

WEEKLY REPORTS

Checklist
6/3/16

Darren Springer

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☒ Department of Financial Regulation – Susan Donegan
- ☒ Public Service Department – Chris Recchia
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

- ☒ Agency of Education – Rebecca Holcombe
- ☒ Agency of Transportation – Chris Cole
- ☒ Agency of Natural Resources – Deb Markowitz

Sarah London

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

Jessica Gingras

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

Laura Gray

- ☒ Agency of Agriculture – Chuck Ross
- ☒ VT Commission on Lottery – Greg Smith

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin

From: Patricia Moulton, Secretary - Agency of Commerce and Community Development

Date: June 3, 2016

Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **Commonwealth Dairy:** I met with Tom Moffit Tuesday regarding a production expansion, and the construction of a new HQ building. Tom was very clear there's no guarantee this will happen in Vermont, and we are in competition with Arizona. His biggest concerns are permit process timing, and what incentives we can put on the table. The project will involve a new office building, expansion of production space, and a second full Greek yogurt line and all related equipment. Total project \$30-35 million, more than 55 new jobs, 20 of which would be office and professional staff some transferred here from California. If they do this project in AZ, we will lose 30 professional jobs. We are working on an incentive package with VEGI, Windham county funds, and perhaps CDBG. We would like to execute this similar to the GS Precision project where the Governor and I go down to make the pitch with the incentive package. Tom was clear we will also have to sell the Germans, I'm sensing a trip to Germany in our future! There's also the need to upgrade a sewer pump station the State of Vermont owns, BGS, at the Welcome Center. There may be a need to upgrade sewer lines too, yet to be determined. To date, BGS has informed Commonwealth they will have to pay at least \$100,000 of the pump station upgrade. This is juxtaposed against Arizona who built every inch of infrastructure to their plant and regularly asks what else they need that the state or town can pay for as well as a permit process that takes about a week. Arizona has cheaper milk prices, electric prices, and labor costs. We have our work cut out for us.
- **New food company in Brattleboro:** Tuesday I met with Lisa Lorimer, Former owner of Vermont bread Company and Carol Berry, former owner of Putney Pasta. They are starting a new "Blue Apron" type food delivery business in West Brattleboro in the former Mr. G's building. This is a startup, but these ladies have lots of successful food company experience. They anticipate they would be up to 15 employees in the first year and a half. The business model is to ship prepared meals made from fresh Vermont products to markets in New York, Boston and other metro centers as well as offer the services locally. They may open a retail space once they're up and running to catch the ski traffic.
- **Hermitage Club:** I am meeting with ANR and NRB representatives today to try to sort out permit issues with Hermitage. They've been waiting for approvals of their master plan. Sections are basically ready to go, the most difficult piece seems to be the airport expansion due to the wetlands impacts. One frustration is the lack of support staff with the district two environmental commission. April Hensel retired and so did two of the support staff. The new coordinator is good but understaffed and lacks the same institutional knowledge that April had. I will be working with Diane Snelling and Trey Martin on these issues.
- **EB 5:** We are trying to work with DFR to straighten out the Southface Village project. My interpretation of the problem is that DFR and ACCD have not had the time to work out policies and procedures for existing and new projects. Therefore we're having to make up some of the rules as we go along. I have been clear with Susan that we absolutely must comply with regulations, but where there may be flexibility, we may need to exercise it. The issue now relates to additional security beyond the escrow account DFR is requesting upfront before investors are approved by USCIS. The principals at SouthFace are extremely frustrated and are threatening to walk. There is a Chinese woman who is not an investor who has sent allegations of fraud with no substantiation to press and USCIS. We think it may be a tactic often used in China to support firms who can step in and claim they can "fix everything" when in fact there's no underlying fraud. Susan has her legitimate concerns about the project, so safeguards are needed, it's just a matter of degree.
 - Talked with Steve Malone about a potential new EB five project involving condo development at Killington. This is a partnership with powder corporation to build new units at bear Mountain and rehab the base lodge there. Steve has extensive experience with EB five in New Hampshire. We already see one concern about his need to have early release of EB five funds. This will be counter to our expectations so unclear if we will be proceeding.

- **Chroma Technologies:** the company is primarily looking at expanding on site. They have signed a development agreement with BDCC to proceed with design of the building, begin the new market tax credit work and permits. BDCC would like to structure similar to GS Precision where Windham County Funds provide up front development work money that will become a loan to WCEDP when the project closes. We would also sweeten the pot for Chroma with WCEDP funds. Total use projected \$750,000 of WCEDP. The project will create 28 new jobs, well paying and owners of this employee owned company. They are also looking in NH. Note: Paul Millman is playing a less active role in the company and is not involved in the decision making on this next expansion.
- **Mary Nowlan of Vermont Life reports: Calendars:** This year's Weather calendar was honored with the 2016 Pinnacle Award — a first-place finish in our division in the annual contest conducted by the trade association Printing Industries of New England (PINE). Printing work on the calendars was done by L. Brown & Sons Printing Inc., of Barre, a frequent Vermont Life partner. Congratulations to all involved, especially David and Judy, who perform the lion's share of the meticulous work required by these calendars, which serve as a daily reminder about Vermont to the many out-of-staters who purchase them. Work on our 2017 calendars continues, with proofing of calendar proofs and recording of payments for photo use in our contributor database.

LUCY LERICHE, DEPUTY SECRETARY

- **Act 199:** Lucy joined Ken Jones and members of the Department of Public Service in a follow up meeting with some large electricity businesses. We are engaging business to help us come up with ways to reduce their electricity costs. Some topics we are discussing include retail choice for electricity users; rate design; and efficiency. Rate design changes, while extremely complicated, may have the most promise for meaningful change. However, we will need businesses actively engaged to make any progress here. More to come.
- **Vermont Life:** ACCD leadership is working to reconstitute the Advisory Council for Vermont Life. The authority for the Council was created by Executive Order of the Kunin Administration. So far, prospects are enthusiastically accepting our invitations. We hope to have our first meeting of the new Council by the end of June where we will begin to discuss an offer for some pro bono Innovation Engineering sessions offered by the Vermont Manufacturing Extension Center (VMEC). These will take place in the Fall. In the meantime, we are working internally on a scope of work for Vermont Life to provide assistance in the execution of the Economic Development Marketing Plan, recently completed. Additionally, ACCD will meet with Secretary Justin Johnson to discuss the Legislative mandate to study the operating deficit of Vermont Life.
- **Certificate of Free Sale:** The Federal Food and Drug Administration has the ability to delegate to states responsibility for issuing Certificates of Free Sale. These are used for products being exported and are meant to certify a product is available for sale within the United states. Vermont has been given that authority. Up until now, the Agency of Agriculture has issued the certificates for businesses, but in this year's Fee Bill asked for changes to make it clear that they have authority only for food products. Ag asked for the change because the FDA is now requiring additional certifications such as whether the manufactured product could contain any bovine growth hormone. Ag is uncomfortable certifying this for products they do not already regulate such as soap and health and beauty products and animal nutritional products. These other nonfood businesses who used to get these certifications from Ag will no longer be able to get them. This is a problem because the FDA has a turnaround time of 6 weeks to get the certifications, where the Ag Agency was able to turn them around within hours. Lucy and Kiersten met with folks from Ag and the Department of Health to see if there is any way we can meet the FDA requirements for these certifications so that businesses will not be adversely affected. No one in ACCD, Ag, or Health has the existing capacity and or expertise to take this on. There is an off chance the Vermont or other Chambers of Commerce may be able to help. Kiersten will investigate. If that doesn't work out, Commerce and Ag will go out and have meetings with the affected businesses to let them know they will unfortunately, need to plan for this change.

KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

Vermont Quebec Enterprise Initiative

- **Montreal ICT Event:** This event will be taking place next week. All Vermont companies will be able to meet with preselected Quebec businesses to discuss potential partnerships. The morning event will be taking place at [MPC](#) to talk in depth about their IT workforce attraction and retention academy. BTVIgnite and Champlain College will be attending as well.
- **Yann Lamarche:** Following the ICT Meeting, will be spending time talking with M. Lamarche. He is the Director of Innovation and ICT for the Quebec Government and focuses primarily on the New England Region. Specifically, he wants to talk about potential partnerships with the VQEI, some of the work they are doing with ECP/NEG and learn more about our work in Quebec.

Brownfields

- **Funding:** Business in brownfields continues to be booming and we are anxiously awaiting a response from EPA on more funding.
- **J&L Plant One:** Last week, we had ALL consultants, state stakeholders and representatives from Springfield in one meeting to talk about how to move this project. EPA Removals will be addressing (read: paying for) the contaminated land near the river; we are working with the Health Department on an asbestos abatement plan and identifying how best to use the prison money for this project. On a parallel track, we may pursue recovery from Textron. This project is still eons from completion, but for the first time, there is a clear path forward with some actual \$ attached to several activities.

Other

- **Commonwealth Dairy Expansion:** We are working to complete an offer to the company for their proposed expansion project. Of particular concern to the company is the timing associated with permitting their expansion and a new office building and the availability of additional sewer. I have a call this afternoon to talk about the 2012 deal that we made with the Algiers Fire District, Town of Brattleboro, et. al. on this particular element. The state owns a pump station that may need upgrading to accommodate this expansion. More on that following this call.
- **Ben & Jerry's –:** This is moving along and I did give DEC a heads-up that the company wants to break ground on this expansion in August. They are fully on board and understand the importance of the project. I also talked to the City about whether this expansion would trigger another battle with the Town over water/sewer. It won't; B&J has plenty of existing water and sewer reserve.
- **Highgate Project:** Jim Harrison (contractor, not grocery guru) is seeking to construct several commercial/light industrial buildings adjacent to the Highgate Airport. This much needed available space will be a huge asset to the region, but he may be hit with a \$140,000 ag mitigation fee. This came as a surprise to the developer and we will be working with AGR to see whether there are other options/remedies that will make this project more cost-effective for him.

KEN JONES, ECONOMIC RESEARCH ANALYST

- Karyka Taylor presented results on research related to skier volume. Karyka is a Montpelier High School Student in the Community Based Learning program. Unlike most educational experiences, this research project had no pre-determined outcomes. The main result from the presentation is that there is not a single factor that can help predict short term skier volume and the sum of skier days over the year complicates the analysis even further. A real life statistics study may not provide headline grabbing results, but offers a good lesson.

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ Steve Sharp, GIS Operations Manager

- **VCGI Imagery Program**
 - **Orthophotos:** We have received 5 bids in response to the Ortho Quality Control RFP released on May 9th. The EGC has pulled together a review committee to help review, rank, and select a final bidder.
 - **LIDAR:** Data products supporting the LiDAR Web Services Plan (see Table 4. "VCGI LiDAR Data Delivery Services" of the VT State LiDAR Plan) have been migrated to the master LiDAR archive. Supporting documentation and metadata are now being updated. Once complete, VCGI will be able to accommodate orders for the "All-LiDAR" product and begin updating data downloads from the VT Open GeoData portal. The update archive also provides the foundation for developing "mosaic datasets" used to publish web services. New LiDAR web services will be rolled out in the late June/early July timeframe. In support of the 2016 Vermont Middle Connecticut River LiDAR collection effort, the VTrans Memorandum of Agreement has been signed, the Department of Public Service drafted letter of commitment is before their signatory and our Regional Planning Commission partners draft contracts await signing by June 1, 2016 deadline. Once these agreements are signed, ACCD can move forward with signing the JFA. Subsequent to receiving the pre-delivery data for the 2015 Windham County LiDAR collection, DEC has agreed to forward dedicated funds per their MOA with us and the remainder of the USGS invoice (due 8/13/16) will be covered under the VTrans MOA.
- **Projects and Technical Support Services**
 - **VT Open GeoData Portal:** We are making progress on the web site interface as well as tagging and metadata standards that will provide guidance to our data publisher partners (like ANR and AOT), and Jenny is working hard to update our metadata so that it is ready to be included in the new portal. Hoping to have one data layer for each data category actually loaded in the next 10 days.

A particularly challenging component of this project is the need for updated metadata standards and guidelines. While metadata is very important, the adopted format and content of metadata must be feasible and meet business needs. Buy-in from partnering organizations will be critical to updates to metadata standards and guidelines that support success.

- **Statewide Parcel Data:** Finishing up Project Approval Form and working on Project Charter, Rough Timeline, Rough Budget, and staffing plan to present at June 15 Workgroup meeting.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Vermont City Marathon:** The official start of summer started with VDTM sponsoring the Peoples United Bank Vermont City Marathon and Relay. We had a tent at the Expo where Steve, David, Phil and Kathleen greeted visitors from near and far. We were there to encourage the out of state visitors to come back and vacation as well as make suggestions for how they spend their time over the holiday weekend.
- **Vermont Teddy Bear Company:** Megan met with Vermont Teddy Bear's new marketing and PR staff once again sharing all of the opportunities available through partnerships with the state. Megan encouraged them to partner with other members of the Vermont Attraction Association such as Vermont Flannel and Shelburne Vineyards who are neighbors of theirs who also have retail presence. They are also in very close proximity to the new Vermont Artisan Village and were encouraged to possibly put in some sort of pathway for visitors to go back and forth.

Steven Cook, Deputy Commissioner

- **1-800-VERMONT Update:** VDTM has completed a scope of work and draft grant agreement to transition the 1-800-VERMONT call center to the Bennington Chamber of Commerce. The agreement will be executed for a June 16th start and the phone lines will be transitioned on June 30th.
- **Summer Marketing:** Vermont's summer tourism advertising campaign is now live with media running on all marketing channels which include outdoor, online, and online travel agency. Outdoor advertising launched over the Memorial Day weekend with digital billboards in Massachusetts and New York.

COMMUNICATIONS ♦ Philip Tortora, Director of Communications

- **Media Coverage:** Vermont Tourism helped coordinate a week-long trip to our state for Huffington Post and GetawayMavens.com travel writer Malerie Yolen-Cohen, which resulted in multiple articles being published, and subsequently shared on social media. Malerie produced close to a dozen nice pieces for the GetawayMavens.com site, and late last week also published her piece for Huffington Post on [25 places to visit in Vermont](#).
- **TasteCamp Visitors:** We have prepared folders of Vermont Tourism promotional materials which we will distribute at a TasteCamp event this Friday at la garagista farm and winery in Barnard. The event will host representatives from several dozen organizations that either report on, or are associated with, the wine industry. Will provide recap after event.
- **Facebook Videos Update:** In the past six weeks, Vermont Tourism has received more than 90,000 views of tourism-friendly native videos which were shared on its Facebook page. The top-viewed Facebook videos during this time frame include:
 - Vermont Tourism's Summer Elements marketing video: 45,000+ views
 - Multiple previously-produced Vermont byways videos: 17,000+ views
 - A contributed aerial views video of Vermont, produced by Vince Franke: 14,000+ views
 - Multiple Vermont Arts Council's "Vermont. Arts. Everywhere." videos: 11,000+ views

SALES ♦ Kathleen Kolva, Sales Manager

- **Sports & Fitness Expo:** On May 27-28, VDTM had an impressive presence at the Vermont City Marathon's Sports & Fitness Expo hosted at the Sheraton Hotel & Conference Center in Burlington. Out-of-state competitors and their families, as well as Vermonters, were eager to pick up Vermont guides, maps, and brochures to plan activities for their long weekend and for future vacations.



DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Visited **Magic Hat Brewery**. Even though owned by North American Breweries, they do have a decentralized system whereby the brands like Magic Hat are responsible for their own profit and loss. There are currently 80 people working in Vermont. Hiring for line workers is challenging especially for the second shift. They are interested in working more closely with the colleges for internships and also interested in talking and/or presenting to high schools where applicable. New GM Mark Hegedus has been onboard since November. Hegedus has lived in several states over the past 5 years for various employment opportunities; most recently he lived in NY, Oregon, and California. As a side note, it's been challenging for Mark and his wife to find suitable housing in Burlington. He mentioned the prices to be out of synch with the size of the community. We need to find him a house before he moves on to the next opportunity! Magic Hat will also be looking for additional commercial space for a tasting room, retail space, restaurant and office space for headquarters. VTP and VEGI may be relevant for their needs.
- I met with Chris Saunders and Maggie Gendron to review workforce development needs in Vermont and to understand if there are initiatives from DC that would be useful for Vermont. Maggie mentioned hearing significant noise from Vermont businesses on the overtime bill. For many small businesses their costs could double, therefore they might need to hire several part timers in order to comply. We at DED have not heard anything from businesses regarding the bill yet. Maggie also mentioned that the US Department of Labor has been advising businesses that the state's individual wage and hour divisions would be helping businesses with compliance in advance of the Dec. 2016 implementation date. Will check with Commissioner Noonan on this.
- Meeting with CCV, Joyce Judy and Penne Lynch, to review whether or not they can help with ESL issues at VT employers.
- Met with Mike Schirling of BTV Ignite to understand how we can work together on marketing. So far he's provided a contact to help with the website photography and he's agreed to sit in on our weekly call with other BTV Ignite participants.

BUSINESS SUPPORT ♦ Brett Long, Director

- B2B meetings at the Business Expo
- Presentation to Vermont Risk Management Association Annual Meeting
- Referred Small Batch Granola to SBDCs
- Met with Preci Manufacturing on OEA Grant
- Attended CVEDC Breakfast

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Captive Review Magazine US Captive Domicile of the Year Application:** Dan Towle, Director of Financial Services, is drafting the application for this coveted domicile award. Vermont has won 3 out of the 4 years the award has been available and the last two consecutive years. The award continues to be extremely competitive with more domiciles submitting applications than ever before. The award will be announced in August.
- **Innovative Physician Solutions:** Dan met with the CFO of this newly Vermont domiciled captive. Dan played an instrumental part in this newly redomesticated group from Arizona. They have recently gone through a Vermont exam. They are pleased with Vermont and are planning for their annual board meeting to be held in Vermont later this summer.
- **Merlinos Actuarial Consultants:** Dan met with Amy Peters, Consultant for the firm who focuses on captive insurance. Merlinos Actuarial is a reviewing actuarial consultant for the State of Vermont. Dan hopes to do more

business with this growing actuarial firm. They have strong ties in Atlanta, Georgia and in Indianapolis, Indiana which are both growing markets for Vermont.

- **Business Insurance Interview and Information Request:** Dan provided numerous data items and supporting information for an upcoming article. Business Insurance is the leading weekly trade publication for the insurance industry.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

At its June 23 Monthly Meeting, VEPC took the following actions:

- Authorized VEGI totaling \$570,275 for Autumn Harp, Essex, for a proposed 40,000 sf expansion, a substantial addition of M&E and an increase in employment.
- Affirmed previously authorized VEGI incentives for Keurig Green Mountain based on information provided following the acquisition of KGM by JAB Group.
- Rescission of an Initial Approval of VEGI for Britton Lumber due to project occurring in NH.
- Board also reviewed changes to VEGI program and started the process to conduct policy reviews required by H.868.

VEGI

- Staff continued to work with the following regarding potential applications:
 - Caledonia Spirits (Montpelier project), Bariatrix (Georgia), and Chroma (Bellows Falls) for applications to be filed in June.
 - Westminster Cracker (Rutland), IBEX (WRJ), Black River Produce (Springfield), CadCut (Montpelier), and SoyCo (Lyndon prospect), NuHarbor Security (Burl), Inntopia (Stowe), MSI (Morrisville), Precision Composites (Lyndon) to get VEGI PreApplications.

Tax Increment Financing Districts

- Sent letter to City of Burlington providing notification regarding initiation of the process under 32 VSA 5404a(j) due to premature retention of increment.

WCEDP

- Prepared new grant agreements for BDCC and SBDC.
- Sent response to Schoolhack regarding additional information required for loan decision.
- Prepared grant agreement for VCRD Vernon Community Visit.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

- **Kyocera Document Solutions – Williston:** Brenda Plastridge and Elizabeth Adams met with Robert Issenberg, Michael McDonough and Brian McLaughlin of Kyocera at the Vermont Business and Industry Expo B2B event to discuss PTAC program and services. Kyocera requested the meeting. Kyocera is currently working with BGS to get on a contract through NASPO. Brenda and Elizabeth provided a brochure and discussed the contract along with working with Deb Damore, as she would be the point of contact at BGS. Brenda and Elizabeth will pass Kyocera along to Babette Lizotte as she will be Kyocera's counselor.
- **Companies PTAC is currently working with:**
 - A White & Son Construction Inc. – Williston
 - ACAD 24/a-Nusign – Dummerston
 - Advanced Machine & Tool – Milton
 - Appliance Depot – Rutland
 - Banwell Architects – South Woodstock
 - Barre Army Navy Store – Barre
 - Bazin Brothers Trucking Inc. – Westminster
 - Bill's Painting and More – Stowe
 - Classic Dental Laboratory, LLC – South Burlington
 - Claudio Veliz Architect – Chester
 - Cope and Associates Inc. – Williston
 - Cota & Cota, Inc. – Bellows Falls
 - Croteau Auto Parts – Orleans
 - Deer Flats Farm, LLC – West Pawlet
 - Don-Sim Farm Partnership LLP – Sutton
 - Ester J. Lotz, Broker LLC – Burlington
 - FW Cowen & Sons Inc. – Canaan
 - GF Enterprises – St. George
 - Graham and Graham, PC – Springfield
 - Health Direct Institutional Pharmacy Services – Williston
 - HH Miller Builder, Inc. – Craftsbury
 - Icarusworks, LLC – South Burlington
 - Numia Medical Technology, LLC – Newport
 - Peck Electric Company – South Burlington
 - Reynolds Contract Sales – South Barre
 - Sathorn Corporation – Williston
 - Squeegee Printers, Inc. – Canaan
 - Sykes Hollow Innovations, LTD dba Pirit Heated Hose – Manchester Center
 - The Royal Group – South Burlington
 - Vermont Prototype, LLC – Colchester
 - Vermont Soap – Middlebury
 - Westaff – Burlington

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Working with North Country Hospital who is looking to hire 6 nursing positions and to train them all as float nurses to cover multiple departments.
- Met with Innovation Hub who is looking to hire their first employees. They have a new product and process to help municipal wastewater facilities.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **Vermont Economic Resiliency Initiative: Reports NOT Sitting on a Shelf:** Heard from Steve MacKenzie, Barre's Town Manager, that they received a \$100,000 ANR Ecosystem Restoration Grant for the ***Gunners Brook Flood Mitigation Project - Floodplain Restoration*** and we heard from DEMHS staff that FEMA made a verbal commitment to award the first three of five buyouts in Barre City next month. Additionally, the CDBG-DR 25% match is available and has been committed to these projects. This is all less than a year since the report was released. Projects are also happening in some of the other communities that we worked. Once the funding is official, a public event might be a good idea.
- **ANR/AOT/ACCD:** These three agencies, at the staff level, have been working to expand the Stronger Communities, Better Connection program to include ANR. The idea is to be more focused and strategic in helping communities that have gone through thoughtful planning that results in specific recommendations (VERI, V-DAT, SC/BC) and help those communities with funding the recommendations. Also when a community is doing extensive transportation upgrades, how can agencies work together to update infrastructure and support economic development. A MOU was signed at this meeting and the team have picked two towns to approach to see if they would like to be pilots and have focused interagency assistance. Springfield and Brandon are those chosen. Kudos to Chris and Richard for their work on this effort!
- **Harmony Place – Next Phase of the Brooks House:** The creative and talented team behind the Brooks House renovation are working on developing Harmony Place – a community gathering spot in what is currently a parking lot behind Brooks House. Noelle spoke at the kick off to this project. Over 125 people were in attendance including legislators and local leaders from all backgrounds. It is incredible to see what is happening in the community. Why I love this job and will miss it. Guess I'll have to take the train down and visit on the weekends to see the progress. For more info and an illustration of the park: <http://vtdigger.org/2016/05/31/park-seen-as-finishin-tou-on-brattleboros-brooks-house/>

Deputy Commissioner Hanford

- **NEK meeting with USDA-RD and Trisha Sears/Steve Mason:** USDA-RD State Director, Ted Brady played host for a meeting at the request of Trisha Sears and Steve Mason, consultants working on a number of projects in the Northeast Kingdom. Gary Holloway and I provided feedback on the DHCD resources and efforts underway in the NEK, but most of the meeting was an up-date from NEKTI1 Consulting on their efforts in the Kingdom. They are involved in a number of efforts in the Kingdom and have some strong feelings about rebuilding in Newport.
- **Chroma:** Joined Fred Kenney in receiving an up-date from Adam Grinold, BDCC and Jill James and Newell Lessell from Chroma on their current needs and expansion plans. Follow-up on VCDP application and Environmental Review guidance provided.
- **Downstreet Housing and Community Development:** Held discussion with Downstreet Executive Director in regards to re-vamping their underperforming Home Ownership Center. They are looking for new funding and I have been encouraging them to regionalize and partner with a neighboring HomeOwnership Center to increase their success and capacity.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **VTrans/ANR-DEC – Interagency Coordination Initiative:** DHCD executed a MOU with ANR and VTrans to target state programs and resources to support economic development, coordinate infrastructure investments, and build resilience in Vermont designated community centers. The initiative will explore opportunities to reach out to communities where major infrastructure projects are happening and provide targeted multiagency assistance and resources to ensure the public investments are comprehensive and support and spark private investment (similar to Barre and St. Albans' recent efforts). Next steps include identifying pilot communities to provide targeted support and resources in coordination with planned and ongoing public and private investments.
- **VTrans/ANR-FP&R – Green Streets Manual:** Richard met with ANR and VTrans counterparts to identify the consultant for the Green Streets Manual. The project will create a comprehensive green street guidance document and training materials that provide practical information and advice on how to incorporate trees, landscaping and

other green infrastructure techniques into downtown and village center streetscapes. The selection committee reviewed 10 proposals and will notify the chosen consultant next week.

- **RPCs – Multifamily Unit Counts:** John and Chris met with staff from E911, Green Mountain Power and the Regional Planning Commissions to review the methodology they developed to fill gaps in housing data. While the RPCs recognize this information is needed to inform community decision-making about infrastructure, housing, community services and land use – they were concerned this project would take too much of their time. The path forward involves using data from the electric utilities, which is more accurate than the information currently supplied by municipal volunteers. RPC staff will complete this project in the coming year as part of their contract with ACCD.

State Designation Report

- **National Main Street Conference:** Gary and Ward Joyce from Montpelier Alive attended the National Main Street Conference in Milwaukee along with over 1,500 community leaders representing downtown organizations, municipalities, historic preservation and other professionals working to strengthen their downtowns. Milwaukee has had fantastic success luring new business downtown with the help of tax incremental financing, historic tax credits and other financial incentives. The ripple effects of this economic development strategy have brought more people downtown and re-invigorated its housing and retail markets. A highlight of the conference was a tour of the [Pabst Blue Ribbon Redevelopment Project](#) which converted a vacant 20 acre/6 block area into hundreds of apartments, a 90 room hotel, university classrooms and office space and a brewery, of course!
- **White River Junction – Neighborhood Development Area:** John had a pre-application meeting with Brooke Ciardelli, developer of an 80-unit assisted living facility proposed in Downtown White River Junction. Ciardelli intends to apply for the NDA designation in the coming month to help lower the costs associated with the project and to limit appeals possible with local permitting. John is reaching out to the municipality to see if they are interested in applying to expand the designation beyond the project site.
- **Chester – Village Center:** Richard and Caitlin shared information on village revitalization, the benefits of village center designation and how tax credits can support local revitalization efforts at a community forum. The meeting drew a nice cross section of business owners, planning commissioners, engaged residents and selectboard members. Chester is developing a revitalization plan for their village and intends to tap into the designation benefits to implement the plan.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

- The Grants Management team of Ray Marzbani and Jessica Mendizabal made a trip to Brattleboro on May 26th for an On-Site Monitoring Visit of the Green Street Retaining Wall project, grant #IG-2014-Brattleboro-2015. \$300,000 of VCDP funds were awarded to replace a 200-foot long by 20-foot high existing failing retaining wall that supports Green Street in downtown Brattleboro. The retaining wall, originally built in the late 1800's, is located adjacent to the "Harmony parking lot" behind the historic, and recently reconstructed Brooks House. In 2014 cracks in the street and wall began expanding and the area posed a threat to public safety. The existing dry laid fieldstone retaining wall was dismantled and a new wall was constructed out of the pre-cast "Redi-Block wall system". The bulk of the construction is now complete including the reconstruction of the street itself. Staff found the Town was in substantial compliance for this project and were pleased with the coordinated efforts of the Town to address this issue.



New sidewalk on street to top of wall

- In addition, the team made a site visit to the Exit One Expansion project, grant# IG-2015-Brattleboro-00001 to monitor the construction progress. This project relates to the acquisition and expansion of two industrial buildings in the Exit One Industrial Park for the company GS Precision, a precision machining and assembly business that provides precision machine parts for the aerospace, defense, medical, fiber optic, and automotive markets. The company also partners with the Community College of Vermont as well as the Vermont Technical College to provide hands on technical training for the workplace.

The full project includes a 16,000 square foot addition to the building at 101 John Seitz Drive, and a 13,200 square foot addition at the building located at 347 John Seitz Drive. Additional components of the project include the construction of a new parking lot and pedestrian bridge over an existing storm water detention pond at 101 John Seitz Drive. \$1,000,000 of VCDP funds were awarded to assist with the acquisition of 101 John Seitz Drive. Projections indicate that the Supported Business will create at least 31 additional jobs at the Brattleboro location over a two-year period, with the potential of creating up to 100 new jobs within five years as a result of this proposed project. GM Staff look forward to the completion of this project and the new growth for the Town of Brattleboro.



101 John Seitz Drive- Acquisition and Expansion



101 John Seitz Drive- Parking Lot Expansion



347 John Seitz Drive- Rear Exterior Expansion



347 John Seitz Drive- Completed Interior Expansion

HISTORIC PRESERVATION ♦Laura Trieschmann, State Historic Preservation Officer

- **Sad loss of dedicated State Historic Site Community Leader:** this week we learned of the unexpected passing of Nancy Yale, who operated the Wilder House Restaurant at the President Calvin Coolidge State Historic Site in Plymouth since 2007. Nancy was an integral member of the special events at Plymouth, providing barbecues for July Fourth, the Folk & Blues concerts, and Harvest Festival, as well as refreshments for the Grace Coolidge Musicales and lunches for the many buses that pass through the Notch. Nancy was responsible for bringing Caravan Bus Tours to Plymouth, enticing them with her baked goods and welcoming tours back in time to 1923. Her warm and friendly personality was a perfect fit for this quaint historic site – locals and strangers were all made to feel at home. Her homemade goodies no doubt contributed a bit to our waistlines – cobblers, bread pudding, and pies all piled high with whipped cream and/or ice cream – and her chili and soups were legendary. Nancy selflessly cook for days to feed the community when Plymouth Notch and the surrounding areas were cut off by Tropical Storm Irene. She also served the historic site as a tour guide for many years. Nancy Yale will be greatly missed!

State Architectural Historian

- **Underground Railroad in Vermont:** Devin attended a day-long meeting organized by the National Park Service’s “National Underground Railroad Network to Freedom” program, which aims to coordinate preservation and education efforts nationwide and integrate local historical places, museums, and interpretive programs associated with the Underground Railroad into a mosaic of community, regional, and national stories. Only one site in Vermont – the Rokeby Museum in Ferrisburgh – is presently included as part of the program. The meeting brought together key partners from around the state to identify other potential sites, including the Turner Homestead in Grafton. Devin will continue to work with NPS staff on identifying other sites.
- **Lacasse Farm, Williston:** Devin conducted a site visit to the Lacasse Farm in Williston. The current owner, whose family has owned the farm since 1925, wants to list it in the State Register of Historic Places. It had previously been surveyed, but never formally listed. Devin will update the existing documentation and present it to the Advisory Council this summer for review and listing.
- **“Observing Vermont Architecture” Exhibit at Chimney Point:** Devin installed the photography exhibition “Observing Vermont Architecture” in the gallery space at the Chimney Point State Historic Site. Organized by and first shown at the Middlebury College Museum of Art, the exhibit features large-format black and white photographs of historic buildings around the state. Be sure to stop by and check it out!
- **Cooper Lodge, Killington:** Cooper Lodge is a Long Trail hiking shelter located near the summit of Killington Peak. Built in 1938-39, the proximity of the lodge to the Killington Ski Resort has resulted in continual misuse and damage by skiers in the winter months. The Green Mountain Club has struggled for many years to find a way to maintain the building and the surrounding site. They have a new idea to rehabilitate the lodge and partner with Vermont State Parks to rent it out for overnight use, similar to the Stone Hut on Mount Mansfield. This regulated use may help protect the building and build support for its continued maintenance. Devin and Jamie will continue to consult with the Green Mountain Club and Vermont State Parks on this idea.

Historic Sites Section Chief and State-Owned Historic Sites

- **Bennington Battle Monument:** The official start of the season, Memorial Day weekend brought the Monument close to **500 visitors** despite the first heat wave. The Monument itself is cool and refreshing inside with ‘all natural air conditioning,’ visitors loved it. The weekend’s visitors represented Iran, Bulgaria, Mexico, Japan, France and Bulgaria. Schools are fitting in their visit before the end of the season, and we had another visit from ‘Flat Stanley;’ he came from the State of Washington this time.
- **Western Sites:** We cannot say enough good things about the site interpreters who really put themselves out to do whatever it took to get the western sites ready to open. They are amazing and we are so fortunate.
- **Mount Independence:** Site interpreters Tobi Calvin and Maureen Bertrand worked with Elsa on Thursday to set up the rest of the museum and museum shop. Saturday’s annual opening day early bird walk by Sue Wetmore was hot and humid, with 12 visitors, who identified 40 species of birds
<http://ebird.org/ebird/vt/view/checklist?subID=S29971178> Some of the first visitors were eager to see what new Revolutionary War books were in the shop. For the 3-day weekend there were **74 visitors**. Another group from Hartford High School visited on Friday with their teacher and a friend dressed in Revolutionary War attire.
- **Chimney Point:** Two BGS workers from Rutland came Friday morning to repair rotten spots in the porch floor that would be dangerous for the public. They will return with a taller ladder to replace a gutter that had fallen down this winter. Devin Colman came Friday and did an outstanding job in the ballroom installing the architecture photograph exhibit Tracy arranged to borrow from the Middlebury College Art Museum. Photos are by former VDHPer Curtis Johnson. THANK YOU Devin. Tobi and Maureen provided valuable assistance in finishing getting the site ready to open. The heat and humidity over the 3-day weekend was challenging, but we still had **20 visitors**. On Wednesday a visitor from Belgium bought over \$70 worth of books from the museum shop. He noted many titles are rare to see anywhere, and in the guest book wrote “Wonderful museum and I have seen a lot!” The access area was hugely popular with boaters beating the heat on the lake. Some careless driving resulted in damage to the planters along the driveway that prevent parking under the bridge. We hope to work with F&W on a sign about the narrow driveway and urging caution.
- **Coolidge Site:** Despite the loss of Nancy Yale days before the opening of the site for the season, all aspects of opening weekend went well. The new exhibit showcasing presidential gifts looks great – many compliments about the display that features numerous objects that have never been displayed. For those dedicated winter Vermonters, there are beautiful M.A. Strand skis on display. The snow skis were presented to the Coolidges in December 1924 by the National Ski Association. Don’t miss this exhibit!
- **Old Constitution House:** Opening weekend featured “History Happens at OCH!” – the first of the season’s early home life demonstrations by Carl & Carolyn Malikowski. Bill was tour guide for most of Saturday; it was fairly quiet so he had time to install a new display, “Comforts of a Country Traveler,” featuring items that an 18th century traveler would need to make an arduous journey as comfortable as possible: musket, haversack, woolen leggings, compass, etc. (all reproductions from the collection as well as on loan from Carl Malikowski). Ben Bernard has accepted the summer intern position and will be starting next week.

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

- Secretary Moulton signed the final paperwork to adopt the amended Housing Division Rules, which will go into effect on July 1. A step by step intake procedure has been created to assist with handling complaints, and lays out the criteria the Department will follow before initiating a Notice of Alleged Violation.
- Following up on the meeting concerning HUD’s new installation and foundation requirements for manufactured homes last week, Arthur reached out to manufactured housing associations in New York and Massachusetts, and also reached out to the State manufactured housing programs in New Hampshire, New York and Maine. The New York Housing Association is voicing the same concerns that we heard from the Vermont Manufactured Housing Association about the increased cost of installing mobile homes per HUD’s requirements, and difficulty getting the designs approved. Massachusetts has had some challenges obtaining installer licenses, but that does not appear to be an issue in Vermont. New York’s State regulator said they strictly follow HUD’s foundation standards. Maine’s State program, which was recently renewed by HUD for another year, uses a foundation similar to the kind approved in New Hampshire, and have not had any failures of these foundations.
- Park owner Sharon Fradette contacted Arthur for information on how to put her mobile home park in Johnson up for sale or close the park. Her reason is due to a water system project becoming too expensive for the park to afford, she said due to State regulations for Public Water Supplies. Patrick Smart, Operations Section Supervisor with the Department of Environmental Conservation, met with Arthur and explained that the project is necessary because Fradette’s father, when he owned the park, removed a large water storage tank and disinfection system without permission. Smart also explained that a smaller tank could be permitted and that the cost Fradette quoted was the highest end of what could be approved. Arthur talked to Fradette about the possibility of using a capital

improvements surcharge on the lot rent to pay for the cost of the project. Smart will continue to work with Fradette and her engineer to find cost effective options the State will allow.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Economic Development Marketing Plan:** Strategies for implementation of the Plan continue to be explored, with the hope that an internal team of staff from across the Agency can be built to execute as many of the recommended tasks outlined as possible over the coming months. Immediate efforts are focused on content creation and the development of a new website to support the earned and owned media tactics prioritized in the Plan. As a first step, Heather attended the Vermont Chamber of Commerce Business Expo last week with Mary Nowlan and Sky Barsch to start capturing Vermont stories. The response was extremely encouraging and we were able to capture about a dozen ‘Why Vermont’ testimonials on video—why people come to Vermont, why they stay and why they love living and working here.
The Plan also continues to be shared with stakeholders and partners, including presentations to Travel and Recreation Council and the Council of Agricultural Associations this week.
- **Photography Services Master Contracts:** As the current master contracts for photography services will be expiring at the end of June, an RFP was issued in early May to solicit new vendors who might be interested in providing this service to state entities. Through the master contract process, state entities can work with selected vendors through a Statement of Work process, instead of having to complete a full contract for every project. Five bids were received by the RFP deadline and responses are currently being evaluated.
- **Vermont State Craft Centers:** Elections for four new members of the Standards Group were announced this week. The Standards Group is responsible for managing the application and renewal procedure for all State Craft Centers in the network, as well as evaluating and conducting jury reviews for any new applicants for the designation. Four strong candidates have been recruited from the Vermont crafts community for this important all-volunteer group, including former VDTM staff member Catherine Brooks.



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CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: June 3, 2016
Re: Weekly Report

Susan L. Donegan

Legal Division:

DFR has reached an agreement with Benaissance, the software company that collects premium payments from Vermonters who have purchased health insurance plans through Vermont Health Connect. When the company was acquired by WEX Health Inc. last fall, it was found that Benaissance had never obtained a license to do business in Vermont. It has since filed for a license and paid \$21,000 in back fees, which include a percentage of monies collected (as mandated by statute) and back licensing fees. It has also paid DFR a \$10,000 penalty.

Banking Division:

The delinquency rate for mortgage loans in Vermont is the lowest in New England. Only 3.61 percent of all mortgages have payments that are past due during the first quarter of 2016 according to the National Delinquency Survey. This can be attributed partly to the fact that Vermont did not experience the recession as drastically as other states.





Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: June 3, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

GMP-St. Albans Community Digester-Docket 8673- 800 kW methane biodigester generation facility to be constructed in St. Albans. On May 27, the petitioner-with the consent of all parties-asked that the schedule be suspended so that the parties could work collaboratively to improve the petition. The costs to be borne by ratepayers continues to be a significant concern – according to Department analysis costs could be as much as 24.2 cents/kWh or NPV \$5.5 million over the 25-year life of the project. Department staff met with GMP on May 31 to discuss our relative positions; another meeting will be scheduled for the week of June 6. The Department also met with ANR and AAFM to discuss collaboration within the docket. Chris spoke to Mary Powell today. A proposal from them is expected, although the threat of pulling the project was relayed. The Department is not in a position to support the project at the current price.

CT River Dams: Thanks for the discussion with you on Thursday. I met with CEO's of most relevant utilities on Thursday afternoon and relayed our inclination to go with H2O and to seek options and PPA's. The utility CEO's generally agreed though are nervous about us negotiating any PPA on their behalf. BED is interested in purchasing equity in dams sooner rather than later and this should be considered in the negotiations as part of our options. I reached out to H2O and they are planning a face to face meeting next Wednesday. Coordinating schedules now and inviting Tom Dunn of VELCO to participate. Tom is a member of the Hydro

Working Group and also was at my meeting with the CEO's on Thursday.

Presentations to VAPDA and NRPC – Deputy Commissioner Copans presented at two events related to energy planning and municipal and regional participation in Section 248 proceedings. The first was at a training on the Section 248 process hosted by Northwest Regional Planning Commission for municipal officials. The second was the annual meeting of VAPDA, the association of regional planning commissions. Discussion focused on S.230 and its prospects. General support was expressed for the planning provisions contained in the bill.

Net Metering Rule – Deputy Commissioner Copans reached out to PSB member Margaret Cheney to initiate a conversation on the net metering rule. The PSB is in the midst of reviewing comments and is not interested in engaging until late next week at the earliest. It is also our understanding that PSB members have rebuffed the efforts of other stakeholders interested in engaging the board about the rule.

Meetings/Calls this Week:

May 30 – Holiday

May 31 – Consent Based Siting Public Meeting – Cambridge, MA; ENVY monthly meeting

June 01 – Consent Based Siting Workshop – Cambridge, MA

June 02 – HQ Utilities meeting

June 03 – Mary Powell meeting, 2nd round interviews for the Finance & Economics Director

Meetings next Week:

June 06 – NECPUC Symposium, Falmouth, MA

June 07 – NECPUC Symposium, Falmouth, MA

June 08 – NECPUC Symposium, Falmouth, MA

June 09 –

June 10 – VY-Next steps

Media:

Public Official Contacts: None.

PERD

State Energy Program (SEP)

- SEP Formula Grant
 - Confirmed with VCGI that a letter of commitment to funding will suffice for the Lidar mapping work, since we can't do a grant agreement until we receive SEP funding terms and conditions later in June. However, VCGI is still aiming to have its state match commitments in place before June 2 so it can get its agreement with USGS in place on time, so we will need an authorized signature (from Commissioner or Deputy Commissioner) on the letter of commitment this week.

Thermal Energy Finance Pilot/Heat Saver Loan Program

- Finished consolidating the year one program data as part of the program evaluation; charting outcomes to document progress and effectiveness.

- Worked on modeling future spending scenarios for the IRB going forward and how much funds will be needed to sustain an average amount of activity into 2017. This work still needs more attention next week.

EE Loan Guarantee Program

- Met with VEDA to discuss options. We are working with DOE to learn about the new management requirements to create a new program in SEP.
- Worked with DPS and VEDA staff on program design for loan loss reserve (LLR) and interest rate loss reserve program for commercial EE and RE projects to be administered by VEDA. This would involve repurposing \$500k from a program that is not performing. Only 4 loans have closed to date. Spoke with Dept's DOE Program Officer about program design and process to get approval for transferring funds from closed Revolving Loan fund to this new LLR program. Also worked with Program Officer regarding new financial program guidance and the Dept's desire to re-deploy SEP Competitive funds to a new program.

Renewable Energy

- Attended EAN Technology Innovation Work Group meeting, a group newly chaired by Jim Sullivan of BCRC, which is focusing for now on EAN's dashboard/atlas, the regional energy planning work, and the net zero Montpelier initiative.
- Met with Linda McGinnis of EAN, Jim Sullivan of BCRC, and Johanna Miller of VNRC to discuss ways in which EAN's dashboard can complement and facilitate regional and town energy planning. The key message from us was that the dashboard is a tool – but not the main or only tool – for towns to use as they proceed with energy planning, and a lot depends on what happens with S. 230.

Clean Energy Development Fund

- Issued a RFP for anaerobic digester (farm and/or food waste) energy projects in Windham Co. (\$400K) as well as digesters and/or farm based compost heat recovery projects (\$79K)
- Sent completed draft grant agreements to the following grantees:
 - Vermont Renewable Fuels (pellet delivery truck), \$94K
 - Renewable Fuels of Vermont LLC (Windsor pellet mill improvements), \$48.4K
- Completed paper-work for UVM's Clean Energy Internship program. The Department's intern, John Alessi, will be starting on June 6th.
- Communicated with BGS staff regarding the State's bid for bulk wood pellets. CEDF had questions regarding the bid requirements. CEDF is asking BGS to issue the bid again as the state only received one bid (from Sandri) last time the bid was issued 3 years ago. Now that there is a Vermont mill wishing to bid BGS should not just re-new the existing bid to Sandri and should re-issue the bid. CEDF has not received a response on this issue from the BGS contract administrator.
- Community Solar Finance Program: Completed the 2nd amendment to allow the grantee to offer community solar loans to business borrowers. The amendment reclaims \$50,000 for the program, leaving the grantee with \$75,000 to use between now and the end of summer.

Standard Offer

- Awards announced by Board:
 - 300 kW of small wind @ 25.1 cents
 - 2,200 kW of large wind @ 18 cents
 - 4,360 kW of solar @ around 9 cents average
- One 2,200 kW Ag Digester project (as well as a solar and a small wind project) rejected because they did not adequately demonstrate site control.

Dockets/248 Review

- 8550 – RES – submitted comments on the issue of whether 100% renewable utilities should be allowed to use Tier 2 RECs for Tier 3 compliance. The only two utilities which qualify for the exception are BED and WEC. BED supports our position, and doesn't expect much net metering in its service territory, but WEC expects rapid NM development and would like to be able to roll all of the RECs over for Tier 3. The Board expects to issue a finding on this in 8550.

Other

- Staff attended a working group meeting for businesses concerned about energy costs in the state. The group, convened by ACCD, agreed to meet again to discuss rate cases and EEU structure. Unclear whether meaningful engagement will continue in this arena.
- Met with GMP Power Supply team to pre-view upcoming rate case filing materials. GMP will ask for around 5% increase in power supply costs. Largest drivers are net metering volume, renewables contracts, transmission, and undercollection from previous period.
- Staff talked briefly with CT energy staff regarding the potential for coordination of various trigger provisions for the use of biodiesel in heating oil. Many states have provisions that require its use but only if other states also do so as well. To date, the cascade has not been triggered. Staff agreed to help convene a regional conversation to see what changes might be possible to get through this market barrier.

Engineering

Update on VY Groundwater Management Issues

5/26 Update: Representatives from ANR, VDH, PSD and Entergy met at the VY Site and toured the Turbine Building to review recent plant modifications made to support Groundwater Management. This tour included visual inspections of the several pilot diversion wells, the new storage / treatment tank in the lower heater bay and the Condenser Sump Pit. The discharging of chemically treated (cleaned) Incursion Water to the Connecticut River (via the batch tank) is presently on hold pending a final decision from Entergy Corporate Management (since this represents a major policy shift at VY). Pumping Incursion Water to holding tanks outside the Turbine Building continues. Three Incursion Water shipments (~15,000 gallons total) occurred during this reporting period.

VY Staff Changes for NDCAP and State Nuclear Engineer Liaison

On 5/26, the State Nuclear Engineer and the Nuclear Decommissioning Citizens Advisory Panel (NDCAP) leadership were formally notified that Jack Boyle, VY Decommissioning Director, would replace Chris Wamser, VY's (soon to be retiring) Site Vice-President as one of two Entergy representatives on NDCAP. Mike McKenney, VY Technical Coordinator, is replacing

Paul Paradis, VY Decommissioning Planning Director, as Entergy's second NDCAP representative. Jack and Mike represented VY at the NDCAP meeting held later that evening. Additionally, the State Nuclear Engineer's primary liaison at the VY Site, Jeff Meyer, is retiring, effective 6/2. John Card, VY's Spent Fuel Storage Pad Design Engineer (and leading expert on VY's Spent Fuel Pool-related systems) is assuming the Liaison duties.

IEEE Smart Grid - Renewable Generation Studies, Lessons Learned

The webinar, presented by Siemens PTI, addressed issues of a changing regulatory environment, renewable generation impact on the distribution system, impacts on the transmission system, and offered a case study illustration that showed that planning is no longer easily differentiated into distribution and transmission, but has to be an integrated T&D System Planning. The old way of looking at the utility system of having a vertical structure of the ISO then the transmission utility then the distribution utility then the customer, where the customer interacted only with the distribution utility, is rapidly being replaced with a system that involves planning at all levels and including the customer. One speaker even stated that planning starts with a proposed distributed energy resource and builds from the bottom up – the reverse of what the studies used to be. The results from this type of planning also requires studies that were never routine before such as voltage control and reactive requirements, operating flexibility, generation ramping (up or down), harmonics, flicker, and others.

Public Advocacy

VGS Addison Expansion—Docket 7970- The Department was contacted by Monkton resident and party to this docket, Michael Hurlburt, with complaints of alleged CPG violations with respect to construction practices. The Department is working with both VGS and Mr. Hurlburt to better ascertain the facts at issue.

CLF for declaratory ruling re amended CPG for the VGS Addison Expansion-Docket 8330- On May 31, initial briefs were submitted by the Department, VGS and CLF. The Department took the position that cost estimate increases to \$248 projects can constitute a substantial change subject to Board Rule 5.408, but that the Board should waive the amendment requirement for the Addison Expansion Project because of the exhaustive reviews already undertaken in the two remand proceedings. Reply briefs are due June 14.

Triland Williamstown Solar Project-Docket 8666-Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. There are no intervenors and the Department and ANR are the only other parties. Non-petitioners were due to file testimony on May 31, but issues have arisen for both the PSD and ANR. ANR has wetlands concerns and the Department has issues with the System Impact Study. Triland is working to resolve these concerns, but in the meantime non-petitioners have requested an extension until June 15 to submit testimony.

VGS-Broughton condemnation-Docket 8641 - This parcel is in Monkton and is owned by Mrs. Broughton's Revocable Trust. Mrs. Broughton died on May 18th or 19th. Immediately before her death, her counsel produced to VGS certain trust and power of attorney documents. Mr. Dumont has advised that he does not represent either the estate or the successor Trustee, so VGS contacted that individual directly. In a Procedural Order issued on May 25, the Hearing Officer

requested a proposal from the parties on how to proceed given the death of Mrs. Broughton. On June 1, Vermont Gas advised the Board and parties that it had contacted the successor trustee and would report on any further developments in the coming weeks.

VGS-Town of Hinesburg condemnation-Docket 8643-This parcel is in a park owned by the Town. Now that the five individual Town residents have been allowed intervention, the parties have begun discussing a new schedule to propose to the hearing officer. VGS proposed a schedule that the Town and the Department did not object to. The Residents did object and will propose their own, much lengthier schedule. On May 27, the Hearing Officer issued a Procedural Order with respect to the pending Motion to Dismiss filed by the Town; the Order provides that the matter has been taken under advisement, but will not be ruled on until after the technical hearing. VGS continues to work with the selectboard and believes it can structure a new, acceptable deal that will soon be ready for a vote by the selectboard.

VY Second ISFSI – Docket 8300 – The Board issued an order denying four different New England Coalition post-briefing motions which generally sought to admit new evidence or to otherwise re-litigate certain issues. The parties continue to wait for a final Board order on Entergy’s CPG petition.

Irasburg/Blittersdorf MET Tower Investigation – Docket 8585 – The Department and Blittersdorf’s counsel continue to negotiate terms of a potential settlement of the investigation proceeding. Blittersdorf’s counsel (Leslie Cadwell) continues to argue that the Board does not have jurisdiction over Blittersdorf’s MET tower, and that the representative for the Town of Irasburg is not authorized to negotiate terms on behalf of the town. These positions stand as an impediment to reaching agreement. The deadline for filing a stipulation is June 8. Litigation seems increasingly likely.

Kingdom Community Wind – Docket 7621 – The Department has received Acentech’s summary report of the June 2015 sound levels recorded as part of the continuous monitoring program. The latest report shows generally lower sound levels at the test site compared to the May data. Acentech also forwarded the raw data files for the May and June 2015 timeframe to the Department. Notice has been sent to the Board and the parties that a copy of the raw data will be sent upon request. Acentech and GMP have agreed to terminate the monitoring program in “mid-June.”

GMCW/McLane Sound Complaint – Docket 8613 – The Department’s sound expert, Payam Ashtiani, completed analysis of GMCW sound modeling and has concluded that the modeling is correct, but that analysis of sound data gathered as part of the first year sound monitoring program under conditions similar to those present during the complaint revealed a one-hour Leq average of 40 dBA. The Department recommended that the Board order GMCW offer attenuation monitoring at the McLane residence pursuant to the project’s sound monitoring protocol and based on the 40 dBA reading, coupled with GMCW’s previous admission that sound levels recorded during the first year monitoring program exceeded 40 dBA. GMCW has argued privately to the Department that Ashtiani’s methodology is flawed. The Department, however, has confidence in its expert’s analysis. The parties are waiting for a response from the hearing officer/Board.

GMCW/McLane Icing Complaint – No Docket – The Department had been trying to facilitate a sit-down discussion between the McLanes and GMCW to discuss possible resolution of the alleged icing violation. The discussions seem increasingly unlikely because the parties have been unable to agree on the appropriate scope of the discussions (the McLanes want to discuss issues beyond the icing protocol, including noise more broadly) and the participation of Brian Dubie as an advocate for the McLanes. The Board has since opened an investigation into the complaint and a prehearing conference is scheduled for June 13.

South 40 Solar – Docket 8600 – The Board’s hearing officer held a technical hearing the proceeding. The Department’s witness, Asa Hopkins, testified that after review of the petitioner’s economic modeling, the project would have a net positive economic benefit to the state, notwithstanding any overpayment by BED customers for the project’s power under a \$.195 kWh power purchase agreement. The Department has some concerns related to underfunding of the decommissioning fund that will be addressed in briefing. Initial briefs are due June 17.

GMPSolar Williamstown – Docket 8682 – Both the Williamstown Planning Commission and the Williamstown Selectboard have entered into a MOU with GMP resolving all issues including landscape mitigation. Non-petitioner direct testimony is due June 8th. At this juncture, the PSD is not anticipating filing any testimony. We are awaiting GMP’s responses to informal discovery requests on the System Impact Study, which was received after the discovery deadline.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586- The petitioner and the PSD entered into a protective agreement and an addendum to the protective agreement. Coolidge is scheduled to respond to PSD discovery requests on June 1st. The second round of discovery requests is scheduled to be served on the petitioner by June 15th.

Spencer-TGC Westminster, LLC 1.8 MW solar net-metering facility to serve Vermont Army National Guard – Docket 8699 – The National Guard must be the primary off-taker of this Project for the Project to be eligible for net metering under § 219a(m)(1). For this reason, in its comments of May 9, 2016, the Department recommended that the Petitioner be required to disclose the National Guard’s meter information prior to the issuance of the CPG. The Petitioner has requested that the Department enter into a protective agreement so that the Petitioner can file the National Guard’s meter information under seal as a matter of security. The Department will provide the Petitioner with a copy of the Department’s standard form protective agreement.

Town of Proctor Complaint RE CPG #NM-4173 - Mont Vert LLC 63 kW Net-metered solar facility in Proctor, Vermont – On April 15, 2016, the Town of Proctor filed a letter with the Board raising concerns about this project, which received a CPG in September, 2014. The Town was concerned about the style of fencing used at the project site, the size of landscape mitigation plantings, and maintenance of the project site. Sam Carlson, on behalf of the Applicant, met with the Town to address their concerns and on May 10 filed a letter in response to the Town’s letter. The Town’s concerns appear to have been largely resolved. On May 27 the Department filed comments with the Board relating to the Town’s letter and Mr. Carlson’s response. The Department requested further information from the Applicant concerning the aesthetic mitigation

installed at the project site and whether the project complies with the NEC given that the project is only enclosed by fencing on two sides, not all four sides. Based on currently available information, the Department does not believe that the Applicant has violated their CPG.

WEC 248(j) Petition for Upgrades to its Landfill Gas to Electric Facility in Coventry – Docket 8721 – The Board issued an order on May 26th approving the project.

Telecommunications

Broadband Maps and Statistics – PSD staff posted to the PSD website broadband maps and statistics, and a narrative describing how the data was gathered and processed. The reports show that 78% of VT locations have access to broadband at 4/1 or better, 71% have access at 25/3 or better, and 13% have access at 100/100.

VELCO Fiber License – Telecom staff spoke with VELCO's IT director about the possibility of licensing VELCO fiber in Bethel. VELCO told staff that the Department could likely lease fiber, and the discussion turned to where along the route there are interconnection points. Several points exist within the vicinity of the State's fiber network. VELCO will meet with ECFiber to determine how its network can best integrate with the rest of ECFiber's network. The Department's fiber design in Bethel calls for attaching fiber to a transmission line. Such attachments are expensive and staff hopes to avoid the route by leasing fiber from VELCO.

ECFiber Visit - Telecom staff will be meeting with ECFiber to go over the final construction of the Reading project. Testing on this project is expected to be completed on June 10.

CoverageCo Project Redesign EDA Approval – An EDA representative told the Department that it would provide the Department a formal decision on the change in scope request sometime this week. We anticipate that the project redesign will be approved.

Connectivity RFP – The Telecommunications Division released the Connectivity RFP for 2016. Available funds total \$556,000. There are an estimated 68,000 locations conditionally eligible for broadband upgrades according to the Department's broadband data.

Mount Snow – VTel wants to colocate wireless telecommunications equipment on an existing Public Safety tower on Mt. Snow. Division staff are working with VTel and Public Safety to facilitate a lease. Public Safety, however, has concerns about the site's current capacity and whether it would be able to reasonably host VTel's equipment. Public Safety is reviewing a structural analysis report right now.

E911 Budget Adjustments – The Vermont Universal Service fund's annual audit identified two overpayments totaling \$103,000 to E911 that were never reconciled. The fiscal agent has attempted to collect on these overpayments. However, it came to light that E911 received an upward budget adjustment of \$100,000 in 2014, which reduces the total overpayment to about \$3,000. A budget adjustment in 2016 increased E911's budget by \$425,000, bringing E911's total budget just over \$5 million. Total revenues to the fund through April were \$4,497,000.

Burlington Telecom CPG Renewal (Docket 8719) – The Board held a public hearing on May 25

in Burlington City Hall. Telecom and CAPI division attended the hearing. The City of Burlington attorney and a representative from Burlington Telecom were present. Several representatives from the AMO and PEG channels that serve Burlington also attended. Approximately 4 members of the general public attended and spoke positively about their experiences with Burlington Telecom. The Department's first round of discovery is due in mid-June and the first round of testimony is due in mid-July.

VETC Designation Dockets (Dockets 8416 and 8542) – The Board held a status conference on May 31 for the dockets that were opened for designation of several telecommunications carriers as Vermont eligible telecommunications carriers (“VETCs”). Comcast has intervened in both dockets and argues that the docket cannot proceed until there is a procedures order or rule that dictates how companies can obtain VETC status and how the high cost fund is managed. The telecom companies believe that the Board can proceed without a procedures order or a rule. The Board has directed the parties to file a stipulation or competing schedules for the Docket by the first week of July.

Charter Line Extension Investigation (Docket 8715) – The Board will hold a prehearing conference on June 2. The docket was initiated by complaints from two individuals who have alleged that Charter is violating the Board's line extension rule by requiring the customers to overpay contributions-in-aid-of-construction. The Department supported the individuals in filing the complaint. DPS is working with Charter's counsel to prepare a proposed schedule for the docket. Charter has also requested that DPS staff meet with Charter to discuss the factual allegations made by the complainants. Charter advised that it may be able to resolve one of the complaints without further process and that it disagrees with the facts for the second complaint.

CoverageCo Project Verification – We created a project plan to field test and validate CoverageCo's implementation of Project 1, Addendum 2 of 95 sites. So far we have tested 16 of the 22 sites in Corridor 100 running from Washington to Chelsea. All sites were located and working to some degree with a Verizon and T-Mobile handset. T-Mobile succeeded to make calls on 15 of the 22 sites while Verizon only worked on 9 of them.

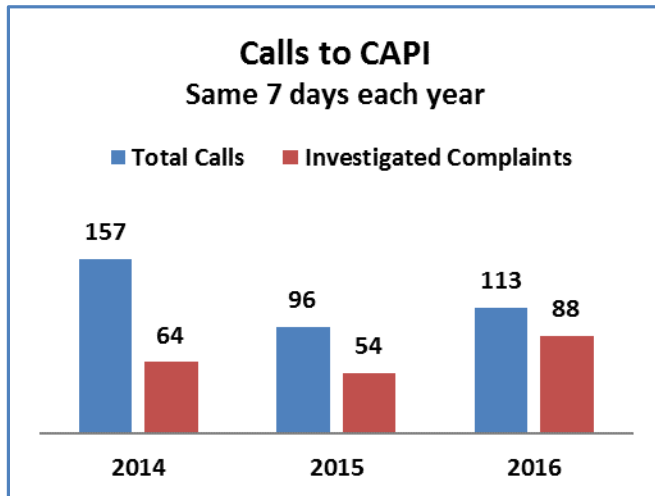
We will investigate further the call performance issue with Verizon. Additional phones and services from Sprint and US Cellular were acquired and will be used in the analysis and the remainder of field testing for Project 1 performance.

CAPI

Report period for May 22 to May 28, 2016

CPG Complaint Protocol (H.577) – CAPI scheduled the first inter-division meeting, produced a plan for public outreach for approval, revised the work plan and updated the outline. PA and CAPI worked on clarification about the relationship between the existing wind project complaint protocols and the new CPG complaint protocol to be developed.

Lifeline – we continue to work with DCF around eligibility and duplication checking procedures. DCF asked us to produce the Federal rule that precludes them from requiring a Federal tax return for all Lifeline applicants. We provided them with a reference to the code.



Equipment Distribution Program – CAPI participated in a conference call with DAIL, at their request, to discuss the Vermont Equipment Distribution program. DAIL informed us that they no longer want to administer the EDP because they are spending too much time with this program. They are uncomfortable with the position that they’re in with managing the VCIL contract and want to end the MOU with DPS. They plan to dissolve their relationship with VCIL. They want to continue offering support via the try-out centers. We did let them know that DAIL could not recover its costs for administering the contract with the third party vendor through these resources.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: June 3, 2016

Secretary's Message:

I've spent most of my time this week in Baltimore meeting with CMS regarding the Global Commitment Waiver. A report on the highlights of the trip will be provided by Robin Lunge.

AHS Highlights:

Vermont Department of Health (VDH):

Young Adult Opioid Misuse Prevention Campaign Development

The Health Department has contracted with the Rescue Behavior Change Agency to develop a campaign for reducing and preventing opioid misuse among Vermont young adults age 18-25. Rescue is currently developing campaign brand and message concepts, and will be conducting focus group research to test these campaign concepts among the target audience.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH census is currently 24. Patient acuity remains high with little clinical change in two patients who recently assaulted staff. In addition to these ongoing clinical patient management needs, a recent Washington County Family Division court decision on 5/6 regarding a court-ordered medication application decision for a forensic patient at VPCH was also granted a "motion to stay" the order. The patient's attorney argued that the patient expressed in an unsigned advance directive that their client did not want to receive any psychiatric medication. The court initially agreed with the State, but the court's decision was appealed by the client's attorney to prevent the administration of court-ordered medication. The DMH AAG immediately filed a motion to "vacate the stay" with the Supreme Court, but the motion was denied. DMH AAG also filed a "motion to expedite" the appeal which was granted by the court. A legal brief is due from DMH AAG by 6/20 and oral argument is scheduled for 6/23. A court decision will be likely by late June or early July. The patient will therefore not receive medication, initially ordered by the court 5/6, representing up to 8-9 weeks of delay in the clinically recommended course of treatment. DMH AAG's have recommended accepting these decisions by the court rather than initiating an additional appeal as such action could result in an unfavorable decision that could have an adverse effect on other similarly situated cases.

VPCH staffing and overtime remain challenging on the 3rd (overnight) shift. Collaborative work with the Department of Human Resources on updated nursing position job specifications and recent compensation changes has been finalized and is being reposted on the state employment website. New job ads showing the new compensation levels will also be placed in area newspapers and profession websites.

Emergency Departments

This week there were 26 people in need of inpatient psychiatric care and 18 were admitted. Two of three court ordered individuals were admitted, with one individual continuing to wait for just over one day. DMH is at an

increased number this week of six involuntary adults continuing to wait for admission. Wait times ranging from two hours to eight days. There is a number of individuals waiting who have complicated needs and will require level 1 placement. Level 1 units have been running at just under 100% capacity with slower turnover and higher acuity on the Level 1 units the past couple of weeks.

Supreme Court Decision (Kuligoski)

The Supreme court responded this week to amicus legal briefs submitted in response its decision in the Kuligoski vs. Brattleboro Retreat and Northeast Kingdom Human Services. The Supreme Court has ordered the plaintiffs to file a response to the motions to reargue in 21 days. Under the rules, the plaintiffs are not allowed to respond unless a response is ordered by the Court. The majority of motions to reargue are denied without a response, so it's helpful that the Court has taken this step.

Department of Corrections (DOC):

Population:

The Department's incarcerated population averaged **1747** for the previous week. Last year at this time, the average was **+121** over the current number.

The Department's incarcerated male population averaged **1607** for the previous week. Last year at this time, the average was **+118** over the current number.

The Department's incarcerated female population averaged **141** for the previous week. Last year at this time, the average was **+2** over the current number.

The out of state population is currently at **236**. Last year at this time, the out of state population was **+63** over the current number.

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

Application for License to Operate Therapeutic Community Residence in Danby Triggers Public Records Request and Complaints from Local Residents

DAIL's Division of Licensing and Protection is in receipt of a public records request and a number of complaints concerning an application for the operation of a therapeutic community residence, *PATH at Stone Summit*, located in Danby, Vermont. The Department is in the process of gathering materials in response to the request, which asks for "a copy of all documents created on or after January 1, 2015 at the Department relating to the PATH at Stone Summit in Danby, to include without limitation any records showing communications sent or received by, and/or communications between, DMH, DAIL and/or the Green Mountain Care Board and any other persons, and any applications for licensure or other documents of any kind, relating in any way to the proposal to open or run the PATH facility in Danby Vermont." Due to the need to search, collect and examine a number of documents from various individuals and systems, the Department has invoked the "unusual circumstances" provision in 1 V.S.A. § 318(a)(5). The Department will respond to the request on or before June 13, 2016.

Staff have also received a number of complaints related to this project, and the Department is preparing a response. One complainant in particular alleges inaccuracies and errors which constitute "fraud" in the documents submitted to the GMCB, inadequacy of the operators' proposed budget and further concern that neither the DMH nor the GMCB have provided a sufficient review of this proposed facility and the documents submitted. The complainant also criticized DAIL's response to an earlier question as to its role in reviewing an application for licensure, characterizing it as "arrogant and condescending." The Department's subsequent response will clearly articulate that its role in reviewing licensing applications for these residences is set forth in statute and regulation and confirm that before issuing a license, the licensing agency also sends a surveyor to the facility to review the physical plant and to meet with the applicant to discuss policies and procedures, admission agreements, etc. Notwithstanding the resident's assertions to the contrary, it is not within the purview of the

licensing agency to assess the financial viability of the project; rather, it is to ensure initial and continued compliance with the regulations governing these facilities.

Department for Children and Families (DCF):

Clarification of Death of Transgender Man in Burlington

A transgender man, Amos Beede, died this weekend after being found beaten at a homeless encampment in Burlington. Some news reports originally stated that Beede was staying at a homeless shelter or beaten at the homeless shelter. At the time of the event, he was not at a homeless shelter nor a current resident of a homeless shelter. Beede had stayed at the Burlington Winter Warming Shelter in November for one night. He left without incident and of his own volition to stay in permanent housing in Milton. In the past three years, Beede had two other previous stays at a homeless shelter without incident. The two individuals identified as “persons of interest” in the case also had previous stays at the warming shelter. <http://digital.vpr.net/post/transgender-man-dead-after-beating-burlington#stream/0>

Other Agency Report Items for Consideration:

Department of Health (VDH):

Chronic Disease Management Press Briefing

At a planned press briefing on June 7, Commissioner Chen will unveil the state’s new chronic disease message – 3-4-50: **3** behaviors (tobacco use, physical inactivity, poor diet) lead to **4** chronic diseases (cancer, heart disease and stroke, diabetes, lung diseases) which cause more than **50%** of deaths in Vermont. Flanked by leaders from healthcare, business, education and municipal planners as well as health advocates, the Commissioner will launch this multi-year campaign to engage all sectors of Vermont in taking simple yet effective steps to reduce the behaviors that lead to chronic disease.

Tobacco-Free Youth March in Memorial Day Parade

CounterBalance, an initiative of the Department of Health to reduce the tobacco industry’s influence on youth initiation was joined by supporters, coalition members, including young people, in a march in the Vergennes Memorial Day parade. The focus of the marchers was to celebrate and thank tobacco-free pharmacies, including Marble Works Pharmacy in Vergennes. All but one of Vermont’s independent pharmacies are tobacco-free; in 2014, CVS stores in Vermont and nationwide stopped selling tobacco. As providers of health care, tobacco-free pharmacies contribute to stronger social norms and reduce promotion and access to tobacco.

Department of Aging and Independent Living (DAIL):

America’s Health Rankings Senior Report 2016

Last week’s report provided a brief summary of the America’s Health Rankings Senior Report 2016 published by the United Health Foundation. Although the report notes that the top states are in a “virtual tie,” Vermont’s ranking did drop from #1 to #2. Now that there has been additional time to review the report, in addition to concern about the prevalence of diabetes and obesity among middle age adults, Vermont seniors continue to be challenged with low hospice use care (rank = 47), excessive drinking (rank = 42) and a high prevalence of falls (rank = 41). Suicide among older Vermonters also remains a grave concern (rank = 41). There are numerous additional areas where we can improve: pain management, nursing home quality, food insecurity, getting recommended hospital care to name a few. On a positive note, Vermont’s senior health ranking is particularly strong in many areas and ranks in

the top 5 in the following: low prevalence of smoking, high SNAP enrollment (rank = 1), strong utilization of home delivered meals and other community support, low utilization of ICU at end of life, high percentage of people who self-report very good or excellent health and a low percentage of older adults who report experiencing frequent mental distress. There are already a number of collaborative efforts underway within AHS to address many areas of concern, particularly substance use and falls prevention. Nonetheless, as mentioned last week, there will be further discussion among DAIL, VDH, DVHA and DMH to explore opportunities to improve the health of older Vermonters and reduce the financial strain on the health care system.

Burlington City Attorney Objects to APS Investigation of Police Officer

Burlington City Attorney Eileen Blackwood recently sent a letter to the Adult Protective Services investigator assigned to investigate allegations of misconduct against an alleged vulnerable adult by a Burlington police officer. In this letter, Ms. Blackwood expressed her concerns with APS' efforts to investigate an official police department action, asserting that such an investigation is beyond the purview of APS and is not contemplated by Vermont Statutes. More specifically, Ms. Blackwood states that APS' efforts to "target one individual engaged in that official action seems an improper intrusion into law enforcement tactics and strategy," and that the State's Attorney has already examined the action and concluded it to have been justified and legal.

The Department disagrees with Ms. Blackwood. There is nothing in Chapter 69, Title 33 of Vermont Statutes Annotated which exempts from review a law enforcement officer's actions. In fact, there have been other occasions for APS to examine the conduct of officers in course of their duties. The Assistant Director of APS spoke with Ms. Blackwood and described the investigative process, including APS' desire to defer to law enforcement processes while meeting its own statutory requirements, in an attempt to alleviate her concerns. DAIL counsel will be responding to Ms. Blackwood's letter and will offer to meet with her to answer any remaining legal questions she may have.

Department of Corrections (DOC):

5 DOC Supervisors to be recognized:

Employer Support of the Guard and Reserve, an office of the Department of Defense, is holding an awards banquet on 6/2/16. 5 DOC supervisors will be recognized for their support of active service members. Commissioner Menard has also been asked to attend and participate in a signing ceremony.

Department for Children and Families (DCF):

Dooda's Daycare Regulatory Investigation

On May 18, 2016 the Child Development Division (CDD) accepted a regulatory complaint against Dooda's Daycare, a licensed Early Childhood Program located in North Bennington. Allegations were that child care staff failed to respond to a serious medical condition of a 12-month old infant who displayed breathing difficulties while in the care of this program. Staff allegedly delayed calling emergency services for approximately one hour. Upon emergency responder arrival, the infant was immediately transported by ambulance to the local medical center and later LifeFlighted to a larger hospital for respiratory distress. This incident resulted in a joint investigation with the Vermont State Police (VSP)/local Special Investigations Unit and DCF – Family Services.

On May 25, Debi Miller, owner and director of Dooda's Daycare was cited for Cruelty to a Child and Reckless Endangerment. Through close coordination with VSP, CDD was able to notify parents and

the local community support agency prior to the press release announcing the arrest. CDD and local supports worked closely with parents to locate alternate care for the displaced children. On May 26, CDD hand-delivered a Notice of Suspension to Debi Miller immediately suspending the child care license which prohibits child care from being provided until further notice. The investigation is ongoing.

Dooda's Daycare was licensed in 2014 with a capacity of 30 children; all 30 received child care subsidy. This child care center has had a challenging regulatory history which includes citations for serious violations for inappropriate discipline in January 2016, minor violations during the most recent unannounced compliance visit in February 2016 and minor violations during prior compliance visits in 2014 and 2015. CDD will continue to gather information in conjunction with VSP and FSD and conclude when appropriate in the context of all investigations.

Let's Grow Kids Event – Stalled at the Start

In order to better understand the supply of child care for infants and toddlers in Vermont, Let's Grow Kids partnered with the Department for Children and Families, Department of Health, Building Bright Futures and Vermont Birth to Five to conduct a study of the supply and demand of regulated infant and toddler child care in Vermont. The study group created a model to determine the children who were likely to need child care, and used the Department for Children and Families (DCF) data system on child care programs, Bright Futures Information System (BFIS), to determine the availability of child care. The group then analyzed of those children likely to need care, how many would have care based on the number of available child care spaces. The analysis showed that almost half of infants and toddlers likely to need care, do not have access to any regulated child care program; 79% of infants and toddlers likely to need care do not have access to high quality programs. Let's Grow Kids hosted two events to share the results of the study. A DCF representative was present at each event and able to answer questions about the child care capacity in Vermont. The events created significant media conversation about the challenge finding child care, and the work of the Blue Ribbon Commission on financing high quality, affordable child care.

Center Based and Family Child Care Regulations

On May 12th the Department for Children Families, Child Development Division (CDD) staff testified at the Legislative Committee on Administrative Rules (LCAR) as the final step in the approval process for child care regulations for centers and home child care programs. These approved regulations update the current regulations, clarify them, and combine regulations for similar child care settings. Concerns were brought up around the change in requirements for professional development. Specifically, the requirement for a registered home child care provider to have a high school diploma, and for a center-based staff person to have college credits in order to lead a group of children. Additional concerns were brought up about the cost to implement the new regulations for child care programs. CDD's response to these concerns includes a six month implementation plan that supportively works with child care providers offering trainings, resources and technical assistance to help providers understand and come into compliance with the new regulations. In addition, CDD will consider variances for programs that cannot come into compliance with a rule, if they have a plan to come into compliance over time. LCAR approved the proposal and CDD has submitted an adoption filing to the Secretary of State for the two rules: *Child Care Licensing Regulations: Center Based Child Care and Preschool Programs*, and *Child Care Licensing Regulations: Registered and Licensed Family Child Care Homes*.

Department of Vermont Health Access (DVHA):

Vermont Health Connect


IT Contracts: A draft contract to continue DDI work in 2016 has been sent to CMS for review and is in the State review process currently. This contract will provide a stream of additional DDI focused on enhancements and undelivered scope which will enable the technology to be sustainable for operations. There are an additional four change requests which have policy considerations which do not have a contractual path for closure. These items have been presented to the PMO, and a meeting is scheduled with AHS leadership on June 3 to review the change requests and determine their status. This meeting will also address a change request to remove from the VHC project the R3 scope taken out of the 2015 Optum DDI contract, as well as a contract mechanism to integrate the WEX Health solution within VHC.

VHC Medicaid Renewals (VMR): 2,869 VHC Medicaid renewal closures for non-response were executed on May 26. The State/Optum M&O surge team is also starting to generate a renewal passive file for Medicaid households that have SSN, MAGI, Citizenship & Immigration verified. So far, six passive renewals have been successfully performed. The team is analyzing results to establish additional data clean-up criteria to allow for more passive file runs on larger populations.



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CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: June 3, 2016

Emerging Issues

Public Engagement

CCSSO has asked Vermont to share our process for engaging the public in the creation of our state plan for the Every Student Succeeds Act. This will be shared with chiefs and presented to USED. See summary if interested. We have gotten some nice national press about this too.



CCSSO Public Input
Press Release.docx

Complaint to/by OCR about the ADA compliance of our website.

We received a complaint from USED office of OCR about the ADA compliance of our website. We feel our website is not compliant, and in fact, had been in the process of transitioning to the state website when staff turnover and the legislative session intervened. We are again on track and working double time to migrate to the state website by the end of August. We will use the OCR complaint to create some urgency around something that just needs to get done. **I will be writing Justin separately to ask for a temporary summer position to support the migration.** We propose to use current vacancy savings to cover the cost.

Contracting and contract problems.

We have been working VERY hard to improve contracting processes. It has taken a real toll and we are not all the way there, but we have made a heck of a lot of progress. As we have reviewed every proposed RFP and contract, it has been clear that we need to be tougher in our specification of deliverables and more competitive in the awards process. The quality of the contracts and the quality of the bids is definitely better. One side effect of competitive bidding is that some local long time vendors are not able to compete as well as national vendors in their generation of proposals. There is no opportunity in current guidelines to privilege local entities. This is causing some heartache in the field and in house too. As a

state that is pretty resistant to change, Starbucks, McDonalds and Walmart, this is something to ponder.

Transgender Policy

We have received only a little push back on the transgender policy, and a fair number of letters of thanks. Thanks to the Gov for his strong lead on this issue. It is the right thing to do. I am glad he has taken a strong stand, and it has made it easier for us to do so as well. This is a step that will really make a difference for some of our most vulnerable young people.

State Board's role

Under statute, the Agency is designated as the sole state agency to establish and administer any statewide plan (like the state ESSA plan) as a condition for receipt of federal funds made available to the State for any educational purposes. This has been a little controversial 16 V.S.A. § 41. The Board's policy role is evaluative and advisory in nature. 16 V.S.A § 164. With respect to developing federal plans (like the state ESSA plan), that role is specifically reserved for the Agency under state law. On ESSA, I recommend and the Governor approves/decides as required. This is a little upsetting to some members of the Board, but it is another example of the effect of the transition from having an Ed Commissioner report to the SBE to having a Secretary report to the Gov.

We are developing a plan, and will share it with the Gov once we have completed the public engagement process in the Fall. Closer to the time, we will reach out to schedule time for briefing and feedback with the Gov.

PK fingerprinting

PK providers need to be fingerprinted as part of the criminal record check. Last year, this was very controversial as it stuffed an additional 1200 individuals through the 6-inch fingerprinting pipeline at Public Safety, on top of regular demands for fingerprinting. Last year, at some political cost, AOE took on this work as a stopgap, while DCF got its own background check process for providers up and running. This was with the understanding that DCF would have this process online for the coming year. DCF indicated a month ago that they did not intend to start fingerprinting until September. We expressed concern, because the numbers are greater this year (approximately 3,000), and because this will create a substantial burden on DPS and local sheriffs. It also creates substantial delays for both PK and regular educator licensing as the fingerprinting process backs up. This is a big challenge for AOE, so we have been working hard to get to concrete resolution ASAP. We feel we need to encourage anyone who can do so to initiate, and will do so on Monday. However, this will only slightly reduce the bottleneck.

We met today with DCF to discuss and I am concerned that there is still no concrete progress on getting the fingerprint process started. Out of a sense of urgency, AOE took on responsibility for scheduling a meeting with DPS, DCF and Pepper to discuss. We are also exploring whether we can find a way to support in-house AOE fingerprinting for K-12

educators, along the lines of the arrangement Corrections has. Any help you can give to keep this conversation moving would be much appreciated.

Does the Gov have any interest in doing a few follow-up news outlet visits on Act 46? I would target VPR, BFP, Valley News?

Meetings

Emerson Lynn—met him in St. Albans to discuss progress on Act 46 and enlist his help and give him a heads up on some of the issues we are expecting to surface in the next phase. He is pretty high pressure on how we need to build support for Act 46. I just don't know that we have the capacity to do it.

David Cooperrider Center for Appreciative Inquiry, Champlain College Burlington Vermont—spoke at a planning session for a national summit. Encouraged them to host it in VT—we need the business!

Franklin Central Organizational Meeting—swore in the new board in St. Albans

Multiple phone meetings with State Board—trying to focus them a bit.

Media Contacts:

Tiffany Pache, VTDigger: Tiffany emailed looking for a quote from the AOE about how no one expected nine mergers to be going forward in the first year of Act 46 implementation. Tiffany later emailed to fact check the number of mergers and unified districts.

Lesley Engle, Fox 44: Lesley emailed to get the number of districts voting on Act 46 this summer. She was provided with our narrative for the public which included the upcoming votes.

Stephen Sawchuk, Education Week: Stephen emailed Debi Price for a story he is working on about teacher-license reciprocity. He is hoping to learn more about how states handle out-of-state teachers. This comes after new legislation in congress on interstate teacher mobility. The AOE doesn't necessarily collect for a report for out-of-state teacher applicants, but said the impact that we have seen is on the time reduction in getting educators with out-of-state licenses an initial Vermont license. We haven't seen the text of the bill so have little in the way of comment.

Lori Higgins, Detroit Free Press: Lori reached out to us because Michigan is considering a transgender bathroom law. She is reaching out to the states that already have a policy on transgender bathrooms for information. She was provided with our best practices, our statement and the Secretary's op-ed. Lori also asked if there have been any reported incidents of "predators" using the policy as a way to go into the bathroom of the opposite gender for the wrong reasons. We are unaware of any incidents.

Tiffany Pache, VTDigger: Tiffany was writing about Polarys closing up shop. We clarified that we are not associated with Polarys and shared information about our policies regarding the protection of confidential information.

Andrew Ujifusa, Education Week: Andrew wanted to know if Secretary Holcombe had any thoughts on the proposed accountability regulations for ESSA that were gathered last week. He is putting together a story with reactions from the states. We provided a quote that was sent to the reporter about how Vermont will be identifying ways to use the proposed regulations to support equity and school quality.

Howard Weiss-Tisman, VPR: Howard contacted Stephanie and Donna to set up a conversation with someone about the differences between the accelerated and RED mergers. As we move into the next phase of consolidation, Howard wants to know what people can expect from the consolidation plans in the upcoming year. Donna said she could talk to him Thursday or Friday afternoon.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, June 3, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Lamoille Valley Rail Trail

A meeting of VTrans and VAST staff was held on May 31; at the outset of the meeting the VAST Executive Director requested that the agenda be narrowed to a discussion of only the lease and the grant agreement – many meeting attendees were dismissed. VAST Executive Director, staff, a Board member and two attorneys explained to VTrans staff that the organization was in over its head, the project did not meet the mission of the organization and it was likely the Board of VAST would be meeting in the next week to vote to not sign the lease which is due for renewal on July 1, 2016. VTrans collected this information from VAST and indicated that a briefing with the Agency Secretary would be needed, as well as an internal review of the lease and grant agreement to determine what the ongoing responsibilities are for VAST and whether or not the changes requested could be considered. An internal meeting has been set up for June 8.

We can't force VAST to continue with the lease arrangement but they are legally responsible to maintain the sections of the trail that have been completed thus far. I'm going to try and negotiate an agreement with them whereby they are responsible for maintaining the entire trail and the State will assume the responsibility for building out the remaining segments. VTrans doesn't have the manpower to maintain the trail, so having VAST stay in this role will be important to maintain the investment. It will require that we assist them financially with the ongoing maintenance but this trail will be an economic asset for this section of Vermont from Swanton to Morrisville to St. Johnsbury so it will be worth the expense.

East Middlebury Bridge Slide

You will be pleased to hear that we are not awarding the East Middlebury bridge slide contract to PCL, the same construction company who has the Brattleboro I-91 project. They recently reorganized and we weren't satisfied with the people they wanted to put on the project.

Montpelier Rail Herbicide Spraying

Secretary Ross and I met with Montpelier Mayor John Hollar and VRS railroad representatives to discuss herbicide spraying with glyphosate. As you may recall, Secretary Ross did not issue a permit for spraying last year after concerns were raised by Montpelier residents who live near the tracks. Last year Montpelier paid the railroad for mechanical vegetation removal (weed whackers) but the City is unwilling to pay for that again. The Agency of Agriculture has issued the railroad a permit to spray but has conditioned that to meeting some requests of the City. The railroad agreed to all of the City's requests with the exception of paying for a hotel room for the individual who has toxic sensitivity issues.

I'm going to walk the rail line in question next week with VTrans rail staff and the railroad to look at how bad the vegetation growth is on the line. Everyone agrees that the line will eventually have to be sprayed; the question is what is a proper interval on this line with so little traffic and no passenger rail issues. Secretary Ross and I will follow up with the Mayor next week to make him understand that if a permit is issued, he needs to support it at the local level. Secretary Ross and I also agreed that we need a document memorializing this vegetation management plan for this small rail line within the City, to indicate this is a special rail line, with low traffic volume, little to no hazardous material traffic, no passenger rail service and an operating speed of less than 10 mph.

NOTES FOR STAFF

Construction Weekly Report

- We have 45 active work zones: 20 bridge, 9 safety, 4 paving, 4 reclaim, 2 roadway and 6 rail. We anticipate 90 contracts active this year.
- The accelerated bridge project in Woodstock opened 4 days early much to the delight of the community. This project was in trouble due to difficulty installing the micro piles and then one of the precast footing units was fabricated incorrectly and had to be modified on site. The contractor, Miller Construction, was able to overcome these issues and complete ahead of schedule. One could assume our duration may have been overly conservative but we'll take success where we can; it's a much better story.
- Good news in Brattleboro: the traffic management was successfully implemented for the Memorial Day holiday; minor NB delays were observed and traffic volumes were heavy for the weekend. Also, the 1st segment on pier two was cast yesterday and went really well. Twenty-seven more to go; if all goes well, we could be done casting the segments before the real dark days of winter set in, which would be a huge benefit.
- Water was put in the Ryegate Culvert this week and now we build the embankment, get traffic off the temporary bridges and begin to wrap up the site. A major milestone.

Missisquoi Bay Scoping Study

Received email from Fish and Wildlife that outlines issues and possible requirements for the Endangered and Threatened Species Taking permit that would be required if additional sections of the causeway are removed. The comments are consistent with previous permit requirements. Meeting with ANR staff to discuss Lakes and Ponds permit requirements. Continued to refine cost estimates and draft report. Briefed Secretary on status. Met with the Executive Director of the Northwest RPC to discuss the Scoping study and the proposed pathway forward. Will brief the Secretary on the response from NRPC on June 3.

Health in Transportation

Met with representatives from the VT Department of Health who are working on quantifying the benefits from state programs and better understanding the health-related impacts across state government of investments compared to health system goals for the state. Will schedule time to brief Executive Staff as VTrans has been asked to participate in this analysis.

Railyard Enterprise Project (REP)

PPAID Director and staff from MAB, Legal, and Planning met with staff and attorney of the City of Burlington to discuss the potential for a City/State financial partnership to advance the REP instead of using federal funds. A conceptual framework was developed and will be vetted with the Mayor and the Secretary. CCRPC has been consulted regarding the need for additional planning services and will be discussing the potential scope with the City and VTrans. A briefing for the Secretary has been scheduled for June 8.

700002-15 Hermitage Inn Real Estate Holding Company, LLC

A hearing recess order (HRO) was received on May 19 requiring more explanation and clarification regarding the lengthening of the Deerfield Valley airport runway. The HRO is asking for “the agency to contract with a suitable, independent, aviation professional in order to provide the Commission with an unbiased review of these critical safety, transportation, and environmental issues.” VTrans needs to give a response to this particular requirement since it is the applicant’s responsibility and not VTrans’ to hire and contract with a third party independent contractor.

Newport

- FBO Agreement: Continued work with Receivers on the termination of the FBO agreement at Newport.
- Porsche Rally: Have a final draft of the Porsche Rally agreement and working out final details with Jay.
- Water Supply/Waste Water Permit: The permit has been issued. Construction will begin this summer.

- Newport fuel farm is 99% complete. Scheduling fire safety final inspection for next week. The fuel farm will then require a soak test which looks for leaks. The soak test will take about 1 week. Anticipating the commissioning of the fuel farm on July 1 or sooner.
- Parallel taxiway construction is well underway. The snow removal equipment building now has its foundation poured.

Middlebury Airport Wetlands Permit

Dan Dutcher prepared a legal analysis outlining the fact that the maintenance of trees in the aviation easement area is exempt from state wetlands permitting. He has shared his review with ANR's Attorney and we are awaiting a response.

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Deborah L. Markowitz
Agency Secretary

Trey Martin
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: June 3, 2016
Subject: ANR Weekly Report

Governor Level Issues:

PFOA Response:

Pownal: Pownal Fire District #2 held a special meeting to discuss their public water system, which is currently impacted with PFOA at 27ppt. During this meeting, Unicorn Management Consultants presented a conceptual design of an activated carbon treatment system, and an access agreement to the Fire District (to access the water system on an ongoing basis). Clean municipal water is expected by the end of June.

Bennington/North Bennington: Bennington College, utilizing its National Science Foundation grant, provided DEC with a database of accurately-located groundwater wells, which will be used to determine the depth and thickness of overburden for wells contaminated with PFOA in the area. The well data is also important for determining the three-dimensional geological framework for the Bennington area. The resulting geologic map of the contaminated area will be used to help constrain the flow of groundwater.

The State is reviewing engineering studies for Bennington and North Bennington, which would extend municipal drinking water lines, not contaminated with PFOA, to homes and businesses in the areas. The initial costs of extending the lines in Bennington and North Bennington are \$13.7 million and \$3.2 million, respectively. DEC staff are meeting with municipal officials to get on the same page regarding scale and timing. DEC staff are also meeting with Saint-Gobain to press for a commitment to fund the line extensions. We will brief the Governor on this issue in the coming weeks. We will likely need the Governor's engagement to secure a funding commitment from the company.

EPA's Clean Water State Revolving Fund (CWSRF) Report Submitted to Congress: The long-awaited national CWSRF report to Congress was submitted by EPA and published on its website the [Review of the Allotment of the Clean Water State Revolving Fund \(SRF\) Report to Congress](#). EPA concluded that the current allotment does not adequately reflect the reported water quality needs or the most recent census population for most states. The potential changes to the state allotments are described in the report, which are intended to provide congress with options to consider. The bottom line for Vermont is that all options offered in the report would result in a slight funding increase for the State.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Model Airplane Club Lease: Senator Kitchel called about a lease held by the Vermont Modelers Club to fly model airplanes at the ANR-owned East Barre Dam. The lease runs from July 1, 2007 to June 30, 2017. The Club would like to expand its use of the land and grade a 200 to 300-foot runway on the dam structure. The Club would also like to renew its lease because it is losing access to its primary runway, located on land owned by Booth Brothers. ANR staff met with Club officers on January 14 and are considering this request. We are meeting to wrap this up this week.

Press Issues/Releases:

FWD Headlines: Muzzleloader Antlerless Deer Permit App Available; Consider Delayed Mowing to Conserve Grassland Birds; and VT's Free Fishing Day is Saturday, June 11.

Camping Season Is Here: It's an exciting time of year: Memorial Day weekend, the unofficial beginning of summer and time to go camping! Lots of media attention was given to State Parks all last week with all three major local television networks covering parks multiple times.

Mt. Philo Public Meeting: As part of the ongoing update of the long-range management plan for Mt. Philo State Park, FPR is hosting a recreation workshop for the public. The meeting will be held from 6 - 8 p.m. on Tuesday, June 14 at Kingsland Bay State Park in Ferrisburgh.

Significant Events/Meetings:

Green Mountain Power Bio-Digester Proceeding Paused (St. Albans): ANR filed its direct testimony with the Public Service Board on May 18 in the GMP digester CPG proceeding; testimony from the Public Service Department was due last Friday, May 27, but GMP and PSD were still at odds over the electric rate proposed for the project so in order to avoid having PSD file opposing testimony, GMP requested a stay in the proceeding. This stay is almost entirely about the rate issue, but since ANR had already filed testimony that raises several issues related to natural resource impacts, it appears some of the press coverage has pointed to these natural resource impacts as the reason for the delay – that is not the case. OPP met with PSD and

VAAFM leadership and staff yesterday, June 2, to discuss the project. The main issue is that GMP's argument for a significantly high electric rate is supported largely by the purported phosphorous reduction benefits of the project. PSD questions whether these reductions will actually result from the project, and even if they do, if they are valued appropriately. We will continue to work with PSD as they sort through the issue. All three agencies believe this is a good project and one we want to see move forward, but PSD feels the need to thoroughly analyze the rate and possibly win some concessions from GMP before they can support it in the PSB proceeding.

Unstable Bank - House at Risk (Burlington): An imminent bank failure is expected at 242 Plattsburgh Avenue in the new North End in Burlington. The house became in danger of falling into the Winooski River after the river bank suffered a major collapse. DEC River Engineers and Enforcement staff are working with DEMHS, FEMA, U.S. Army Corps of Engineers, the U.S. Coast Guard and others to ensure other homes in the area are not impacted as 242 Plattsburgh Avenue slides into the river. They are also working on a plan to manage the situation once the house hits the water. The house sits less than a mile from Lake Champlain.

Lake Carmi: Alyssa and Chuck Ross and DEC/AAFM representatives attended a meeting on Lake Carmi in Franklin. The tactical basin plan was reviewed and water quality restoration strategies discussed. A Lake Carmi TMDL Implementation Team, including DEC/ANR staff, municipal officials, farmers, non-profit representatives, and others has been driving forward water quality improvement projects in recent months. The meeting was positive and the Lake Carmi TMDL Implementation Team lauded.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Policy (OPP)

Anbaric Green Line Collateral Permit Meeting: Anbaric will file their 45-day notice of intent with the PSB this month and has requested a meeting with ANR permit program staff to discuss the suite of DEC permits the project will require. A meeting is now scheduled for June 10 to discuss Lake Encroachment, Wetlands, Stormwater, Stream Alt, River Corridor/Floodway and 401.

Ranger Solar (Brandon): Ranger Solar is moving forward with their second 20MW solar project in Vermont, this time in the Brandon area. Ranger has filed their 45-day notice of intent with the PSB and has reached out to ANR through the Planning Office to discuss the project's natural resource impacts. DFW staff have raised significant concerns regarding the project's location, which is in the middle of a regionally significant wildlife corridor that connects the Adirondacks with the Greens and the Greens with the Taconics. The solar project will occupy roughly a 100 acres, so it is important that the design and layout of the project maintains functional connectivity and allows sufficient permeability for wildlife to pass through. OPP and DFW held a phone conference with Ranger on Friday, May 27, to discuss the connectivity issue.

and Ranger was generally receptive to suggestions on how the project may minimize those impacts and help to mitigate impacts to connectivity in the future through conservation of the underlying land after the project is decommissioned. Ranger will respond with a more formal proposal for Agency review next week.

New Applications for the Week of May 31: OPP received 11 new Act 250 applications and 1 new Section 248 petitions.

Environmental Conservation (DEC)

Clean Water Initiative Grants: The grant review panel considered sixty-six proposals submitted during the first round of 2017 Eco Restoration Program/Clean Water Fund grant dollars. The panel selected forty-one proposals for funding (totaling approximately \$1,991,000). Applicants will be informed of their application status this week. The program anticipates issuing the second round of funds later this fall.

Whiting Water System Lease: DEC is engaged in a conversation with the Whiting Water Corporation Water System about long-term concerns with the source of their public community system. The Water System has leased access to their existing spring source, but the lease expires in approximately twenty-two years, and the current landowner has indicated he is not interested in renewing the lease. We are encouraging the community to pursue a planning loan to identify a long-term sustainable water supply.

ECO AmeriCorps 2016-17 Service Year: Twenty host sites have been confirmed for the upcoming service year to begin in September. We are in the process of finalizing placement of members at each site. Preparations are underway for member and supervisor orientation later this summer. The majority of the recruits will be focused on clean water projects. Solid Waste Program staff are currently reaching out to Solid Waste Management Districts to recruit host sites for the additional four full-time member spots, the deadline for recruitment of the remaining four host sites is June 17, 2016.

PCF Lawsuit Settlement, Nan's Mobil (Fairfax): Previously, Harleysville Insurance had filed a lawsuit against ANR for declining Petroleum Cleanup Fund (PCF) coverage for a gasoline release at a filling station in Fairfax. The release was from an underground storage tank system owned by R.L. Vallee. Both R.L. Vallee and ANR believed that the insurer lacked sufficient evidence to demonstrate lack of insurance coverage. By law, PCF disbursements are only allowed for uninsured costs. R.L. Vallee filed a complaint against their insurer, and the insurer in turn sued ANR for not paying for the cleanup using PCF monies. R.L. Vallee and Harleysville Insurance have now agreed to a \$200,000 settlement. Once signed, Harleysville will have 30 days to pay ANR \$200,000. At that point, ANR will be providing PCF coverage for eligible claims. This site did have pre-existing contamination, and we believe this is a fair settlement for addressing the "new" contamination.

Fish & Wildlife (FWD)

Rattlesnake Monitoring: The rattlesnake emergence process appears to be essentially complete. The animals have begun dispersal and preparation for shedding. Unfortunately, there is still Snake Fungal Disease affected snakes at each monitoring site.

Angler Assessment: Staff counted anglers fishing Joe's Brook, Stevens River, and Wells River. Counts were made of anglers fishing portions of these streams that are stocked with trout. Counts will be made every weekend day and holiday through the end of July in order to estimate angling effort and evaluate the effectiveness of trout stocking in providing angling opportunities on these streams.

Forests, Parks and Recreation (FPR)

State Parks Holiday Weekend: Although the numbers have not been tallied yet, Memorial Day weekend saw strong attendance across the system. There were very few incidents and there was minimal damage from the Sunday thunderstorms.

State Lands Forestry Update: Approval was received from the Winhall selectboard for the acquisition of the Dritz lands. This is a 230-acre parcel which borders Gale Meadows WMA. This has been a work in progress for over a decade



State of Vermont
Department of Public Safety
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To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: June 2, 2016
Subject: Weekly Report

Priorities:

Of notable concern over the past eight days (5/23 – 6/1) have been deadly on Vermont roads. There have been 6 fatalities bringing the total to 30 year to date. Last year at this time Vermont had recorded 14 fatalities. In nearly 50% of all fatalities (non-motorcycle) the victim was not wearing a seat belt. Reaching motorists and causing them to think more about Buckling Up and changing habits is paramount. The highway message boards being used now to highlight this awareness are one tool and is a worthwhile campaign.

Administration

Our main focus right now is preparing for year end. This includes carefully tracking fund balances, doing fund reconciliation and clean ups, preparing and submitting reports, etc.

As soon as the fiscal year is closed and we have set up to begin our accounting for the new fiscal year, we will concentrate on setting up a tracking process to ensure we are carefully accounting for the use of the new fleet funds. I'll work with Col. Birmingham to ensure that everyone is in agreement and fully understands the process.

Various contacts with David Beatty on Pay Act and other routine administrative issues.

Interviews with six applicants scheduled for this week.

E-Ticket status:

Spillman: 2 June – A second tele-conference scheduled for discussions; Working between Spillman and our A/G of edits/revisions this week; Pending feedback from DII; Pending feedback from vendors insurance carrier; Pending feedback from Spillman on certain contract language aspects.

CJS

Forensic Lab-

Backlogs (as of 4/30/2016):

- Blood Alcohol (0)
- Drug Chemistry (768)
- Serology (67)
- DNA (casework) (161)
- DNA (CODIS) (311)
- Firearms (34)
- Latent Prints (478)
- Arson (0)

BGS working to remedy air handling issues (need lab-wide evaluation of system) – “final” work date scheduled for 6/15.

Office 365 migration will jeopardize ability to use current version of LIMS (evidence submission, processing, reporting system) - working with IT/vendor to troubleshoot.

Passage of S.10 (expansion of designated crimes for DNA database) – will impact lab and increase backlogs in DNA section; no funding or positions associated with bill.

Communications-

Radio Technology Services continues to focus their efforts on the Westminster project. We are experiencing delays with the installation of the telephone system for the facility. These delays are in part due to Fairpoint missing their target installation dates, and Carousel Industries programming challenges. However we are optimistic that this week we can conclude the installation phase of the project and initiate testing.

Other projects include the integration of Vtrans two-way radio audio into a streaming medium. This project taps into the two-way audio heard within the Vtrans radio system and makes it available on the Internet similar to Pandora radio. The proof of concept solution has been in place for over a month now and we have received very positive feedback from the Vtrans. We will continue to expand the system until all districts are streamed.

Last plowing season the radio shop received several reports from the Vtrans that their two-way radios were not working well. When the technicians investigated the issue it was determined that the salt controllers used by Vtrans were interfering with the two-way radios. We contacted the manufacture of the controllers and describe the problem. After several attempts by the manufacturer to modify the units and rectify the issue the problem was resolved. Currently we are working with the manufacture to exchange the defective units.

Recently Fish and Wildlife took delivery of several new vehicles. The radio shop has been extremely busy with the installation of new radios in the vehicles.

We have completed the microwave path engineering survey between Jay peak and Mount Mansfield. This work is part of the overall project to eliminate the Bellevue hill microwave site in St. Albans. We are working closely with Customs and Border protection (CBP) and Velco to secure a lease for the use of their facility in St. Albans as an alternative to the states existing building. The state is vacating their current building due to escalating lease costs.

The FirstNet team is very active with outreach, preparing newsletters and engaging the Public Safety community throughout Vermont. We have more than 10 speaking engagements scheduled in the near future. Our new Outreach Manager Lisa Helme is a wonderful addition to the team.

VCIC-

Initial audit results from the recent triennial FBI audit of Vermont criminal justice information services have been received and are being reviewed. The audit results are, in balance, positive but program clarifications or modifications in several areas may be required (as expected after any audit given evolving understanding of program requirements and technological capabilities).

The Tri-State AFIS sign-off sheet has been re-routed to DPS for a brief clarification and then will be routed back for final signature by the Attorney General's Office. New Hampshire has provided no additional information at this time with regards to their state contract status. A joint meeting was also held on this

project with the assigned DI&I project manager (Barb Cormier) to review the necessary project tracking documentation and resources.

FBI staff are meeting with Department of Children and Families representatives today to review criminal history procedures as they relate to various grant requirements and fingerprint processing. VCIC will have a presence at the meeting as well to assist in keeping everyone on the same page.

DEMHS

66% of VT communities have submitted a 2016 Local Emergency Operations Plan as of 5/26. It is worth noting this is a significant number this early on. A few towns claim this is an onerous requirement, it is not.

Director attended the Spring International Emergency Manager's Group meeting.

SHMO and R+M Chief held monthly review of all pending HMGP applications with FEMA R1 staff on 05/31. Several pending applications will be in the June spend plan.

PIO took part in Wings Over Vermont air show tabletop exercise - was invited to be part of public information planning committee.

VT Alert presentation was provided to the City of Burlington on June 2, 2016.

Training on taking calls during a SEOC activation was provided on May 31, 2016, to include training with DisasterLAN.

SEOC training was provided to VOSHA (new) and SSF leads.

EM Planner participated in Childcare Emergency Response planning meeting with AHS, DCF and DFS.

Fire Safety

The Division received \$20.7 Million in new plan review construction valuation collecting \$114,000.00 in fees.

The Williston office is overwhelmed with purchase and sale inspection requests. In the month of May 72 inspection request were received. I have made arrangements to have two other inspectors from other regional offices assist the office in the back-log. If you receive complaints we are working as hard as we can to keep up.

The rules will be filed today with the Secretary of Administration so we can be put on the schedule for June 13, 2016.

BGS is working on the permit for the burn building. We will have to go through local zoning and the State.

Vermont State Police

A Troop-

FF

15 Total Arrests, 6 DUI.

16 MV crashes in Williston area.

Missing 11 year old Westford located.

Runaway 15 year old located.

Welfare check call ended after several hours of troopers speaking with an armed, intoxicated individual in severe crisis. The call culminated with him taking his life with a handgun in front of the troopers. Auxiliary troopers at the Waterbury reservoir helped a family who had overturned their vessel and were not able to upright it. The parties were cold and tired when the troopers got to them and brought them to shore safely. Thankfully they were wearing flotation devices.

BCI

Assault case at CRCF. Inmate threw a dirty Depends at a CO causing blood urine and feces to have contact with the CO's face.

Assisted uniform with burglary investigation of jewelry. Pawn shops and gold shops visited.

Assault case at NWCF. Inmate assaulted another causing injury to the point of hospitalization.

Assault case at NWCF. Inmate assaulted another breaking the inmate's jaw.

Alleged sexual assault case if a 12 year old female in Georgia. Female alleged she was raped when she was 8 years old. Victim became uncooperative during interview. Case will be closed until female is willing to provide an adequate statement. NUSI Assigned.

D/Sgt. responded for CSST in Westminster for call out.

Completed trooper background in Plattsburg.

Special investigation regarding domestic assault. D/Sgt assigned.

Assault case at State Hospital. Patient punched a nurse in the facial area numerous times.

Untimely investigation in Waterbury. Investigation showed male suffered a self-inflicted gunshot wound to the face after his wife left him.

Assault case at State Hospital. A second victim was also punched by a patient.

Suicide investigation in Plainfield. Numerous troopers responded to distraught male. Troopers witnessed the suicide after male started to communicate with Sgt.

B Troop-
FF

16 Total Arrests, 7 DUI.

Response to the Mt. Pleasant Trailer Park in St. Johnsbury for a report of man threatening people with a baseball bat. Several individuals were upset with the offender, who had been reportedly driving too fast in the trailer park. When confronted, the offender used the baseball bat to threaten those confronting him about his speed. The offender was taken into custody after his preliminary BAC was found to be a .292 and was also processed for DLS-C and Simple Assault.

One fatal accident in West Charleston on Rt 105. Two of the occupants were ejected and pronounced deceased. Speed and alcohol are suspected as factors.

Missing 17 year old juvenile from Newbury who had reportedly taken her mother's vehicle and was possibly suicidal. The juvenile's parents were planning on bringing her to the doctors due to their concerns. When

the female left, she did not bring her cell phone, but was periodically logging onto Facebook. The female was located mid-afternoon in Canada and her parents responded and picked her up.

BCI

Barracks Inspections for ST. J and Derby.

Juvenile citation issued for sex assault

Follow up on Ryegate Meth lab case. Multiple subjects identified as purchasing pre cursor ingredients.

Assisted Bradford Troops with runaway 17 yr old female. She was located in Ottawa Canada and parents went to get her.

Death Investigation.

Derby, VT 49 yr old male with history of drug abuse and other medical issues including depression-Autopsy pending.

Danville, VT 40 yr old female with cardiac history. No indication of foul play- Autopsy pending.

Concord, VT 57 yr old male, unknown medical history, but told a friend he had a physical and the doctor called him back for a follow up appointment for one of the test results came back positive. Unknown was positive. Follow up pending as well as autopsy pending.

Lunenburg, VT 13 yr old female. Transported to Lancaster NH. Autopsy in NH revealed pulmonary embolism.

C Troop-

FF

23 Total Arrests, 7 DUI

Presentation at Chittenden Town Hall to a group of senior citizens.

EOD call to Rutland City Northeast Elementary School by Tpr. and K9 Nakoma. Cleared building and all was fine.

Involved in a reading program to the students at Northeast Elementary School, Rutland City
K9 Demonstration at Stafford Tech. Center in Rutland City by Tpr. and K9 Buck

Day shift responded to a large fight at a campground and arrested a subject for DC, simple assault, and Unlawful Mischief.

Arrested a subject for C&N who was traveling 98 mph on Rt. 7 and passing subjects on the shoulder.

Public Speaking at Bennington Elementary.

BCI

Continued follow up with 2015 accidental shooting of a nine-year old child; lab report received regarding firearm, supplemental report completed, and submitted to S/A for review and recommendation.

Deposition regarding Windsor officer involved shooting at A.G's.

Interview victim of Florence business embezzlement.

New Case/Dead Body: Called in for likely natural death of a forty-five year old male from West Rutland; autopsy results pending.

New Case/Drugs: Inmate at MVRFC found in possession of marijuana.

New case – Agency Assist to DCF – reported 14 y/o female is having sex with 18 y/o male and sneaking out of her residence in Monkton.

Finished civilian background.

Case follow up – Sex Offense/Assault – obtained medical release waivers.

New case – Agency Assist – went with DCF to conduct unannounced residence check.

Attended county wide training at New Haven.

Assigned new case: Assist to Castleton PD with death investigation Castleton/Suicide.

Assigned new case: Death investigation Shaftsbury/Natural.

Completed background investigation on applicant Witkowski.

New Case: Arrested Brian Sheldon for assault on a correctional officer and transporting a regulated drug into places of detention.

New Case: Inmate found with drug paraphernalia in his cell.

New Case: Pills found in inmate cell.

New Case: Powder and paraphernalia found in female holding cell.

Received statement from Correction Officer Michael Clifford reporting incriminating statements from Thomas Velde regarding LSA fatal.

Case Follow-Up: Sex Offense. City of Rutland. It was reported a 15 year old boy is having an inappropriate relationship with his 44 year old female para educator. Affidavit/ Criminal Charge Pending.

Case Follow-Up: Death Investigation. Town of New Haven. 90 year old male found dead with a single gunshot through the mouth. Apparent Suicide. Weapon sent to VFL.

Meeting with DCF/Rutland.

New Case: Sex Offense. City of Rutland. It was reported a 4 year old boy may have been sexually abused by his biological father. Victim Interviewed.

New Case: Sex Offense. City of Rutland. It was reported a two girls (11&14) were sexually abused by their biological uncle. Victims Interviewed.

Worked on Fire Investigation Unit's clerical duties (Schedules, upcoming training criteria, equipment issues, etc.)

Continued reviewing NFPA 921 as it relates to upcoming court case.

COR Violation Arrest.

New Case two daycare employees possibly neglected 12 month old from access to medical care.

Follow up interviews of daycare employees and two suspects.

Arrest of two daycare employees and charged with reckless end. And cruelty to child.

Clan Lab activation in Bradford.

Clan Lab Activation in Derby.

Dead Body in Clarendon untimely natural death.

D Troop-
FF
14 Total Arrests, 5 DUI

Responded to a one vehicle crash in Cavendish; arrested the operator for DUI #2, Gross Negligent Operation and Violation of Conditions.

Conducted a search warrant on a residence where the male operator of a UTV crashed and killed a female passenger. Blood evidence and clothing was recovered and it appeared that the operator was attempting to cover his tracks. A vehicle was also seized, warrant pending.

Arrest for Unlawful Mischief. This arrest was the result of an investigation into protesters showing up at the residence of the Commissioner of Public Service. Approximately 10 -11 people showed up at his house, put a wooden "oil derrick" in the driveway and held a ceremonial ground breaking. They are protesting the gas pipeline and that people have had property taken away under eminent domain. Tpr. was able to identify one of the leaders, cited him for unlawful mischief and issued him a VCVC for littering.

BCI
New Susp. fire in Hartford.

Homicide - Review transcript of audio recorded interview for Homicide prosecution.

SOR Sweep, Windham County.

Evidence Room Training Royalton.

Death Investigation (natural). Scott Denyou 54 yoa male; Cavendish.

Assist to Hartford Police Dept. with susp. O.D. death investigation.

Death Investigation. Jane Kent 77 yoa female with cancer; Newfane.

D Troop BCI Meeting – Rockingham.

Daniel Cragin Applicant Background.

DCF intake, sibling L&L Stockbridge, CAC interview in Norwich.

Death investigation Bridgewater, 76 female found deceased in her bed, appeared to be natural causes, nothing suspicious on scene and no autopsy requested.

Bomb Squad assist to UVM Police during UVM commencement and graduation.

Suspect interview and arrest for Dale Adams escapee SOR Violation – Case complete and sent to SA's .

Case follow-up for sex assault – medical records and reports.

Bomb Squad training – demolition day – destruction of evidence in Hinesburg, VT range.

Assigned new case from Hartford PD – 4 year old possible sex offense involving father - case to be punched.

TOPS-

Assisted NIU on stop and obtained warrant and seized 38.8gm Crack-9.8gm Heroin (lodged).

CIOT press conference and several CIOT directed patrols done.

CCU-

Continued forensic examinations on several state and federal child exploitation cases.

Conducted additional work on homicide case

Current Cases: 6

Pending Cases: 10

New Cases This Week: 2

OCME-

12 autopsies

Polygraph-

3 pre-Employment polygraph for OPD.

Major Crimes Unit-

Smith homicide - meeting with SA, follow up investigation, worked on locating cell tower owner and contacts for Cell tower located at 1916 Willoughby Lake Road.

Lott homicide: Reviewed Elana Borre transcript from deposition. Served DOC with subpoena for O'Neill's phone records.

Guilford Shooting: Submitted additional evidence to the LAB for this case for upcoming trial.

Rashed homicide– Pen-link prep with Det/Sgt Megan Sheridan.

Gaudette homicide – Spoke with Retired Det/Sgt Sheila Goss – Organization of original case file HQ – Evidence room audit.

Westminster to assist with UTV 10-50 F. CSST partial activation.

Contacted Aaron Martin regarding his sister Heidi Martin cold case. Update on case given to him.

Follow up on Russ Fraud.

Marzilli homicide-follow up investigation.

Schneider homicide - discovery issues addressed.

Assist to D Troop BCI with SOR sweep.



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Justin Johnson, Secretary

PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: June 3, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Randolph – Vermont Agricultural and Environmental Lab – New Construction: The ACT 250 permit applicant was submitted on Monday, May 23rd. The application was deemed complete, location for the public hearing identified, and the notice to the papers and statutory parties went out on Wednesday, May 25th. The site visit is scheduled for 4:30 p.m. on Thursday, June 9th beginning at the site with the public hearing portion following immediately in Judd Hall on the VTC Campus. If the District Commission feels a continuation of the hearing is necessary, it will be held beginning at 9:00 a.m. on Friday, June 10th in the Randolph Town Offices. Arrangements have been made with the Lab Director and the Design Team for their roles in the presentation at the hearing. Mike Kuhn is currently working on the opening statement and project introduction. No further word from FEMA at this point, but it is our understanding that they are finalizing the Environmental Assessment document, as well as the FONSI (Finding of No Significant Impact). We also have not yet received the Randolph DRB determination. We are still waiting for input from Contract Administration and Jeff Lively on the CM Services RFP. The bid opening for the third party solar vendor for the project was rescheduled for June 14th without the knowledge of the project manager.

Montpelier Heat Plant: This is the rate setting time of year, and we are developing the rate. We have prepared a cover memo to notify the City and sent it out yesterday.

FINANCE AND MANAGEMENT

Nothing new to report.

HEALTH CARE REFORM

Global Commitment Waiver:

Robin, Lawrence, Steven, Hal and Selina are in Baltimore this week to try to close out the GC waiver. CMCS is imposing new (to Vermont) restrictions on the MCO investments, but is allowing for a transitional period of 2 to 3 years to find new funding sources for these current investments. The total POTENTIAL exposure is \$56M, although \$25M is the Vermont State Hospital and CMCS is willing to give a longer (5 years) time period to find new funding. There is the possibility of filing for an amendment for SUD services, which would be helpful in solving the problem. We have not gotten enough information from CMCS yet to determine the exact exposure and which investments for sure would need to be funded differently. We are not feeling optimistic about closing by June 22nd, but we have a commitment to close as soon as possible thereafter.

CMCS is clearly skeptical of the public MCO concept, but willing to maintain it for this extension. Longer term, AHS should be thinking about a new waiver concept.

All Payer Model:

Federal Negotiations:

We are down to four major issues:

- Whether to include Medicaid nursing home spending in the financial caps. We are doing our final homework to make a decision on this issue. It is well-aligned with State policy, but we are wary of unintended consequences and a potential future spike in nursing home costs/spending.
- How to memorialize a mutual goal for Medicaid to strive toward payer parity with Medicare. We want the agreement to include carrots only. They want the deal to include some sticks.
- Whether to add money to the base to expand Medicare's participation in Blueprint, SASH, and Hub and Spoke. This is the main dispute and a big issue as noted in previous weeklies.
- How to keep Blueprint dollars flowing in 2017 if the ACO payments under the agreement do not start until 2018. The feds provided us with language this week that suggests that they may be willing to keep the spigot open for Blueprint for one more year. This would be helpful, but it would still leave Vermont with a big problem unless SASH is included.

DVHA Implementation:

ACO RFP bids are due next week, June 8th. We identified for the Governor several financial challenges related to transitioning from fee for service to prospective payments to an ACO. The team worked up several solutions, which Commissioner Costantino is reviewing. We intend to bring them to AOA and AHS in the next few weeks. Fair warning, -solving the cash flow issue of moving from retrospective payments to prospective payments will be bumpy.

CPC+:

The State will be submitting an application next week to a new federal primary care innovation program called CPC+. This application will be conditional on there NOT being an APM agreement, so is submitted as a "back up." There is an appetite for this program among some independent physician

practices and the ACO Health First since it comes with the possibility of substantial federal dollars well in excess of Blueprint. It is not aligned with our health reform efforts, and it is not compatible with the all payer model. We are submitting the application to avoid a messy and untimely fight with the doctors who want it and to preserve all options in case the all payer model project fails.

SIM/VHCIP:

The SIM Team spent the last two weeks preparing a response to a request for additional information from CMMI about our Year 3 Operational Plan. This was submitted on 6/2 and we are scheduled to talk with CMMI on 6/3 about the submission.

We are still awaiting federal approvals on numerous contracts and are escalating the issue within CMS as it is starting to impact our program milestones. We continue to work with AHS-CO and F&M to make sure all financial obligations are understood as we transition from SFY16 to SFY17.

Legislative Issues:

The Dr. Dynasaur 2.0 Study RFP is in progress. Bids are due June 13th.

The Universal Primary Care Study literature review draft is being circulated among stakeholders for comment. JFO called to indicate they thought the draft was too positive toward UPC. Robin was worried the draft was too negative, because it does not advocate savings from implementing UPC. We are awaiting Dr. Ritcher's comments. We will adjust to reflect all comments and maintain neutrality.

HUMAN RESOURCES

Significant Events/Meetings:

Open enrollment for life insurance (current employees) has begun and automatic enrollment for new employees starting in July. This is a very positive development for state employees.

Met with a group of DOC leaders to discuss reporting needs that they have relative to the Prison Rape Elimination Act (PREA) records keeping requirements. Request entails an ongoing reporting and record-keeping need that will go on in perpetuity, will require a customized report in VTHR, and likely will require impact bargaining.

Fiscal Year 17 salary adjustment notice went out to appointing authorities, which included information on classified and exempt salary adjustments and process for merit requests. All updates must be completed by end of June.

Met with Health Care Reform Office staff regarding transfer of GMCB nominating committee support function from Health Care Reform office to DHR. We should have no problem absorbing this function.

Staff working to official transfer HAEU positions from DCF to DVHA pursuant to language in the Big Bill.

High demand for our supervisor training has led to adding more classes/increasing class size. A very positive development.

Memorandum banning the use of e-cigarettes in state workplaces distributed to appointing authorities, to be distributed to the state workforce on Friday.

INFORMATION AND INNOVATION

Evolving Issues:

DII Initiative – Anywhere/Anytime computing (Office 365) – Exchange/Office: We have migrated approximately 9000 users. Our next migration is on June 7th when Dept of Public Safety migrates with approximately 1400 accts, which includes municipalities. We have finished the unvaulting (un-archiving) of all active users. Departments left to migrate -- Public Safety, JUD, LABOR. Labor is the last group and will be migrating the week of July 12th

Web Updates:

A meeting of the Web Portal Board to discuss the contract extension and amendment was held on 3/11. A final version of the new language was approved by both the AGO and the VIC legal team. The board was provided with the new language on 5/6. A minor edit was requested by board chair Michael Clasen and approved by both legal teams. The edit was distributed to board members on 5/10. Once approval was complete but before the amendment could go to signature the Treasurer's Office requested a meeting to discuss the out-of-state bank provision. At that meeting VIC was asked to drop that portion of the amendment and agree to move their accounts to an in-state bank. This language has been approved by VIC legal and AGO. The amendment was sent to the board for approval on 5/27. Having only received positive comments by the date indicated to the board, 5/31 the amendment was considered accepted by the board and was sent to signature on 6/1.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

Ticket Forgiveness, Impact on Defender General Offsets: We offset tax refunds (often property tax adjustments) to collect on ticketed fines that go to benefit the Defender General. As noted when the Auditor looked at the offsets, the program is hampered by the fact that the DG has poor systems to get Tax the information needed to match up the ticket with a tax refund.

We just received information that the DG has not accounted for the tickets forgiven in the two counties that already have granted amnesty. It is our understanding that the taxpayer may be entitled to refunds of amounts that have been offset. The DG recently provided us with a paper list of individuals from the

two counties who participated. Aside from an arduous task on our end to match to offsets, it is unclear how much was forgiven because apparently it seems DG zeroes out accounts on its books when it refers the tickets to us for collection. Presumably, refunds will need to come out of DG funds. To make matters even more complicated, offsets also include a processing fee to the Department; unclear whether that fee must be refunded. Finally, as we unwind this scenario, we also have to deal with the broader bill just passed.

It should be noted that as part of our Collections study for the legislature, we are exploring with the DG the possibility of putting the billing for tickets into our VTax system. The processing and recordkeeping would certainly be smoother.

Operations Update:

Retreat: We hold our annual management retreat next week. This year we are focusing on employee wellness (including handling stress), prioritization, return on investment. We have set aside time to talk about our new Strategic Improvement team.

2015 Tax Changes, Return Errors: More press interest this week. We have received an update from Intuit, which continues its personal outreach to all of its affected customers. Their estimates suggest that the problem may have a slightly higher impact on revenue than we estimated – they say that their taxpayers alone account for \$2.5 – 2.7M. However, they also report that there has been far less uptake on the offer to amend the return. Taxpayers are telling Intuit they have or will file the amendment on their own. Intuit will track these responses for us, and it will be interesting to see how many of these self-prepared amended returns actually materialize.

It is a dilemma for us – to nudge folks to file with the possibility of imposing penalties come January, versus the practicality of actually making good on that threat if there is widespread non-compliance. We do have the payment from Intuit which covers our costs but also could be viewed publicly as payment in lieu of individual penalty. Interestingly, Intuit resisted tying the payment to penalty, and presumably would also resist reimbursing its customers for penalties if the customer is tardy with the amendment.

2015 Tax Processing: We are winding down our processing, although we still have some spillover. There have been some complaints of delay in refunding, but upon a deeper review, it appears now that in the vast majority of cases, the delay is related to a paper return that requires manual review. In terms of refund fraud, the vast majority of taxpayers who had a suspended return have been contacted for further information.

For all of the reports of fraud schemes tied to W-2 information, some targeting VT entities, we have stopped a much smaller number/lesser dollar amount of refunds than as of this time last year (we won't have a final number until the fall). Next year, with personal income tax and fraud review in VTax, the process should be much less labor intensive – and hopefully with less risk.

VTax Project: Testing for this phase, personal income tax, is beginning.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: June 3, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates:

S.250 has been signed into law. The Department will initiate the Rulemaking process as soon as we have final details, and Board approval.

Press Issues/Releases/Contacts:

The Burlington Free Press announced that the Zen Lounge in Burlington, which had appeared before the Board on numerous occasions for various infractions, has ceased their business operations. They have not yet relinquished their liquor license.

Significant Events/Meetings:

On Friday May 27, 2016, DLC's Principal Assistant, Marcia Gardner, submitted her 2-week notice. The Department will assess the upcoming vacancy and decide whether to post the position as is, or reclassify in some manner, prior to recruitment.

On June 1, 2016, the Liquor Board met in Montpelier. Enforcement hearing for Karib was postponed until next month. An enforcement hearing for the Slide Brook Lodge in St. Albans resulted in a license suspension of three days.

On June 2 I met with Bruce Cunningham to discuss Vermont's compliance with Federal SYNAR laws relating to retail tobacco compliance for underage purchasers.

Summary of Key Department Activity:

Agency Issues: The Department has been notified of two liquor agency sales: Shelburne and Harmonyville.

Warehouse security measures are moving forward, with additional card readers and security cameras.

Staffing:

The Department continues the process of filling an upcoming Warehouse vacancy, and will seek to fill the soon-to-be vacant Principal Assistant position as soon as possible.

IT POS system: POS RFP's soon to go out, following DII review. We anticipate that the RFP will be posted for bids within the next 30 days. DLC is reviewing systems purchased by other control states, including Utah and New Hampshire.

IT: RFP's are out for hand-held Warehouse scanners.

Licensing: The recently implemented Fortified Wine Permit's statutory interpretation and process implementation will require clarification to stakeholders, as the initial interpretation was inaccurate. The Department is in the process of reaching out to interested parties to elucidate the clearer intent and define in greater detail the statutory language.

Commissioner's Commentary: The dept. has begun exploring our options to initiate the new warehouse site analysis process that was funded in this year's budget.

We have signed off on the bid to manufacture shelving for our warehouse re-configuration. ETA of the materials and manpower for installation is the end of July.

We are in the midst of a dept. website project to improve the product selection and pricing format to make it more useful and user friendly.

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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: June 3, 2016

State Veterinarian, Kristin Haas, hosted a meeting this week, in partnership with the Vermont Veterinary Medical Association and Elanco, that brought Wisconsin-based Food Armor Program trainers to Vermont to present information to dairy co-op, financial lender, insurance company, and auction market representatives on the program. The Food Armor program is a HACCP-based drug residue avoidance program, and implementation of it in Vermont will help to ensure food safety of the products produced here.

The Agency continues to work with its conservation partners to steward the approx. 650 co-held easements, including resolving violations of conservation easements. Like any regulatory program, violations can present very challenging issues for the co-holders and a landowner. The VAAFM is currently working through the Memo of Understanding with our partners to see if there are ways address some of these challenges upfront, by clearly defining what constitutes a significant violation, articulating expectations and potentially increasing outreach ensuring landowners understand the obligations outlined in a conservation easement.

Randolph Lab Project: CannonDesign has received final adjustments to the interior designs for the lab, and delivered renderings of the building's exterior, ending the Design Development phase of the project. The project's Act 250 permit was submitted on May 23rd, 2016. The District 3 Environmental Commission has scheduled the first hearing for June 9th, 2016, which will start with a visit to the site of construction at 4:30pm.

Animal Health Section continues to work with a non-compliant cervid producer to complete his overdue herd inventory reconciliation. The produce has lost a number of deer to coyotes – Animal Health Specialists were able to view the carcasses at the last visit. None of the killed animals had ear tags still in place, which will cause difficulties with the inventory. The producer wants to call his local legislator to change the VT captive cervid rule to not require ear tags. Producer was informed that this requirement is also a federal requirement and that if VT did not require official ear tags in captive cervids we would lose our federally approved status and the ability to ship deer out of state.

Staff from the Agencies of Agriculture and the ANR Solid Waste program met last week (5/24) with Cabot and Casella to review the aborted effort to dispose of approximately 400 tons of off-spec dairy products in existing manure digesters. Following the meeting, Alex DePillis from the Agency of Agriculture and Dennis Fekert from the ANR met and agreed on a basic process, within each agency's rules, by which relatively large amounts of food waste, appearing unexpectedly on the scene, could be permitted for use in a specific digester. They will develop a basic guidance document to explain the process, for distribution to relevant stakeholders. These outcomes mirror the long-standing cooperation between the agencies with regard to non-solid waste from food-processing facilities.

State Entomologist, Alan Graham was interviewed by Imelda Moise, Assistant Professor, University of Miami, who is a health geographer interested in health disparities research. She was interested in our statewide mosquito surveillance program and mosquito control activities in Vermont. Our approach, targeting specific wetland and urban locations is apparently different from other states. Vermont uses more resting box traps than programs in other states. The unique design of the durable and lightweight trap allows us to do this. Graham developed the Coroplast plastic resting box traps in 2009 and had them fabricated by a company in New Hampshire. Dr. Moise was impressed by how much Vermont does in a small state, compared with much larger states with significantly larger budgets.

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TO: Gov. Peter Shumlin
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Significant Events/Meetings:

- State Veterinarian, Kristin Haas, hosted a meeting this week, in partnership with the Vermont Veterinary Medical Association and Elanco that brought Wisconsin-based Food Armor Program trainers to Vermont to present information to dairy co-op, financial lender, insurance company, and auction market representatives on the program. The Food Armor program is a HACCP-based drug residue avoidance program, and implementation of it in Vermont will help to ensure food safety of the products produced here.
- Kristin Haas, State Veterinarian, participated in a United States Animal Health Association (USAHA) Executive Committee conference call this week. The majority of the discussion focused on planning for the upcoming USAHA annual conference that will take place in October. As one of the vice presidents of this organization, representing the 11 northeast states, Dr. Haas has several presentation and organizational responsibilities at the upcoming meeting.
- Kristin Haas, State Veterinarian, participated this week in the USDA Veterinary Services Training and Exercise Program (TEP) monthly conference call. Dr. Haas represents the New England States Animal Agriculture Security Alliance and the National Assembly (50 state veterinarians) on the Program workgroup. After serving in this capacity for the past three years, Dr. Haas hopes to be able to pass the torch to another New England colleague this September.
- Animal Health Section staff completed the NPIP annual re-certification for a poultry producer in St. Albans. Recertification involved a facility inspection, testing for Pullorum, and surveillance testing for avian influenza.
- Staff from the Agencies of Agriculture and the ANR Solid Waste program met last week (5/24) with Cabot and Casella to review the aborted effort to dispose of approximately 400 tons of off-spec dairy products in existing manure digesters. Following the meeting, Alex DePillis from the Agency of Agriculture and Dennis Fekert from the ANR met and agreed on a basic process, within each agency's rules, by which relatively large amounts of food waste, appearing unexpectedly on the scene, could be permitted for use in a specific digester. They will develop a basic guidance document to explain the process, for distribution to relevant stakeholders. These outcomes mirror the long-standing cooperation between the agencies with regard to non-solid waste from food-processing facilities.
- Dairy section staff helped and attended Bulk Milk Hauler training meetings in 4 locations the week of May 16. These meetings review the proper procedures necessary to ensure accurate payment to the dairy farm.

Evolving Issues:

- Randolph Lab Project: CannonDesign has received final adjustments to the interior designs for the lab, and delivered renderings of the building's exterior, ending the Design Development phase of the project. The project's Act 250 permit was submitted on May 23rd, 2016. The District 3 Environmental Commission has scheduled the first hearing for June 9th, 2016, which will start with a visit to the site of construction at 4:30pm.
- Animal Health Section held a pre-hearing for a swine important violation of 20 slaughter-only pigs imported from NY but diverted from slaughter channels and brought directly to the farmer's premises. Slaughter only animals are exempt from CVI requirements but still must have official ID and an owner-shipper statement.
- Animal Health Section continues to work with a non-compliant cervid producer to complete his overdue herd inventory reconciliation. The produce has lost a number of deer to coyotes – Animal Health Specialists were able

to view the carcasses at the last visit. None of the killed animals had ear tags still in place, which will cause difficulties with the inventory. The producer wants to call his local legislator to change the VT captive cervid rule to not require ear tags. Producer was informed that this requirement is also a federal requirement and that if VT did not require official ear tags in captive cervids we would lose our federally approved status and the ability to ship deer out of state.

- Animal Health Section staff is investigating the illegal importation of horses from NY by a VT licensed dealer. The animals were imported without health certificates and some without Coggins testing for Equine Infectious Anemia. This is a concern as NY is currently dealing with an outbreak of Equine Infectious Anemia.
- Meat Inspection Compliance Officer followed up on consumer complaint regarding plastic tubing found in chicken legs purchased from a national producer.

Summary of Key Agency Department Activity

Administration:

Deputy Secretary Bothfeld, Ag Development Business Development Section Chief Lewis and Administrative Assistant Raymond met with representatives from ACCD and Department of Health to discuss the Certificate of Free Sale changes approved by the legislature as part of the Fee Bill. The changes limit the Agency of Agriculture to providing certificates of free sale to those businesses that are regulated by the Agency of Agriculture. A plan was made to contact and visit the other businesses with ACCD to discuss the change and the other options for these businesses to obtain the paperwork that is used when products are exported to other countries. Visit will be followed up with a letter with a date certain that these non-agricultural businesses will need to obtain their certificate of free sale from FDA or possibly Chambers of Commerce.

Agency is beginning work on Decentralized Reallocation which is the logical next step after development of a career ladder. 7 different section at the Agency have developed career ladders with defined requirements between grades. Decentralized Reallocation will allow movement between grades – up or down through an approval process instead of writing a Request for Reclassification (RFR). This process will take place over several months.

Dairy farms are dealing with low milk prices. Margins are squeezed thin and calls are coming into the Agency of farmers facing the shut off notices from electric companies for lack of or inadequate payment of bills. The Department of Public Service has a ombudsman for this purpose but the Agency would become involved due to animal well-being concerns of milking, feeding and watering animals could not be completed without electricity.

Agricultural Development:

Land Use

Stephanie Smith attended the Vermont Association of Planning and Development Agencies meeting on May 2, 2016, and updated the regional directors on the following VAAFM land use related topics

- Agency guidance on PFOA contamination to agricultural products for commercial farms and home gardeners in the North Bennington area
- The progress of the Require Agricultural Practices rulemaking, including the outreach schedule and development of guidance to municipalities to address regulation of those operations that will fall under the Agency regulatory jurisdiction, also called Non-RAP Operations.
- The Northeast Organic Farmers Association guidance to municipalities and farm operators concerning the diversification of farm operations and how to maintain and increase farm viability, build markets, and support the working landscape while obtaining permits and engaging in the local planning process.
- Dates scheduled for a summer discussion with interested organizations on increasing support for diversified farm operations through municipal planning statute, clarifying VAAFM regulatory jurisdiction over farm operations- also in light of potential new regulations, and managing impacts from these types of diversified operations through the local regulatory process.
- Shared research from Land for Good captured in a report titled “[Keeping Farmers on the Land New Research Underscores Need To Address Farm Transition in Vermont](#)”

Information shared by other state agencies and departments included ACCDs creation of a planning information portal to assist municipalities with their basic data collection needs; T-Bill legislation that includes the creation of a program to assist with statewide parcel mapping, which initially will be largely funded by federal highway funds- however maintenance of the data will be shared by all state agencies.

Farmland Conservation

The Agency continues to work with its conservation partners to steward the approx. 650 co-held easements, including resolving violations of conservation easements. Like any regulatory program violations can present very challenging issues for the co-holders and a landowner. The VAAFM is currently working through the Memo of Understanding with our partners to see if there are ways address some of these challenges upfront, by clearly defining what constitutes a significant violation, articulating expectations and potentially increasing outreach ensuring landowners understand the obligations outlined in a conservation easement.

Renewable Energy

Senior Agricultural Development Coordinator Alex DePillis submitted two proposals to give a presentation or create a panel for the Renewable Energy Vermont conference in fall. Both were contemplated as inter-agency efforts. One proposal is "How to site and build a solar project to protect the soil resources, and even to complement farming" and the other is "Digesters in the context of universal recycling law and the new solid waste rules, and new water quality rules."

Food Safety and Animal Health and Consumer Protection:

Meat Inspection:

- Asst. Director working on updating web site to reflect new statute regarding on-farm slaughter. Registration page has been created and passed by legal, will be uploaded.
- Asst. Director beginning work on applying for the Cooperative Interstate Shipment Program with USDA.
- Meat Inspection continues to work with Animal Health, USDA/FSIS, USDA/APHIS and several other states regarding interstate movement of animals to slaughter at a federal slaughter establishment in the state.

Animal Health:

- Assisted the VT Beef Producers with tagging and health charts at the annual spring sale at CVE.
- Worked at the Montpelier office to complete NOA documents for the Animal Disease Traceability Cooperative Agreement.
- Visited the NFO transfer station in Swanton and learned a MA sale barn may have purchased the Orleans Commission Sale barn.

Dairy

- USA Food Safety is still being modified to meet our needs. The farm and plant inspection parts are functioning but still need more adjustments to the program.
- Dairy has a couple more new processing facilities in the works.
- Creamee season is starting and some sampling will occur.
- Dairy Section continues to perform required regulatory activities and to pursue enforcement actions as warranted.

Agricultural Resource Management:

State Entomologist, Alan Graham was interviewed by Imelda Moise, Assistant Professor, University of Miami, who is a health geographer interested in health disparities research. She was interested in our statewide mosquito surveillance program and mosquito control activities in Vermont. Graham spoke about the Vermont arbovirus surveillance program, collaboration among state agencies, the work that the two mosquito control districts work do in the state and our relationship with them. The selection of mosquito trap sites was one topic that she addressed. Our approach, targeting specific wetland and urban locations is apparently different from other states. Vermont uses more resting box traps than programs in other states. The unique design of the durable and lightweight trap allows us to do this. Graham developed the Coroplast plastic resting box traps in 2009 and had them fabricated by a company in New Hampshire. Dr. Moise was impressed by how much Vermont does in a small state, compared with much larger states with significantly larger budgets. She will be writing a research paper comparing various state mosquito control programs, state statutes, and outcomes. She will be sending a draft of the paper to review. The model of our program in Vermont is based on the highly successful program run by the Connecticut Agricultural Experiment Station in New Haven, CT.

Lisa Rathke, AP News called State Entomologist Alan Graham on Thursday for information about black flies. She is writing a piece on the Adirondack Black Fly Festival and wanted some background information on black flies. Although many people complain about black flies in Vermont, there has never been a study done to document species present in the state. Black flies do well in Vermont because our streams are clean.

LOTTERY WEEKLY REPORT

Traveling today without access to normal report document.

No contact with Legis.

Had award event at Newport elem school for educate and innovate grant from lottery and education on wed at school. Great success.

Tri state meeting held yesterday and today at Okemo mountain.

In Iowa next Monday thru Wednesday at board meeting.

Greg