yet filed a final application for the Calais site. The Department has retained aesthetic and RF experts to review the application once it is filed. Division staff will meet with members of the Calais Selectboard on Friday, May 1, to review alternate sites for the project.

VT Cabot Project — VTel filed its application for the Cabot project on April 17, 2015. VTel is applying to construct a 90 foot tower at 185 Thistle Hill Road in Cabot. The Department is in the process of reviewing the application and will prepare a recommendation for the Board. The Department has also retained aesthetic and radiofrequency engineers to review the

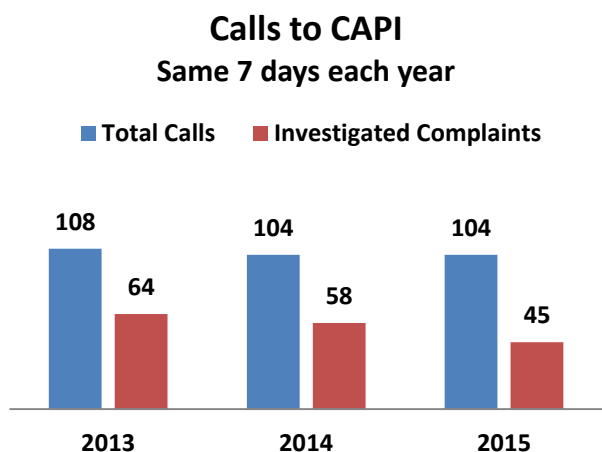
application. Both experts will prepare independent reports on the project. Those reports will be submitted to the Board with the Department's recommendation. The radiofrequency engineer will review VTel's proposed propagation maps and also test the feasibility of co-locating the facility on a farm silo in Calais that currently hosts equipment for AT&T. The aesthetics expert will create visual simulations of the project and complete a *Quechee* analysis of the site. The Town of Cabot has retained an attorney, who informed Department staff that the Town intends to seek party status and participate in the proceedings before the Board.

VTel Rochester Project — The Department received a motion to intervene and comments in opposition to the Project from an adjoining landowner represented by an attorney. The Department has already submitted a recommendation of the project, but will review the motion to intervene and associated comments and probably file a response or additional comments with the Board.

DPS received the following new 248a petitions and notices:

- AT&T application for *de minimis* modifications to telecommunications equipment installed on a water tank on the UVM campus in Burlington;
- AT&T full application for construction of a 120 foot tower in Barre;
- VELCO application for *de minimis* modifications to co-locate equipment on a 130 foot tower in Woodbury.

CAPI



FairPoint service quality investigation, docket 8390: Staff met to discuss the possibility of expanding the scope of issues presented by the Department under the disconnection topic already broached in initial pre-filed testimony. Those issues include connection and reconnection of those with medical emergencies, continued billing after disconnection, billing during a “soft” disconnection, and application of broken payment arrangement disconnection rules to failure to pay current charges when due by including those charges in payment arrangements.

Comcast CPG renewal, docket 8301: Staff met with Telecom staff to discuss the upcoming Comcast CPG renewal docket. Discussion topics included the Community Needs Assessment, the scientific survey and the non-scientific survey. CAPI is drafting an RFP for the scientific survey, with the intention to issue it as soon as possible. The group also discussed the PEG AMO meeting that will be held tomorrow. CAPI staff continues to assemble lists of the community leaders in each Vermont county that is serviced by Comcast, which will be used to develop focus groups as part of the docket's Community Needs Assessment.

Duncan Cable CPG renewal, docket 8438: CAPI staff has continued outreach efforts to encourage participation in the Focus Group being conducted on 4/29 as part of the Community Needs Assessment.

VTRS Advisory Council Meeting: CAPI staff organized and prepared for the Vermont Telecommunications Relay Service (VTRS) Advisory Council meeting, which was held on 4/27. The Advisory Council is required by statute and is composed of the following members: one representative of the department of public service, acting as chair of the Council; one representative of the department of disabilities, aging, and independent living, acting as vice-chair; two representatives of the deaf community; one member of the hard of hearing or speech impaired community; one representative of FairPoint, the company providing local exchange service within Vermont; and one representative of Sprint, the organization currently providing telecommunications relay services. A member of this council is deaf-blind, which offers additional insight into the needs of this community. This is a newly formed group so discussion focused on outlining council goals and the current state of TRS in Vermont. Sprint provided a report on last quarter's relay service usage and various outreach efforts. CAPI staff provided an update on the EDP program, which is temporarily housed at DPS. The council member from the Vermont Adaptive Technology Program provided an overview of the programs and services available through their group.

Efficiency Vermont Overall Performance Assessment: CAPI will contribute to the Overall Performance Assessment (OPA) for Efficiency Vermont (EVT). CAPI's input will be based on analysis of consumer complaints from 2009 -2014. Complaint review identified types of issues reported by consumers, level of service delivered by EVT and responsiveness of EVT once CAPI became involved.

Stowe Cable Transfer and CPG; docket 8428: Staff testified in the technical hearing for this docket. The Board asked the Department witnesses clarifying questions about pre-filed testimony. A Memorandum of Understanding and a Proposal for Decision have been submitted to the Board.



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

To: The Honorable Peter Shumlin
From: Keith Flynn, Commissioner of Public Safety
Date: May 1, 2015
Subject: Weekly Report

Vermont State Police

19 total arrests, 6 DUI.

Troopers assisted Hinesburg PD with a car vs. bicycle crash that resulted in the bicyclist being killed along with the car operator (17 year old CVU student).

A local individual who has been doing a tremendous amount of day time burglaries was apprehended and is facing several charges from VSP and Stowe PD.

NUSI, allegation of 46 year old male having sexual relations with 14 year old female neighbor. This case was received over the weekend and will be investigated today (Monday).

NUSI, sexting case involving an eighteen year old male and 15 year old female.

Drug case at CCCC, 1 pill found in a cell with three inmates, declined.

Accidental shooting in Jericho, 6 year old boy was target shooting with his father and shot himself in the left lower leg with a .22 caliber handgun. DCF was notified and the investigation will be sent to the Chittenden SA for review.

Tax fraud complaint made by an inmate at CCCC, the fraud was allegedly committed by the inmate's girlfriend in St. Johnsbury,

CUSI, 15 year old female reporting a sex assault involving her boyfriend, interview scheduled for this week.

CUSI, assist to SBPD and CPD on prostitution sting, three adult males charged with felony luring of a child and one charged with prohibited acts.

Assault at CCCC, inmate vs. Correctional Officer (spitting), inmate cited for the assault.

B Troop

22 total arrests, 7 DUI.

Sgt and Trooper responded to Lyndonville during night shift to a report of a 12 year old girl that had been raped earlier in the day under a highway bridge by a 16 year old boy. Sgt recovered blood from under the bridge collected the girls' clothing and sent her and her parents to the hospital to have a SANE kit done. BCI was made aware and took over the next day.

On 4/24 during the day shift, Troopers responded to Barnet and arrested a 34 year old male for agg. domestic after he pointed a gun at his soon to be ex-wife. He was brought to court and held with no bail.

On 4/25 the night shift responded to Eagle Eye Farm in Newark again for mental health patient Jeremy Gardner who broke down a door and was acting in a threatening manner. This is a very common occurrence that VSP and mental health are constantly responding to with no end in sight.

While the incident above was happening, a 42 year old intoxicated male in Danville assaulted his wife and shot off 5 rounds from a pistol outside into a shed. He was lodged.

Troops responded to a report of a subject ramming another vehicle in Barton area. Investigation showed this was a domestic assault and the subject left the scene prior to arrival. Troops continue to search for the person involved and have request an arrest warrant.

Troops responded to a report of erratic operation in Derby/Morgan area. Subject was reported as driving off the road and into driveways and also passed out at the wheel. This occurred during commuter hours on a school day. Subject was located slumped over the wheel in an intersection. Investigation showed she had just come from the BART clinic in Newport where she received her methadone dose. Subject was processed for drugged driving.

Death Investigation involving 24 yr old male (Coleman Hammond) in St. Johnsbury –Possible Drug overdose

Correctional Center Cases

- two arrests for transporting drugs into Newport Correctional Center
- One arrest for possession of a weapon (Shank/knife) by an inmate at Newport Correctional Center
- 4 new drug cases from St. Johnsbury Correctional Facility
- 2 arrests for transporting drugs into St. Johnsbury Correctional Facility

C Troop

21 total arrests, 6 DUI.

Tpr. took a stolen check case and got video surveillance of the offender, put on social media and developed suspect, suspect located and arrested for forging victim's checks throughout the Rutland area.

Application submitted for a Music Event in Pownal in August involving 8 bands and an attendance of 10,000-20,000 people. Approximately 20 Troopers will be required to work the one day event.

Dead Body - Arlington. 42 year old female found unresponsive in her bedroom. History of Grand Mal Seizures and alcoholism. OCME Case.

Dead Body – Searsburg. 57 year old male with history of Legionnaires Disease, diabetes, and diminished lung capacity. No medical intervention for years.

Disorderly complaint at correctional center. Two inmates involved altercation.

Death investigation Leicester – 54 year-old male passed out while driving vehicle. Numerous medical issues and possible drug use involved. Cause of death: Pending.

Death Investigation Hubbardton – 80 year-old with heart condition passed. Cause of death: Natural.

Sex Offense. It was reported a 21 year old female was sexually assaulted by an unknown male subject. Town of Killington. Victim re-interviewed.

Sex Offense. It was reported an 11 year old boy may have sexually abused a 4 year old girl. City of Rutland. Victim and Sibling Interviewed.

Sex Offense. It was reported a 14 year old girl may have been sexually abused by her unknown half-brother. Town of West Rutland. Victim Interviewed.

D Troop

27 total arrests, 5 DUI.

Uniform Division continued to assist Springfield PD, Major Crimes Unit, and BCI in locating the suspect in a homicide in Springfield; subject was taken into custody in Londonderry on 04/23/15.

Stopped vehicle for 97/65 consent search located 35 fraudulent credit cards. Subject arrested for Identity theft and excessive speed. Subject had 6 fake ID's. Feds (Secret Service) are adopting the case.

Missing Person – Carroll Trail/Newfane. Called and notified of a missing 6 year old boy from CT. Boy was last seen over 1.5 hours ago after he ran into the woods chasing his dog. An attempt to locate the boy by family was unsuccessful. Command post set up at East Dover Fire. Newbrook Fire and Dover PD assisted. A perimeter was established around the area by FD – SWC notified for SAR. The boy was located on another property off of Carroll Trail by FD member. No injuries.

Sgt. seized vehicle after motor vehicle stop and executed search warrant. Two subjects charged with Possession of Heroin and Possession of Cocaine. One subject charged with Possession of Heroin. Troopers responded to report of someone shot in East Bethel. Upon arrival they located a subject outside the door with gunshot wounds. After pulling the subject to safety they were able to get the subject inside to open the door. He did not surrender and the Troopers deployed a taser and took him into custody.

Troopers responded to assist the Ambulance with a 19 year old male who overdosed in Bethel. (Earlier in the day Randolph PD investigated an overdose death) The Rescue crew administered multiple doses of Narcan, and then used four more doses provided by the Troopers on scene. The male finally woke up and was transported to the Hospital. Lab testing showed that the drug used in Randolph was straight Fentanyl, and the drug in Bethel was a mixture of Fentanyl and Heroin.

Assist with Homicide in Springfield, VT. Wesley Wing died of multiple gunshot wounds on Saturday April 18th. Joint investigation with Springfield PD with the assistance of Keene, NH PD and the US Marshals Service. Greg Smith was ultimately arrested when located hiding out in a remote location in South Londonderry, VT. One of his girlfriends, Wendy Morris, was found with him and charged with Accessory after the Fact. She assisted him evade law enforcement. Another girlfriend, Kristin Walsh, was charged in Keene NH for Harboring a fugitive and Aiding After the Commission of a Felony.

Attempted homicide/agg assault with firearm in Bethel. Two male subjects in argument over a bottle of blackberry brandy. Homeowner shot friend multiple times with handgun. Victim expected to survive. Currently charged with agg assault but some scene evidence suggests victim was shot at least once while on the floor. Will gather extra evidence for prosecutor's office possible upgrade in charges.

TOPS

4 arrests

Stopped vehicle for 63/55, failure to keep right and no turn signal on 89NB in WRJ. K9 deployed. Alert. Denied consent. Seized. DEA had them targeted for sales. Feds took case. Searched the vehicle and located 10 grams (app 317 bags) heroin. 2 arrests.

Request for exterior sniff on vehicle from Royalton Troop. Alert to vehicle. Search warrant granted. 60 bags of heroin, .5 grams of cocaine and small amount of MJ. 2 arrests.

DEMHS

The official EMAC offer has been submitted to the State of Indiana to support response to a large HIV Outbreak. VDH staff will travel to Indiana for two weeks to assist with this effort.

38% of 2015 LEOPs have been submitted. the deadline for submission is May 1.

The Vermont Yankee Interagency group met and discussed status updates on current filings with the NRC, Vermont Yankee funding negotiations, and upcoming VY technical review meetings.

Public Assistance progress:

DR4207- seven (7) project worksheets have been obligated thus far, totaling \$112,330, with federal share of \$89,037.

DR4022- three close-outs were approved by FEMA (Sharon and two in Bethel).

Back-up documentation related to the Waterbury State Office Complex project worksheets, which will be necessary for close-outs once the State's insurance settlement is finalized, has been relocated from Rossie Conklin's temporary office in Barre City to Ron Pentkowski's office. The WSOC PWs comprise roughly ¼ of the 156 large PW's remaining to be closed out from Tropical Storm Irene.

Hazard Mitigation Grant Applications for two buy-outs in Rutland City were approved, for federal share of \$71k AND \$73k.

Legislative Contact:

Recovery and Mitigation Section Chief responded to an inquiry from VTrans Secretary Minter regarding DR4022-PW2424 (Westminster's Covered Road Bridge), for which the legislature is considering a special allocation to assist with a \$289k funding gap. As previously documented to Agency of Administration, circumstances of this PW were uniquely unfortunate.

Fire Safety

The Division received \$25 Million in new plan review construction valuation collecting \$137,000.00 in permit fee revenue.

The financial audit was completed and we will be making some changes on how we process money (frequency of deposits). I have extended an invitation to Hannah Morse to come meet with our assistants and managers on May 19, 2015 to go over finance management policy so I can put together a division wide policy. We account for all our money and the reports are solid but we have some loose ends that can be cleaned up.

Plan review permits are coming in at a high volume and we are really getting busy. We will do our best to get the permits out in a timely manner this spring.

Regional Manager Sutherland met with the Mayor of Rutland last week as the Rutland Fire Chief is retiring effective May 1, 2015. It appears the Mayor maybe interested in a municipal inspection agreement for existing buildings or at least he is very interested in discussing this further. I also have a meeting next week with St. Albans as they want to extend the existing inspection agreement to cover more buildings.

Appears there will be a new 6 story hotel with a 2 floor parking structure constructed in the Haystack Ski Area in Wilmington.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: May 1, 2015
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Special Interest to 5th Floor from BGS Directors:

WSOC FEMA: Irene Recovery Office is reporting that FEMA's first take at the back up documentation for the WSOC is in good order

Curator's Office Historic Marker: A new marker for the State House is in the offering, as well as better panel from Shadows and Light.

RMMTC:

- Received the FTA audit findings and need to respond. Resolution will come from the City and LAZ managing the parking on ground level (Allen meeting them this week).
- Review of operating financials in progress - received balance sheet yesterday and reviewing. Rutland claiming a \$100K shortfall.
- Requested invoice received and in review. Trying to figure out why we (SOV) is spending >\$60K on O&M.

Space, Moves & CAD:

- Search for DMV space in White River in process -softening
- Search for DPS investigator space in White River still on the screen
- Agric looking for space in Montpelier & Chittenden County...meeting with them later this week.

Vermont Information Centers: To date, more visitors in 2015 than 2014

VICD Visitation Data - April 2 nd – 8 th , 2015						
2015 Traffic Information					2014 Traffic Information	
Site	Avg. water per person	Water Usage (in GAL)	4/2 – 4/8 2015 Visitor Traffic	2015 Year To Date Traffic	4/2 – 4/8 2014 Visitor Traffic	2014 Year To Date Traffic
Alburgh	1.5	260	175	1423	206	1,923
Bennington	0.52	876	1694	18,738	1,148	14,467
Bradford	2.2	4300	1919	21,850	1,825	21,622
Derby Line	1.8	4400	2514	24,367	2,016	20,227
Fair Haven	1.1	2780	2522	24,860	1,848	24,585
Georgia NB	2.6	3130	1192	11,110	974	11,109
Georgia SB	1.2	2028	1735	15,394	1,450	15,850
Guilford	2.5	26105.2	10,196	119,865	7,603	119,025
Hartford SB	0.79	4600	5817	66,976	4,519	59,834
Lyndonville	1.5	2020	1374	16,711	N/A*	14,374
Montpelier	0	0	603	8102	592	7,612
Randolph SB	1.2	7080	5971	63,383	4,299	59,555
Sharon NB	0.88	6958	7888	82,017	5,922	81,457
Waterford	0.82	1700	2062	18,163	1,425	17,959
White River	0	0	194	2391	208	2,488
Williston NB	2.5	14800	5859	60,003	4,777	57,964
Williston SB	1.7	6500	3736	39,221	3,364	41,509
Grand Total		87537.2	55,451	594,574	42,176	571,560

Western Region:

Woodside: Residents have been temporarily locked in their cells and movement has been restricted because of their destructive behavior.

Colchester - New Health Lab: Wrote a Change Order for the additional work and now dealing with some terms and conditions issues incorporated into the CO by adding new Attachment C. Contractor has pushed back being reluctant to add additional terms and conditions this late in the project. Received the first Submittal for some of the additional work and will be replying with our comments. Current opening target date is 8/18/2015.

Eastern Region:

Montpelier – 5 Green Mountain Drive Capital Complex Additional Parking: Project is out to bid. The pre-bid meeting was held on 4/23/15 at 11:00 am. Bids are due on 5/6/15 at 2:00 pm. DOL parking lot.

Randolph – Ag/ANR Lab:

- **New Construction:** Schematic Design review meeting, held on 4/27/15, went well. Good progress being made with the building taking shape and majority of the layout set. Building massing is looking good as well. Working on determining how to finalize site selection; met with the commissioner on 4/28/15 to discuss. BGS staff will be presenting the project to the Randolph Rotary on 4/30/15 with other agency staff.
- **Vermont Veterans' Cemetery:** An RFP for the Clerk-of-the-Works has been posted and bids are due on 5/6/15. Seventeen contractors attended the mandatory pre-bid on 4/27/15. Bids are due on 5/15/15. One contractor has requested that the bid due date be extended to 5/22/15; will check with the federal schedule before moving the bid date.

Security Emergency Procedures: The Emergency Procedures team will meet today with the St. Albans Safety and Security Coordinator (SSC), Judy Ashley, to finalize an Emergency Procedures template for all State Office buildings. Judy Ashley (Dept. of Health District Director) has been a tremendous asset during this whole process. Judy's commitment and focus on safety issues and her effort toward building a cohesive working relationship with emergency management personnel in St. Albans, is the primary reason the St. Albans State Office has been chosen as the Pilot site to "kick off" this process.

COOP planning: Since the time BOLD began COOP planning and training with the State of Vermont, several new members have been designated as the COOP Coordinators during this initial phase of updating each plan. I have been working with BOLD to assure these new Coordinators have administrative system access, and have made myself available for individual training as needed. BOLD is also providing us with webinar training the first Wednesday of every month addressing different sections of the COOP plans. At this point I am still assessing the training needs of the team, as we have Coordinators who have been with the process since the beginning and others with no experience, and should begin more regional and/or individual site training in the month of May.

Significant Meetings:

Development Training with Directors: First session on teamwork with Marriane Mullen was held on 4/27; well received. Next session is May 8th.

Austine School: Met with Jason Humbert from AG's office to be briefed on the Brattleboro S&L plan to conduct a 363 transfer if the SOV releases its lien.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

NGA/CMMI SIM Meeting:

Georgia and Michael attended the NGA and CMMI Innovation meetings in Baltimore, along with Richard Slusky, Kara Suter and Craig Jones.

All Payer Model:

The Governor, Al Gobielle, Lawrence, Robin, and Michael kicked off the all payer model project with key staff and contractors affiliated with the AHS central office and departments under AHS. The key message was that we have an enormous opportunity to partner with the federal government to shift health spending from fee for service to value based payments; however, that opportunity involves delivering complex work within a compact time frame.

VHCIP/SIM Update:

At the CMMI meeting last week, Vermont worked with CMMI on the pending State Plan Amendment related to the Medicaid Shared Savings Program due to the escalation of the matter to Secretary Burwell a few days prior. There continue to be meetings this week and next on this issue. We continue to have pushback from the office of the actuary in aligned with Medicare. Robin will follow up with Georgia and Kara to evaluate whether additional escalation is needed at this point.

Vermont received approval of its Y1 carryforward this week, allowing us to proceed with approval for Y2 contracts and activities.

Vermont's SIM team convened several work groups this week with an emphasis on understanding progress to date on several IT projects and the learning collaborative pilots. It is expected that we will make significant additional investments in these two areas starting next week based on progress to date.

Legislative Issues:

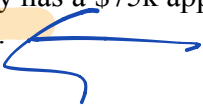
S.135 was voted out of senate finance and is going to appropriations. There are a few issues with the bill. We've negotiated with entities from St. Johnsbury on supporting their pilot idea by helping with its design through the SIM process. We've agreed to remove the St. Jay language (sec 2) and Senator Kitchel has agreed to do that in Approps. Cmr. Wehry is concerned about a study in the bill which has her dept looking broadly at rate-setting for home and community based services. The issues are capacity and timing of the report. The GMCB and we are opposed to the parity language in the Finance version because it could be a problem for the all payer model. Ayer and Lyons will offer their spending/revenue amendment on the floor. Mullin will have an amendment to allow non VHC plans on the floor.

S.139 is up for 3rd reading today.

HUMAN RESOURCES

Legislative Update:

Appropriations Bill: The bill as passed out of the Senate Appropriations Committee looks good. The classification study has a \$75k appropriation attached to it. Language to add DOC to the position pilot has been removed.



Grievance Arbitration: The Senate concurred with the House changes to S. 72 and it will go to the Governor's desk.

Paid Leave: There is continued interest from House General to provide for paid leave that dovetails with FMLA. We should expect further conversations next year, though it will more than likely take a back seat to paid sick leave.

PBM: S 139 is moving through the House. We have no problems with the PBM language which is a product of discussions between pharmacists and the PBMs.

Whistleblower: House General is interested in this topic and will try to schedule at least one more hearing on it prior to the end of the session. Rep. Head has been briefed on our discussions with the VSEA. We are coordinating with VSEA, but will need to loop in the other public employee unions before we go too far.

Media Requests:

Mike Donoghue is continuing to report on the Hogan/Goggins issue and requested information on the Goggin's RFR. Fox44 has renewed its interest in the top 50 OT users in state government.

Significant Events/Meetings:

Equipment and furniture from 110 State Street and 144 State Street will be moved into the new DHR office located at 120 State Street this weekend. The Commissioner, Deputy Commissioner and Executive Assistant will be on hand over the weekend to assist movers; all staff will begin working out the new space on Monday, May 4.

The Workforce Development team moved into the VCFA space on Monday. Additional construction will commence in about three weeks – additional carpeting, elevator, new windows – but staff is settling in and enthusiastic about the new training center.

Laurie Bouyea-Dumont has been hired as the HR Manager for the AG/ANR unit. She starts employment on 5/18. AG/ANR leadership had significant involvement in the selection process.

HR Manager Phyllis Martin went on an unexpected and indefinite medical leave of absence. Martin's unit handles HR work for: DPS, Military, Liquor Control, Financial Regulations, PSD, PSB, GMCB. Plan to cover HR Manager Martin's absence. Legal and Labor Division staff will serve as points of contact for issues that fall within those areas; request authority to recruit a senior level HR Administrator and transfer a senior level HR Administrator to the unit to provide assistance in the interim; depending upon medical documentation, may request approval to double-fill the HR Manager position.

Senior HR Manager Kay Jarvis will serve as primary point of contact for the HAEU/VHC/DCF reorganization project. AHS leadership has been so notified and Kay has started observing office hours at IBM to be co-located with the customer.

The Legal Division coordinated the information release to Liquor Control Board and Press, coordinated the Ban the Box policy implementation and testified at legislature regarding PR Act amendments.

The pilot run of the new Workforce Development Supervising in State Government Level 1: The Essentials concluded last Friday to positive feedback. Also ready to launch the coaching component, having scheduled all the pilot participants for 30 minute coaching sessions in the next three weeks.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Healthcare: The hosting and data center migration efforts continue at a fast pace for the Health Services Enterprise Platform (HSEP). The new vendor is adding resources to reduce delivery milestones. Security tasks managed by SOV and others are still somewhat concerning and need to be managed closely.

Press/Media Notes:

Richard spoke with Pete Hirschfeld regarding the process and track record for blocking of entertainment sites on our shared internet connection.

Evolving Issues:

Projects:

- New Project Manager is in week 2 of training and is making great contributions to the EPMO.
- **VoIP Implementation**
 - Intent to award memo in the works with DII & BGS, expect to notify vendor on 4/30
 - Independent Review will be delayed by the coinciding number of days the vendor notification was delayed.
 - RISK: The delays to date have jeopardized the contract start date. The PMs will need to discuss with DII whether any time can be made up within the contracting development tasks and make any project schedule adjustments accordingly.
- **WIC MIS/EBT Implementation**
 - Xerox is behind on their tasks and Nancy Rowell (WIC PM) has notified me that she may seek an escalation route through DII next week.

LIBRARIES

No report.

TAXES

Legislative Update:

Senate Finance Comprehensive Revenue Bill *Revenue/Amounts:

Fee Bill (Sec. 1-35)

Tax Dept Technical Changes (Sec. 35-38, 40-41)

Mullin Increase on Non-Profit Gambling Prizes (Sec. 39)

Extension of Local Option to All Towns (Sec. 42)

***Tax Administrative Garnishment & Levy (Sec. 43) \$2.3M**

Tax Division of Collections for Other Agencies (Sec. 44)

Offset of Medicaid Provider Payments for Tax Debt (Sec. 45)

Current Use Technical Provisions, including the Tax Dept audit of 3 towns valuations (Sec. 49-52)

Homestead Clarification, renewal of VHFA exemption (Sec. 53-54)

TIF Changes (Sec. 55-56)

***Income Tax Revenue Changes (Sec. 57-58)**

SLNC \$14.5M

New Instate Only Charitable Deduction \$3.2M

\$12,000 Limit on Mortgage Deduction \$5M

New Minimum Tax \$1M

Income Tax Technical Changes, including no withholding for publicly traded partnerships (Sec. 59-63)

Downtown Tax Credit Changes (Sec. 64-65)

Cigarette Technical Changes (Sec. 66-79)

Corporate Technical Changes (Sec. 80)

***Employer Assessment (Sec. 81) \$5.08M**

***Rooms and Meals to Vending Machines (Sec. 82) \$1M**

Rooms and Meals Technical Changes (Sec. 83-84)

***Sales & Use Tax to Soft Drinks, Candy, Bottled Water (Sec. 85)**

Soft Drinks \$5.1M

Candy \$1.6M

Bottled Water \$.8M

Sales & Use Technical Change (Sec. 86)

Study of Sales & Use Tax on Services, including Tax Dept regs and economic impact study (Sec. 87)

***Gross Receipts Tax on Satellite (Sec. 88) \$5M**

JFO Tax Expenditure Work (Sec. 89)

PVR Technical Change (Sec. 90)

Tax Department Administrative Concerns: Aside from the obvious concerns over the revenue sources, the Department sees some administrative problems. The timeline for forming a Collections Unit to take on debts from other Agencies is aggressive. The Medicaid offset is impractical and inefficient. The current use valuation would require us to contract with an outside vendor to value approximately 200 properties per year, and defend those values against town objection. The limitation on the charitable deduction to instate charities will likely be subject to constitutional objection, and we want to be sure the legislature is aware that we could not perform any robust audit of either a charity's claim to be in state or the taxpayer's deduction. The Senate also requires that the Department draft regulations for the extension of the sales tax to services, which is a large undertaking for provisions that might never become law.

FTI.

Operations:

Tax Season: Despite challenges including increased fraud and difficulty with bank scanning equipment, we are pretty well caught up on processing returns for this point in April. General observations include that we are experiencing ever higher rates of electronic filings, which speeds processing. This will only increase as we continue implementation of VTax. Also, our decision to not take general individual income tax inquiries one day per week assisted tremendously with efficiency, and was not met with much resistance. We are considering extending this practice to other units and throughout the year.

VTax Implementation: The second phase of the project, implementation of the trust taxes (Sales & Use, Rooms & Meals, Withholding) continues on track, with major design work proceeding. This phase will be much more public than corporate tax, and we plan major outreach during the summer in anticipation of the November roll out.

Compliance Division Overhaul: We have moved resources into place to re-organize our compliance division, and our summer list includes an ambitious number of initiatives in this area, including standard operating procedures for audits and appeals, exploration of alternative dispute resolution including clearing the backlog of cases, training for field staff in professionalism.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: May 1, 2015
RE: Boards and Commissions Update

APPOINTMENTS MADE APRIL 28, 2015

Governor's Veterans Advisory Council:

APPOINTMENTS ON HOLD PENDING DECISION ON VICE CHAIR.

Government Accountability Committee:

REAPPOINTED: Susan Zeller, Montpelier

Joint Committee on Tax Credits:

REAPPOINTED: Angus Chaney, Brandon

Vermont State Housing Authority:

APPOINTED: Robert Lees, White River Junction

Clinical Utilization Review Board:

REAPPOINTED: Paul Penar, MD, Shelburne

Building Bright Futures:

APPOINTED: Julie Cadwallader Staub, So. Burlington

Vermont Council on Homelessness:

APPOINTED: Donna Sherlaw, Morrisville (Experienced Homelessness)

REAPPOINTED: Constance Snow, Brattleboro (Housing Provider)

Historic Preservation Advisory Council:

REAPPOINTED: Glenn Andres, Salisbury (Architectural Historian)

Interstate Adult Offender Supervision Council:

REAPPOINTED: Andy Pallito, Jericho (Member of Executive Branch)

Criminal Justice Training Council:

APPOINTED: Christopher Brickell, Brandon (Police Chiefs Association)

REAPPOINTED: Gary Moore, Bradford (Public Member)

State Emergency Response Commission:

REAPPOINTED: Alton Barber, Hinesburg (Local Emergency Planning Commission)

REAPPOINTED: Michael Collins, Essex Junction (Industry with EHS Chemicals)

REAPPOINTED: Neil Fulton, Norwich (Fire Service)

REAPPOINTED: Michael Stevens, Barre City (Law Enforcement)

Alzheimer's Disease and Related Disorders Commission:

REAPPOINTED: Martha Richardson, Colchester (Alzheimer's Association Rep)

State Rehabilitation Council:

APPOINTED: Spencer Lemon, Sheldon (Business, Industry and Labor)

APPOINTED: Julia Burakian, Windsor (VR Counselor)

APPOINTED: Benjamin Wimett, Brandon (Recipient of VR Services/cerebral palsy)

REAPPOINTED: Adam Leonard, Underhill (Business/Industry/Labor)

State Rehabilitation Council for the Division for the Blind and Visual Impaired:

APPOINTED: Pam Schimer, Essex Junction (Business Community)

REAPPOINTED: Harriet Hall, Newport (SILC)

Statewide Independent Living Council:

APPOINTED: Eliza Anderson, Westford (Advocate)

Apprenticeship Council:

APPOINTED: Dennis LaBounty, Lyndonville (Employee Rep)

Alcohol & Drug Abuse Council:

APPOINTED: Joshua Aldrich, Berkshire (Public Member)

Human Services Board:

APPOINTED: Rilla Murray, Montpelier

Standards Board for Professional Educators:

APPOINTED: Erik Remmers, Montgomery (Administrator)

Livestock Care Standards Advisory Council:

APPOINTED: Omar Oyarzabal, So. Burlington (Knowledge of Food Safety)

Passenger Tramway Board:

REAPPOINTED: Peter Mackey, Salisbury (Industry Rep)

District # 1 Environmental Commission – RUTLAND COUNTY

APPOINTED: Norm Cohen, Rutland (Alternate)

Community Development Board:

APPOINTED: David Scherr, Burlington

ADVICE & CONSENT CONFIRMED by the Senate:

Last name	first name	Board/Commission
Bailey	Richard	Transportation Board
Coen	David	Transportation Board
Lang	Lisa	Travel Information Council
Goldstein	Joan	Commissioner, Dept. of Economic Development

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