

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

Sent: Saturday, March 26, 2016 9:30 AM

To: GPS

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

Subject: Weekly Reports - Executive Privilege 03 25 16.pdf

Attachments: Weekly Reports - Executive Privilege 03 25 16.pdf; ATT00001.txt

Highlighted Weekly Attached.

Gov - check out EB5 and Long Trail items in ACCD.

Some good data on reducing homelessness in AHS (Scott we should see if we can do presser on this, if its ready to be public).

COC backlog under 4,000 for first time since January.

In good education news, looks like we won grant for career and technical centers.

In bad education news, Sarah and Sue check out the OPR rant (again) in Rebecca's weekly and Justin check out Rebecca's (again) talking about not fulfilling Race to Top grant responsibilities.

Agency of Admin section has note on legislative angst about UVM Medical excess revenues.

Also Estate Tax not included in Misc Tax Bill. Sue do you know if Ancel plans to move it?

Thanks,
Darren

WEEKLY REPORTS

Checklist
3/25/16

Darren Springer

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Department of Financial Regulation – Susan Donegan (**no report this week**)
- ☒ 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: March 25, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **EB5:** We received another letter from Bill Stenger last week seeking permission to use investor funds for staffing, marketing and payments to the principles. They also want to begin using ANCbio escrowed funds. We have a letter going to him, should be today, indicating we will not approve any new releases of Burke funding (and he only has \$169,000ish in the bank) until a Stenger answers questions DFR has been asking since early February. Their PPM does not specify investor funds will be used for these expenses. We are also verifying outstanding amounts which could be authorized. It appears there is more that could be authorized including a contractors retainage fee. But again, no approvals until he provide information on where the project sponsors money that was supposed to be in the project is identified, amongst other things.
 - Thanks to Sen. Leahy we were able to get a live human from USCIS on the telephone Wednesday. It appears investors in Q Burke may end up obtaining their green card depending on when they invested. USCIS will continue to adjudicate green card petitions and award green cards if the investment made it to the project, and the jobs were created. That will be so for investors in up until now. The hotel is closed and they have laid off any permanent full time worker and there are no more construction workers on site. So investors coming in now, and Stenger is still allowed to raise money, would only get their green card when the hotel opens and creates more jobs. Earlier investors are probably ok. Investors in ANCbio will be completely SOL except the 32 whose money is in escrow due to our intervention. No jobs created no investment making it to anything tangible. We also learned as long as the regional center has kept accurate records, continues to promote economic growth, and market EB5 projects, we should be able to hang onto our regional center status. That will be important so any investors can claim both direct and indirect jobs. It was also clear USCIS knows about SEC's work although they would not openly share that.
- **Long trail and Otter Creek Brewing.** I heard from Dan Fulham, CEO, this week, as did Chuck Ross, that he is very frustrated with the permit process for expansions in both Middlebury and Bridgewater. I've touched base with Trey Martin who will touch base with Alyssa Schuren on this. Joan Goldstein and I are meeting with Dan Tuesday morning. We will see what we can do to move things along and get ready for future projects.
- **Vermont Aerospace:** Joan and her team continue to work with NSA Industries (next door to Vt. Aerospace) who is interested in bidding and owning Vermont Aerospace. I have sent a letter of support to Jim Maroney at NSA. One difficulty is that Vermont Aerospace is under investigation by DOD. Maroney is structuring the deal such that he will not inherit those liabilities. There are at least three other bidders, unclear how many of the other three would keep the jobs in Vermont.
- **The Facebook incident:** Devon Coleman who posted on his Facebook page the letter from the middle schooler in Washington state who wrote asking information on the country of Vermont, has taken down his Facebook post. He was extremely sorry and quite aghast to hear how viral the post had gone. We are going to use this as a teachable moment for staff and help them understand, with HR advice, where to draw the line on Facebook postings.

LEGISLATIVE ACTIVITY

- **Budget:** The House Appropriations Committee-passed budget included funding for all ACCD departments as requested in the Governor's recommended budget. In addition, the Committee included \$120k of the \$150k in new spending requests from the Economic Development bill for three provisions: the combined Windham/Bennington CEDS; a grant program for the Vermont Employee Ownership Center for businesses interested in going employee owned; and money to the Vermont Arts Council to start the Vermont Creative Network. The Economic Development bill also circumvents the ACCD-created process for grant approval and appropriates funds for regional marketing in Windham County directly from the Windham County Economic

Development grant program. House Appropriations is looking for the recommendation of the Commerce Committee on how to allocate the 120k for the new spending provisions in the bill.

- Pat, Lucy, Annie Noonan, and Rebecca Holcombe met to discuss a study of all training programs in Vermont that was inserted into the budget. This study is essentially a continuation of a 2013 study that was too large and unwieldy to complete. We are all in agreement that our resources would be better used to complete the Workforce Needs Assessment required for WIOA, and called for in the Vermont statewide CEDS. We will be submitting a memo to the committees of jurisdiction that will give background, explain our position, and ask that the required study be eliminated.
- The Ways & Means Committee is examining a **capital gains exemption** for companies converting to employee ownership. Lucy thinks it is unlikely the committee will approve the exemption. She went on the record in Commerce, Appropriations and Ways & Means opposing all the new spending in the Economic Development bill.
- **VEGI:** The Ways and Means Committee has still not gotten to the VEGI rewrite in the Economic Development bill. When they do however, Auditor Hoffer will be testifying and in the mix so we are anticipating some potential problems.
- **Vermont Training Program/Auditor Hoffer:** Lucy accompanied Joan Goldstein in Senate Economic Development to discuss the Auditor's review and report on the Vermont Training Program. Auditor Hoffer was also on the agenda and on his report. Joan did a great job countering the criticisms offered by Auditor Hoffer, and Lucy also offered some high level perspective to the conversation. Doug Hoffer gave an overview of his review of the Vermont Training Program to the Senate Economic Development Committee. The result is that Senator Mullin and most committee members are sympathetic to ACCD.
- **Pot:** Lucy met with Pepper to get a lay of the land on the pot bill, as well as Lofy. Pepper is setting up a new strategy session possibly for this afternoon. Lucy is having individual conversations with select individuals in the House to move the bill forward. She will also be talking with the Speaker about the role of the Appropriations Committee in the coming days. There is a path but as we all know, it is not a smooth one.
- Joan Goldstein met with Senate Committee on Economic Development Wednesday to describe the background and intent of the **10% carve out in the Vermont Training Program** for workforce pipeline development.
- **Captive Legislation in Senate Finance:** Dan Towle reports that the Department of Financial Regulation captive legislation was presented in Senate Finance. An amendment to the legislation originally voted out of the House has been added. This legislation will provide clarity to the treatment of cell captives and how they can be converted, assigned and sold. We anticipate passage without much controversy. We expect it to be voted out as things went well.
- **Capital Budget Testimony:** Noelle was asked to testify in House Corrections and Institutions on the Stabilization Fund. This \$100,000 fund was a pilot between BGS and DHP to see if we could stabilize existing state buildings that were not in use and lease or sell (with preservation covenants) with the funds to help preserve and restore other state buildings that we want to keep in our portfolio. We have been successful in long term leases for some of these buildings (i.e. Bradley Law Office) but it has not been a huge money maker. So we are proposing that BGS returns \$50,000 and with the remaining pays for dealing with the Bishops Cabin and Fuller Farm House. We have worked closely with BGS on this and are in agreement. The Committee was supportive of this approach.

LUCY LERICHE, DEPUTY SECRETARY

- **Northern Border Regional Commission:** Lucy, Joan, Noelle, and Jared met with Rob Riley and Joe short of the Northern Forest Center who have contracted to do the NBRC strategic plan. There are some important decisions on the horizon for the organization relating to organizational structure. These changes could have financial consequences for the member states, so ACCD is fully engaged to ensure a fair deal.

KEN JONES, ECONOMIC RESEARCH ANALYST

- Ken Jones provided a presentation to a Contractors' workshop organized in part by the Agency of Transportation. The background for the presentation is the growing concern among the contracting community that accessing a skilled workforce is a growing problem. The reasons for this difficulty are the changing demographics in Vermont that have a decreasing pool of incoming working age adults while retirements of the baby boom are increasing. Skilled, but low education positions such as those in the contracting community, face the additional challenge of an increase in the proportion of young adults with college education seeking traditional positions for those college degrees.

- Ken is beginning a project with a Community Based Learning student at the Montpelier High School to explore the statistical relationship between several factors and the volume of skier visits to Vermont ski areas. This will be one part of the 2015 Benchmark study of Tourism activity.

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

- **VCGI Imagery Program**
 - **Orthophotos:** The final VT Ortho contract (2016-2020) was forwarded to BGS for final processing. We are very close to having a contract in place so we can fly in April! Meanwhile Steve has been busy working with VT Enterprise GIS Consortium (EGC) partners to identify “priority areas” for optional 15cm orthoimagery “buy-ups”. Surveys and meetings led to the following areas noted on this interactive map (<http://goo.gl/HilsFp>).
- **Outreach and Professional Development Program:** The season of getting out and about to “Reach Out” and help folks “Develop Professionally” is beginning! Coming up in the next month or so:
 - UVM Career Fair, Burlington
 - Realtor Training, Mt. Snow
 - Geography Bee, Middlebury
 - Intro to GPS Workshop, Middlebury
 - Town Officers Education Conferences, Fairlee, Stowe, Killington

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- Megan traveled to Washington, D.C. and attended the Council of State Tourism Directors, Destinations Capitol Hill and an emersion session at Brand USA with the other New England Directors.
 - **National Council of State Tourism Directors:** The Council meetings are an opportunity for Directors to share strategies for budget increases, regulatory issues and this year, the sharing economy. Many of the states are starting to work with AirB&B as well as VRBO (vacation rental by owner) who have gone into business with the big OTAs (on line travel agents) such as Orbitz and Trip Advisor. Megan continues to pass along info to Mary Peterson and she and Pat Moulton will be taking part in a webinar on the sharing economy later this month.
 - **Destination Capitol Hill:** This included 300 meetings by 600 hospitality industry representatives. Megan met with staff from Senator Sanders and Congressman Welch then was hosted by Senator Leahy for a visit to the Senate Judiciary Committee where Senator Franken and others were speaking to the lack of hearing for Merrick Garland. The Senator also invited Megan to attend the press conference he will be doing in BTV around the pre-clearance for both Billy Bishop Airport and the train to Montreal.
 - **Brand USA** shared all of the opportunities for Discover New England to work in emerging markets. The **Chinese market** is the fastest growing but the smaller states are finding that trainings for the industry are very helpful as the customs of the Chinese traveler are very unique. The New England states are going to work together to develop a seminar that we can take on the road to our industry. MA is sourcing that resource. In the meantime, with the challenges with the Canadian and Brazilian dollar, Brand USA is pushing hard in Western Europe where we already have a good presence. The Japanese market continues to bounce back following the earthquake and tsunami of 2011. The daily flights into Logan from Tokyo are running over 90% full.
- **Australia Commercial Officer Visits VT:** Megan and Susan Murray are hosting Karen Ballard, Deputy Senior Commercial Officer from Sydney, Australia next week. She will be staying in Montpelier but touring Burlington and Stowe with Megan to see the properties that are working with the Australian Market. Karen is in the country to attend the Discover New England Summit in Newport, R.I. following her visit to Vermont.

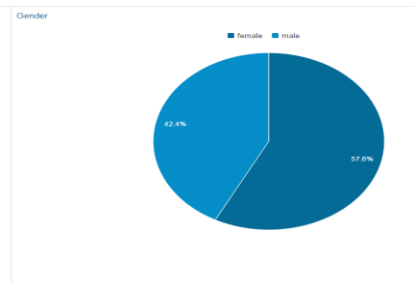
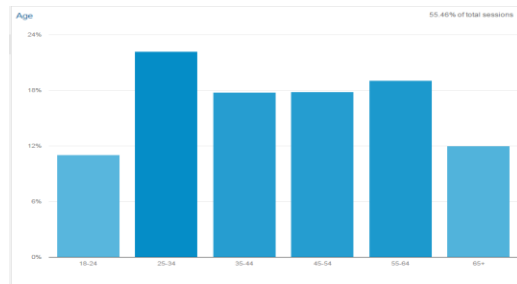
Steven Cook, Deputy Commissioner

- **Vermont Downtown Program & Amtrak:** VDTM is working with the Vermont Downtowns Program, the Chief Marketing Officers Office and Designated Downtowns along the Connecticut River Byway to develop a plan to attract NY metro residents to visit Vermont communities via rail. Each designated downtown in the area is working on unique lodging packages for those traveling by train without access to a vehicle.
- **VermontVacation.com Analytics Feb 1 – March 1:** VermontVacation.com experienced growth in the markets of California, Texas, Florida, North Carolina and Virginia during this time period.



MARKETING ♦ Hilary DelRoss, Heritage and Recreation Specialist

- **VTS:** Collaborated on a press release promoting the Vermont Bartender of the Year Competition next month in Killington. This event kicks off the 2-day Vermont Tourism Summit (formerly the Vermont Travel Industry Conference) held this year at Killington Resort. The competition highlights the skills of the state's best bartenders while promoting Vermont's fast-growing distilled spirits industry.



SALES ♦ Kathleen Kolva, Sales Manager

- **Philadelphia Travel & Adventure Show:** Vermont was beautifully represented with a corner booth in the Northeast USA section of the Philadelphia Travel & Adventure Show. Although attendance was lower than anticipated on Saturday, there was a significant increase in the interest and enthusiasm for Vermont on Sunday. The official event summary will be emailed to Kathleen on 3/24/16. A pre-bagged packet - including VT guide, roadmap, various brochures, and VT sticker – was the mostly frequently picked-up item. There was also great interest in the Amtrak train routes into Vermont and the Vermont African American Heritage Trail. Kathleen distributed approximately 150 “Maple Mailers” promoting VT Maple Open House Weekend coming up on April 2-3, 2016.



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

- **Pitch VL:** Final arrangements are being pulled together for our Pitch VL night, taking place March 30 in Middlebury.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Meeting with Dan Fulham next week of Long Trail/Otter Creek. He is unhappy with the vibe at ANR – an 18 Month process for permit to drill a new well. I'm in touch with M. Chapman and A. Schuren to figure out how to expedite and get going before he gives up and expands in NY or CT.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Business support visit alongside Chelsea Lewis from the Agency of Agriculture to Vermont Packing in Grand Isle. This is the former Bushway plant, which closed amid controversy in 2010 due to animal cruelty charges. Now under new ownership that is committed to humane practices, the plant hopes to re-open soon and has a goal of employing 20-25 people. All appropriate referrals made. Also provided business support to Martell's Rendering in Alburgh.

BUSINESS SUPPORT ♦ Brett Long, Director

- Working on arrangements for Hannover-Messe trade show.
- A demonstration of the new version of the CoreValue product.
- Following up with contacts from Peak Pitch event including: Mountain Energy Design, Wheel Pad, Tank Utility, Unity Yurts, Ogee, Thermouse.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Conference Preparations for the Annual Risk & Insurance Management Society:** Dan Towle, Director of Financial Services, is preparing for the largest insurance trade show in the US, held this year in San Diego, California. The state will be unveiling its new trade show booth for the first time. For the RIMS Conference, Dan recruits a group of a dozen Vermont captive insurance service providers to help the State of Vermont staff this trade show that typically attracts 8000 attendees. Dan will be joined by 5 members of the Department of Financial Regulation. Preparations are on-going. Advance work on setting up meetings are occurring as Dan coordinates all of the meetings at the trade show booth. Maple Syrup has been shipped as it is one of the conference's favorite giveaways. The State will also be giving away some remaining inventory of Vermont Life Calendars which are also popular.
- **AM Best Interview and Background Provided:** Dan was interviewed by a freelance writer for AM Best who is doing an article on the Alternative Risk Market and related conferences.
- **Captive Owners Summit:** Dan has been asked to speak at an invitation only event for Captive Insurance company owners that will be held in Chicago in May. Dan will be on a panel as an expert on self-procurement taxes and its effect on captive insurance.
- **Captive Review Magazine Article Published:** Dan was asked to write a "point - counter point" article on the issue of how to count and measure captive insurance domiciles. The magazine came out this week. Dan hopes it will spark positive conversations about how to fairly count and measure captive insurance domiciles.

INTERNATIONAL TRADE (VERMONT GLOBAL TRADE PARTNERSHIP) ♦ Katie Corrigan, Manager of International Trade

- STEP 5 has been officially submitted to the SBA with a total financial request of \$450,543.
- Individual company grants have been submitted for Liquid Measurement Systems, Omega Optical, SemiProbe, Caledonia Spirits, LLS Events.
- Hannover Messe and Aero Montreal prep continues; both shows will be at the end of April. Hannover Messe will be April 25-29 and Aero Montreal will be April 25-26.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director **VEGI**

- Provided copies of But For Statements from 2009-2015 VEGI applications to State Auditor.
- Continued to work with Jeff Sands and Larry Lyford at Vermont Aerospace and communicated with potential bidders to purchase company with offer of incentives.
- Continued to work with: Westminster Cracker (Rutland), IBEX (WRJ), Black River Produce (Springfield), and CadCut (Montpelier) encouraging submittal of VEGI Pre-Applications.
- Received Pre-Application from St J Auto, ran model and provided estimate.
- Responded to inquiries from Alkane Truck Company, Harbour Industries, and Groennfell Meadery.

Tax Increment Financing Districts

- Met with Richard Haesler, regarding Burlington Waterfront TIF and Town Center project.
- Met with Ilona Blanchard regarding South Burlington request to expand NTC/NDA and TIF District. NTC application expected for April downtown board meeting and later in summer for VEPC consideration of TIF amendment.
- Continued work to integrate municipal reports into our annual report to Legislature.

WCEDP

- Notified Strolling of the Heifers and VCRD regarding approval of grants by Governor.
- Sent suspension letter to BFADC regarding Island redevelopment project grant pending receipt of expenditure documentation.
- Reviewed WCEDP Advisory Council first draft of 2016 competitive grant RFP.
- Followed up on potential loan applications. Five companies have had Letters of Intent to Apply approved and are working on applications to VEDA.

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Met with Westminster Cracker last Friday along with Lyle Jepson to discuss the possibility of a VTP grant with their possible expansion of a vegan cookie line that they are looking to acquire. This would potentially bring on 30 new employees to the company and would be a 4th quarter or later need.
- Visited Stratabond at the old Rutland Plywood location to have a working meeting with their hopeful VTP application. They have a couple of new tools working currently and are needing a good amount of training for

their new employees. They already have contracts with a couple past companies that were with them before the fire.

- Toured Hirschmann LTD to see how they were doing with their latest VTP project to supply historic energy efficient replica windows for Harvard University. Their windows are made from mahogany and teak for this project and are very high end.
- Met with Cabot Hosiery for a working VTP/VETI meeting along with Fred Kenney. This meeting resulted in a completed first of a kind VTP/VETI application which is now loaded into SharePoint for the review process.
- Met with GW Plastics to talk about their current VTP application and the future needs of the company. They are currently in a hiring mode and are adding a possible 70 new employees and their past VTP application only captured 11 of these positions. I have given a couple of options of what could be done and will wait for the company to reply back.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **South Burlington Town Center:** Joined Fred in a meeting with Ilana Blanchard from the town of South Burlington. She wanted to provide us an overview, timing and updates on various projects within their larger city center. It looks like a public park will be one of the first projects to be completed. If you go to their website, you will see great 3-D graphics of these plans – Market Street Reconstruction; Garden Street; and City Center/Dumont Park. Ilana and Town Manager (and former ACCD Secretary) will be meeting with Secretaries Cole, Markowitz and Moulton this week.
- **State Hazard Mitigation Planning & Policy Committee Meeting:** Joined Chris Cochran at this most recent committee meeting along with reps from other state agencies – DEMHS, ANR, and Ag. The Committee's primary focus is on developing the next State Hazard Mitigation plan as well as providing updates and interagency coordination as projects and funding options become available. Lauren Oats, DEMHS, has stepped into the role as State Hazard Mitigation Officer and is doing a great job managing this committee and ensuring that progress is made and funding meets multiple agency benefits. Good news from this meeting is several projects identified in VERI from our work in Brattleboro is on the list for proposals for funding.

Deputy Commissioner Hanford

- **Richmond Creamery Brownfield Clean-up & Re-development:** Participated in numerous calls & discussions throughout the week as the property owner has decided not to renew the Purchase Option Agreement, putting the mix-use Re-development proposal by Gristmill Builders and the recently awarded \$500,000 CDBG Brownfields Grant at risk. Communication with the town, Gristmill and the attorney representing the property owner (Craig Caswell) continue. Several sources of state & federal funding have already been committed to the project and over 3 years of planning and technical assistance by Chittenden County RPC, DEC and ACCD.
- **HomeOwnership Center's & Scattered Sited Housing Rehabilitation Program's:** Held discussions with VCDP staff and several of the HomeOwnership Center's regarding new grant applications and enhancement requests for existing grants. CDBG funding for the five regional HomeOwnership Center's accounts for a significant portion of the annual CDBG grant allocation. They collectively assist hundreds of low income Vermonters make life-safety and energy improvements to their homes each year. Recent discussions have focused on ways to expand the rehabilitation services to small rental properties in an effort to increase the quality of rental housing stock in some areas of the state.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **ANR, New State Stormwater Manual:** John attended an interagency meeting to review a draft of the new [stormwater manual](#) that will replace the 2002 edition. The manual includes a number of changes to address new EPA requirements (TMDL) and improve water quality. While it's clear a tremendous amount of time and thought went into the draft, we remain concerned that the new treatment requirements (along with the new sewer separation rules, known as CSO) will make downtown development more difficult and costly. ANR staff is aware these challenges and is actively working with DHCD to explore solutions that support downtown development while improving water quality. ANR aims to adopt the manual by the end of 2016.
- **AARP, New Opportunity for Community Revitalization:** With support and encouragement from Faith, AARP is exploring new approaches to improve livability and economic vitality in state designated centers. In collaboration with Team Better Block, AARP will bring experts and locals together over a weekend to transform a [single block](#). Community matching funds are not required but AARP seeks a strong commitment from local officials, partners and stakeholders to participate in the demonstration project. Applications are due April 22 and Faith will sit on the selection committee.

State Designation Program Report

- **Hardwick, Vermont Council on Rural Development:** Lucy and Gary participated in the last of the community visits program led by VCRD. The meeting drew a crowd of about 100 people together to identify top local priorities and to develop action plans. Top action items for the task force on downtown and economic development included:
 - applying for downtown designation
 - creating master plan to improve the streetscape and downtown area
 - conducting a walkability, parking, and transportation survey
 - exploring options to expand the industrial park

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Advisory Council on Historic Preservation:** The Annual meeting of the ACHP, our state historic preservation review board, was held Wednesday. The full agenda included the annual presentation by VTrans's Cultural Resource Team on the efforts undertaken over the past year under our collaborative Programmatic Agreement. VDHP has been working for about a year with VTrans to update the PA, which is being reviewed by Federal Highway Administration. Details related to the submittal of documentation related to eligibility and effects is all that remains to be ironed out. Laura continues to meet with Andrea Wright and Chris Slesar on these details. The ACHP urged VTrans to work with VDHP on the sharing and transparency of documentation.
 - The ACHP approved an Historic Roadside Marker for Norman Rockwell in Arlington. Yes, it's true, there is no marker YET commemorating this renowned painter and illustrator. VDHP is fixing this!!
 - The Annual meeting included the election of John Vetter as chair and Barbara George as vice-chair. The Governor just reappointed David Donath as the ACHP Historian member and Blaine Cliver as the ACHP Historical Architect.

State Architectural Historian

- **VTrans Projects:** The VTrans cultural resources team requested and received funding from the Federal Highway Administration to undertake two research projects: the first is an update and revision of the Multiple Property Documentation Form for Metal Truss, Masonry and Concrete Bridges in Vermont. This cover document is used to nominate individual bridges to the National Register of Historic Places. The original document was written in 1990, and is due for an update. The second is an update and revision of the Transportation Theme and Historic Context documents. These materials provide a framework for evaluating the historic significance of transportation-related resources, and were written in 1989. The update will include resources related to the Interstate system. Devin will work closely with the VTrans team and the consultant they hire to do these projects to ensure they meet our needs.
- **Black Barn Arts Complex, Guilford:** At their meeting on March 23, 2016, the Vermont Advisory Council on Historic Preservation determined that the Black Barn Arts Complex in Guilford is eligible for the State Register of Historic Places. A project to convert the farmstead into an artist retreat requires an Act 250 permit, which triggered the need for a formal determination of eligibility from the Council. The project review team met with the Applicant immediately following the meeting and is working to review the changes that have already been made on the site and the proposed components to complete the project. Mitigation is also being discussed to lessen the adverse effects to the historic resources on the site.

Project Review

- **VCFA:** Jamie joined Laura for a discussion with VCFA top administrators regarding potential strategies to adaptively use under-utilized campus buildings as a means to generate revenue beyond tuition receipts. A number of bold, and potentially problematic, ideas were presented to VDHP for consideration and on-going discussion.

Historic Sites Section Chief and State-Owned Historic Sites

- **Western Sites:** We're in the history news. The latest issue of *Vermont History* includes an article about interpretive practices and programs at historic sites. The author interviewed Elsa and cited the western sites approach to living history and interpretation as excellent examples. The Hubbardton Battle weekend was called out for its authentic demonstrations for the public and the Chimney Point atlatl competition for participatory interpretation, which is not common with events.
 - We're starting the hiring process, with many turning in their first round of paperwork. It is fortunate that our regular staff are interested in coming back. Visitors love their work.
- **Hubbardton Battlefield:** The spring issue of *Rutland Magazine* includes a story about Bruce Venter's Hubbardton Battle book. The recent issue of *Vermont History* also includes a review of this book.
- **Coolidge Site:** Work continues on the presidential gifts exhibit. Charles Gibson Design has been selected as the designer and fabricator. This firm designed last year's stunning fashion exhibit, and so we anticipate this will be

another excellent display. The contract in process. Thanks to the powers of the Internet, Bill continues to uncover fascinating information about the objects.

- WCAX television came at short notice on March 23 to do a story about President Coolidge's trip to Cuba in 1928. This, of course, was prompted by President Obama's visit to the island this week. The reporter interviewed Rushad Thomas at the Coolidge Foundation (whose specialty is economics & foreign policy), and Bill was on hand to show off some of the objects in our collection that were given to the Coolidges during their visit.
- **Bennington Battle Monument:** The opening for the Monument is getting closer. Seasonal employees have been showing up to start the paperwork process. Marylou has hired the new caretaker/maintenance person for the season. The exhibit is closer to being ready for fabrication and elevator work inside the Monument is ongoing. It is time to start cleaning out the cobwebs in the gift shop. *The Bennington Banner* (local newspaper) did an article on the elevator work being done, it made the front page and was picked up by other news media including NPR. Elsa did put the article on Facebook, the word about our opening on April 16 is getting out.

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

- **Tetrault Mobile Home Park Sale:** The small mobile home park in Derby Line that was slated for park closure in July 2017 has been sold to a new owner who plans to keep the park open, much to the relief of the park's only two residents. The sale, which took place on March 7, 2016, came a few weeks before the Housing Foundation Inc. was planning to vote on purchasing the park to stop the closure. Arthur contacted the new owners who confirmed that they verbally cancelled the park closure with the residents, and are working on developing a lease, but don't plan on making any changes to rent or services for at least a year.
- **"Vermont only" HUD call:** Planning is underway for a conference call to answer questions about HUD's new requirement that all manufactured homes ("mobile homes") have to be installed by a HUD licensed installer and inspected starting May 1, 2016. There is clearly a lot of confusion and questions about the requirements in particular from local and regional planning officials. At Arthur's request, HUD's contractor SEBA Pro agreed to schedule a conference call in early April to try to answer some of these questions. Future calls may be scheduled as needed. In preparation, Arthur contacted people who might want to participate, and ask for any questions they want to have him ask ahead of time. The exact schedule of the call and call-in information will be provided by SEBA Pro early next week.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Regular VCDP

Applications

- **Town of Lunenburg:** The owners of the proposed Kingdom Pellet Mill to be developed at the former Gilman Paper Mill have indicated that the application to support the development and create up to 21 full time jobs will be targeting the June CD board meeting. The development and startup of Kingdom Pellet mill is being driven by Tabitha Bowling (Root 8 Ventures), and Chris Brooks who is the principal owner of Vermont Wood Pellets (VWP) located in Clarendon. Demand for VWP has historically exceeded their production capacity and the proposed Kingdom Pellet Mill would help meet their excess demand. VWP is currently in the process of renewing contracts with their buyers, and Kingdom Pellets is completing a more detailed feasibility study to support their application.

Existing Grants

- **Town of Richmond:** The Richmond Creamery Redevelopment project has hit a road block. The seller of the property is not comfortable extending the Option Agreement, to allow for the developer, Buttermilk, LLC, to finish the Environmental Review. If this cannot be resolved, the property is at risk of not being remediated and redeveloped. Pat Moulton and Josh Hanford are aware of the situation and are in communication with the Town, developer, and seller.

Potential Projects

- **City of Winooski:** Josh and Claire met with City Manager Katherine Decarreau, developer Adam DuBroff, and consultant Diane Meyerhoff last Friday regarding the City's economic development application for a new hotel. After several discussions and negotiations between the City and the developer, the City has decided to move ahead with a \$1,000,000 VCDP request for the June Board Meeting. They are proposing a loan/grant combination to fund environmental remediation, improvements for pedestrian access and public/private infrastructure, and pre-construction soft costs including working capital. The site for the proposed Marriott Springhill Suites is located on the south end of the roundabout, adjacent to the Champlain Mill.



CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Economic Development Marketing Plan:** A partial draft of the Marketing Plan has been completed. Heather has been working with Commissioner Goldstein to provide detailed feedback on proposed tactics and the presentation of discovery findings. Internal discussions have also started on how staff resources within the agency can be best aligned to be able to tackle implementation of Plan once final.
- **Amtrak Marketing:** Amtrak has just announced a new bike service on the Vermonter route, beginning May 1. To help spread the work, the CMO developed creative for a new print ad to appear in the Summer issue of *Vermont Life*. The ad design also includes the promotion of several upcoming bike events throughout the state.
- **Vermont Days:** Planning has started for this annual event the second weekend in June, which brings together Vermont State Parks, the State Historic Sites, Fish and Wildlife and Tourism to promote free admission to those state attractions and free fishing statewide. Always a popular program with Vermont residents, the CMO is working with partner Departments to develop video for in-state digital advertising, posters for display at statewide Lottery outlets, a social media calendar, radio advertising and a raffle promotion at all participating sites to collect visitor information and encourage future visitation. More details to come as planning progresses.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: March 25, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

GMP expiring net metering credits – This topic has been the subject of intense negotiation. It sounds like a resolution has now been achieved in which GMP will file a tariff amendment allowing it to cash-out expiring credits balances as of June 1. GMP shareholders and ratepayers will split that amount 50-50. Legal and CAPI staff will meet with GMP next week to discuss specific customer protections associated with this issue going forward. The tariff filing is expected March 25.

Energy Siting Bill – S.230 –

Senate Finance Committee finished their work on S.230. It passed on a 6 -1 vote with Mullin voting against.

Of note in the current draft:

- A \$300,000 appropriation to the DPS to dispense to RPC's and Towns to support energy planning efforts. Funds would be raised from an assessment on electric utilities.
- A provision that would severely limit the use of an expansion fund for gas pipeline expansions in the future.
- Portions of S.205, a bill related to energy siting and ag. and forest soils. The bill would incorporate Act. 250 criteria into the Section 248 process.

- Though the bill passed from the Finance Committee, they continue to consider the creation of a position to provide advice and counsel to pro-se intervenors in the PSB process. The staff person would need to be an attorney and would be housed at the AG. They would be prohibited from appearing before the board. As drafted, the position would be funded from existing gross receipts tax proceeds without a corresponding increase.

Approps took up the bill today and is skeptical on the source of funding for planning. The committee is expected to vote it out tomorrow and it will likely be on the floor Weds/Thurs of next week.

Senator Bray continues to work on language that would refine the request to the PSB to issue an order on the Sound Docket by Sept. 1, 2016. Bray's initial draft was far too specific in what would be asked of the Board, but he has indicated flexibility.

VY – I think we are nearing agreement internally on what to present to Entergy on Monday. Fingers crossed. I believe this will be a very good next step for Vermonters if we can get it across the finish line. Thank you Sarah for your great effort!

Public Advocacy – After the sandbagging by VPR this week, we had a candid and constructive conversation with Pete Hershfeld before he wrote his story yesterday. I believe we successfully rehabilitated ourselves in the Senate Finance Committee yesterday and that the article was ok. That said, this issue is not completely dead. Opponents are using it to say why we cannot be trusted to review and approve regional energy plans ala S.230 – not sure if that argument has any traction. I will be meeting with John Dillon to discuss how we got to this point.

VGS - Petition of CLF for declaratory ruling re: amended CPG for the VGS Addison Expansion -Docket 8330: This docket was opened in September 2014 after the first announced capital budget increase and it has been stayed ever since pending the remands. VGS has now filed a motion to close the docket. Yesterday, the Board issued an order denying this request and requesting comments on what additional process is needed to resolve the petition, which the Board has determined is an issue of law. Contrary to reports in media, the PSB has not ordered that the CPG be amended. We do think we need to reserve to right to open a CPG in the future based on price, but with the 60(b) motion previously denied, we will argue against doing so in the VGS ANGP case.

Meetings/Calls this Week:

Mar 21–

Mar 22 – Coolidge Solar, Entergy VY Monthly meeting, VTEL meeting

Mar 23 – GMP Hydro Acquisition

Mar 24 – Public Advocacy report to Senate and Finance Committee, NDCAP meeting,

Mar 25 – VEDA Board Meeting

Meetings next Week:

Mar 28– Bernie Sanders Meeting,

Mar 29 – Beth Fastiggi meeting
Mar 30 – Upper Austria Delegation meeting,
Mar 31 – Velco meeting, Green Heating Fair Expo,
Apr 01 –

Media: Ratepayer Advocate report covered by VPR multiple times; Four State comments on NRC ANPR covered, after press release sent out on Monday.

Public Official Contacts: Countless legislative contacts on S.230 and a variety of other legislative matters. Bruce Hyde (now on selectboard) on “Foxfire” Granville Solar Project

Everything Else:

PERD

State Energy Program (SEP)

Heat Saver Loan Program

- Further review of the draft protocols for the new vermiculite component of the Heat Saver Loan. Received detailed comments from one of the five WAPs involved with asbestos/vermiculite remediation on the protocols and application forms.
- Set date of April 7th for a half-day meeting with the WAPs and Credit Unions to review and finalize the application process. Moving towards a mid-April launch.
- Convened monthly call to review how the program is going. EVT is working on the process to clarify how heat pump installers are authorized in the Efficiency Excellence Network. PSD and EVT will coordinate with the rest of the pilot work group to develop evaluation questions and organize a half-day meeting for participants.
- Drafted language for the HSL website to help potential customers manage expectations regarding use of HSLs for disallowed services or products such as asbestos or vermiculite, which cannot be abated using financing through this program for regular applicants.

Renewable Energy Items

- Created presentation on community solar in Vermont for National Community Solar Partnership webinar.
- Sent VPIRG stats on solar PV applications and permits issued in 2015.
- Biodiesel working group call. The Department will help facilitate a meeting with Rep. Welch’s staff on the Federal Renewable Fuel Standard. Staff are working on analysis and talking points.
- Gave a presentation on Vermont’s net metering and “community solar” laws on a DOE Solar Market Pathways monthly call/meeting.
- Together with the PA and AG’s office participated in a call with staff from the FTC looking into solar and net metering and how federal competition rules might come into play between regulated monopolies and net metering.
- Spoke with a few additional unhappy GMP customers regarding net metering (expiring credits and how to read their net metering bill) and complaints about Solar City.

Clean Energy Development Fund

- Held a technical review meeting between the engineer hired by the Barre Elementary School and the CEDF, State Wood Energy Team, and the US Forest Service's contracted engineers to discuss the best design for a new wood-chip heating system at the school.
- Worked on solar cost data reporting for our SunShot regional grant. We are required to update the cost data for our target city. Back in 2013 we reported the \$/watt cost for a 4kW residential system in Burlington to be \$5.49 and we estimated that by 2016 the price would be \$4.40. Today CEDF's reported cost is down to \$3.25/watt, a 40% reduction in price from 2013. Based on SSREIP data for Burlington installs the average \$/watt cost for 2010 installations was \$7.42/watt. Today's cost is a 56% drop in costs from 2010.
- Solar Loan Programs: Admitted Solaflect Energy into the Commercial Solar Finance Program as an eligible installer

Board Dockets

- 8667 – VGS Renewable Natural Gas – held internal meeting to clarify the Department's position. A voluntary green pricing program may be a good lead-in to a renewable portfolio standard of some kind. The market is not mature enough to fully support an RPS at this time. Staff discussed various strategies to hedge both over and under supply.
- 8550 (RES Implementation):
 - Staff attended working group meetings on Tiers 1, 2, and 3. Tier 3 discussion focused on the "equitable opportunity to participate" requirement.
 - The Board adopted most of the Department's suggestions for Tier 1 and Tier 2 implementation. They did not impose the recommended percentage banking limits. The Department will prepare a list of what should qualify as a Tier 1 and Tier 2 resource to be vetted by the workshop group over the next couple weeks.
 - There is expected to be a Tier 1-2 working group meeting next week (3/29) regarding requirements or expectations for utilities regarding disclosure of portfolio information to customers. CAPI and PERD staff will attend.
- Docket 8684 – Staff continued responding to discovery requests from developers regarding our proposed 4.100 rates.

Other Items:

- Provided further input into the draft MOU for the Clean Energy Finance and Investment Collaborative. We await EAN's official closure of the CEFI process to begin soliciting signatories for the MOU.
- Received draft Residential Fuel Assessment for the 2014-2015 Heating Season from FPR. This report updates the state's database regarding home heating fuels, in particular wood products. Provided comments back to FPR staff. Will announce when the final report is ready for release.
- Convened a "smart rates" kickoff meeting with representatives from utilities and Jim Lazar from RAP. Some utilities were persuaded that time variable rates can help in peak shaving and that high fixed charges incent customer behaviors that may drive up utility costs.
- Completed and submitted Limited Service Position forms and backup documentation for VGS Evaluation/RES Tier 3 work. Approved by HR and forwarded to AOA. Received

question from F & M analyst on why “PSD is using the Limited Service form for this request for a new position”. Explained that this position was tied to a Board approved budget, much like a grant awarded budget and that AOA had requested we use this process for approval of our existing LS EEU positions in 2011. Have not heard anything further back at this time.

- Discussed potential pilot with Knauf Insulation regarding using sensors to collect building efficiency/performance data, allowing “metered” energy savings. They will likely visit Vermont in late April, when we will convene stakeholders to discuss whether Vermont could be a fruitful site for such a pilot.
- Met by phone with Sandia National Lab staff who briefed PSD on the scope of their \$1M “grid modernization” assistance project they are working on with VELCO, GMP, and VEC. Sandia will study DER integration, DER control, and DER forecasting. They will not be doing DER/storage valuation as initially proposed; instead DOE is funding a different lab (Oak Ridge) to study that; staff were referred to them for possible participation.

Regional

Small Generator Ride Through Requirements

- On March 17, FERC issued Notice of Proposed Rulemaking to revise the pro forma Small Generator Interconnection Agreement, which establishes interconnection requirements under which generators of 20 MW may interconnect with transmission utilities. The proposal would require that small generators ride through abnormal frequency and voltage events without disconnecting; this requirement would be similar to the requirements for large generators.
- This requirement would be different than IEEE Standard 1547a, which would include permissive, but not mandatory, ride through requirements (IEEE Standard 1547 had mandated that certain distributed resources disconnect during abnormal frequency and voltage events).
- FERC’s rationale for the proposed requirements is as follows:
“NERC has noted in multiple reports, the mix of generation resources is changing and the high penetration of distributed energy resources will impact the reliability of the electric grid if sufficient care is not taken to mitigate potential adverse impacts. NERC also has found that a lack of coordination between small generating facilities and NERC Reliability Standards can lead to events where system load imbalance may increase during frequency excursions or voltage deviations due to the disconnection of distributed energy resources, which may exacerbate a disturbance on the Bulk-Power System. In addition, the Commission has observed the growth in grid-connected solar photovoltaic generation since the issuance of Order No. 2006 and the growth in small generator interconnection requests driven by state renewable portfolio standards. Moreover, technology now available to newly interconnecting small generating facilities, such as smart inverters, permits the capability to ride through frequency and voltage disturbances.” 154 FERC ¶ 61,222 at P. 7.

Modeled Capacity Zones

- On March 22, ISO-NE presented on the capacity zones that it expects to model for the 2017 Forward Capacity Auction. The proposal is to model: A Northern New England zone (consisting of Vermont, New Hampshire, and Maine), a Southeastern New England zone (consisting of Rhode Island and eastern Massachusetts, a Connecticut zone, and Rest of System (consisting of western Massachusetts and the two ties to New York located in southwestern Vermont – which are electrically tied to Massachusetts).
- The Northern New England zone would be modeled as export constrained – in other words that the amount of resources available in the zone are greater than the transmission interface with southern New England. Some transmission improvements in northeastern Massachusetts are expected to increase the north-south interface, but only from 2675 MW to 2725 MW.
- The Southeastern New England and Connecticut zones would be modeled as import constrained – in other words there are transmission constraints that limit the amount of resources that can be imported into the zones.

VELCO Presentation on Structure Improvements

- On March 22, VELCO presented at the ISO-NE Planning Advisory Committee regarding its ongoing work to replace substandard transmission structures. There are large number of structures that need replacement and the cost of replacement is significant given the need to access the structures.
- An issue raised during the meeting is whether this work constitutes a major project that must be reviewed for cost allocation purposes. Some participants noted that there is no specific guidance regarding process, and that there had been some similar discussion related to United Illuminating (a Connecticut Transmission Owner) proposing to significantly rebuild some substations to prevent damage from expected higher-intensity storms as a result of climate change. There will be further discussion regarding projects that do not fit neatly into the existing review processes.

FERC State of the Markets 2015 Report

- On March 17, FERC staff issued its annual State of the Markets Report for 2015. Key highlights are:
 - Oil and natural gas prices fell substantially, leading to low electricity prices. Low natural gas prices have led to gas-fired generation surpassing coal-fired generation in total U.S. production in 2015. Even with low natural gas prices, gas production continues to increase from the Marcellus and Utica plays.
 - Pipeline projects that will come on-line in the northeast in 2016 will relieve gas transportation constraints in New England.
 - Capacity markets in ISO-NE and PJM are becoming larger revenue sources for generators as wholesale energy prices decline.

Engineering

Update on VY Groundwater Management Issues

On 3/17, the State Nuclear Engineer, VDH and ANR officials received an update from VY regarding the Turbine Building groundwater incursions. Incursion water previously stored in industrial grade bladders continues to be pumped to three holding tanks located just outside of the Turbine Building. VY will add additional holding tanks over the coming weeks. This week, 15,000 gallons (three truckloads) of incursion water left site bound for Energy Solutions' fully-licensed disposal facilities. VY has increased its estimate of the incursion water that had been stored onsite to 110,000 gallons. (Previous estimates ranged from 80,000 to 100,000 gallons.)

Follow-Up to NRC On-Site VY Security Inspection

On Thursday (3/17), NRC Inspectors concluded an annual onsite "baseline" inspection of VY Site Security Procedures and the readiness of VY Security Forces. In a briefing at the end of the site visit, the Inspectors reported no findings on any of their completed reviews. However, the Inspectors questioned whether the relocation of two radiation sources to a single VY instrument calibration laboratory required reclassifying the two sources as a single 10 CFR 37 "Category 1" source, rather than two separate 10 CFR 37 "Category 2" sources. Reclassification would require implementing additional security measures in and around the laboratory. As a result, this portion of the inspection was suspended until an NRC Radiation Health Physicist reviews the current storage configuration next week.

Vermont Gas Systems Addison Transmission Pipeline Project Construction

VGS contractors performed clearing and Right of Way preparation activities for ANGP construction in Hinesburg and Monkton during this report period. This included probing ROW ground to ascertain knowledge of rock formations and the use of blasting in locations where rock exists.

The contractor which performed ANGP mainline construction during 2015 is expected to return this construction season, however that schedule has not been finalized. VGS will be meeting with the contractor this week (the company indicated start of construction may be delayed until the later part of May 2016).

VGS informed the Department Gas Engineer that In Line Inspection (ILI) for Segment One has been scheduled for April. Several analysis reports of the pipeline condition data collected during the ILI are expected during the three months following the inspection. The company has not selected a contractor for above-ground testing of the pipeline corrosion control and pipeline coating condition by close interval survey (CIS); however they also expect this to be performed in April.

VGS operated the newly constructed Williston Gate Station (pressure control station) during day-time periods, last week. The company stopped gas flow through these facilities each afternoon (no gas flow occurred each night) during this period. The company operated equipment to automatically inject odorant and also injected additional odorant quantities several times into natural gas passing through Segment One of the ANGP project, during facility operation periods, to control odorant levels in the existing distribution system of the Greater Burlington Area.

Public Advocacy

NRC Decommissioning Rulemaking – No Docket – The Department, along with AGO, ANR, Public Safety, and Health submitted comments in response to the NRC Advance Notice of Proposed Rulemaking. The comments included recommendations that the SAFSTOR decommissioning option should be limited only to instances where at least one reactor continues to operate at a multi-reactor site, host communities should play a more meaningful role in the decommissioning process, emergency planning protections should remain fully in place until all spent fuel is removed from a reactor's spent fuel pool, and the NRC should recognize states' authority over non-radiological decommissioning activities. The comments were joined by the states of New York, Massachusetts, and Connecticut.

VY Second ISFSI – Docket 8300 – Generally, the Department and Entergy share a similar position in support of the Project in briefing. The Department is mulling over possible responses to a general preemption argument made in response to a Title 10 requirement that Entergy provide adequate financial assurance for spent fuel management while the waste remains on site. Reply briefs are due on March 29.

Georgia Mountain Community Wind Investigation – Docket 8613 – GMCW responses to the Department's latest round of discovery requests are due on March 29. The Board issued a procedural order directing GMCW to respond to a complaint lodged by the McLane's alleging operation of the facility on March 11 while ice was on the blades. GMCW has sought an extension to respond to the complaint until early April. The McLane's have also filed a Complaint and Motion for Relief – possibly written by Annette Smith – alleging noise violations on March 11 and 16. The complaint seeks revision of the project sound monitoring protocol to include real-time, continuous full spectrum sound monitoring with the ability to immediately curtail output.

South 40 Solar – Docket 8600 – SFS has forwarded additional project cost figures to the Department with the hope that DPS will be comfortable with the project. This follows PSD testimony stating that insufficient information was presented to allow a positive finding under the need and economic benefit § 248 criteria. The Department declined to re-run its REMI analysis of the project, suggesting that SFS conduct its own analysis and make its case instead. SFS's information may support an analysis that would conclude with positive need and economic benefit findings, and SFS can perform that analysis. PSD responses to pending discovery requests from SFS are due on March 25. SFS has requested an extension of time from the Board to file rebuttal testimony on April 11, which DPS does not oppose.

Triland Williamstown Solar Project-Docket 8666-Petition to construct a solar electric facility of up to 2.2 MW off George Road in Williamstown. On March 17, Triland submitted supplemental testimony addressing certain sound issues. Additionally, the Department served discovery requests on Triland on March 17; responses are due on March 25. There are no intervenors and the Department and ANR are the only other parties.

GMP-St. Albans Community Digester-Docket 8673- 800 kW methane biodigester generation facility to be constructed in St. Albans. The Department served discovery requests on GMP on March 11 and responses were received on March 21. Staff is reviewing. CLF and ANR also submitted discovery requests to GMP. Mr. Camisa, the individual intervenor from St. Albans,

did not submit any discovery. A second round of discovery questions is due to be served on April 1. (The intervention motions have not been granted, but no objections were filed.)

VGS-Broughton condemnation-Docket 8641 (Monkton) and Cuneo condemnation-Docket 8642 (Williston)-In each of these dockets, the Department provided discovery responses on March 18. Counsel for the landowners has found the Department's answers to be unsatisfactory and we have spent a considerable amount of time trying to reach an accord; no doubt, a Motion to Compel will ultimately be filed. The Department's appraiser will visit the Broughton and Cuneo properties on March 28 in preparation for the compensation phase of these dockets. (A March 21 appointment was cancelled.)

VGS-Town of Hinesburg condemnation-Docket 8643-This parcel is in a park owned by the Town. In response to the Dumont Complaint re: Violation of Open Meetings Law, the selectboard "admitted" its violation and held a public vote on March 21 with respect to its stipulated settlement with VGS. The vote failed and the Stipulated Settlement has been revoked. VGS continues to work with the selectboard and believes it can structure a new, acceptable deal that will include more public process. The condemnation action will need to proceed at the same time-we do not currently have a schedule in place. The motions to intervene submitted by various citizens represented by Mr. Dumont remain pending, as well as the motion to intervene of the Conservation Commission.

VGS-Peyser condemnation-Docket 8645-This parcel is in Monkton. VGS witnesses were deposed by Mrs. Peyser's counsel over three days during the weeks of March 7 and March 14 and these should be concluded. Additionally, Mrs. Peyser will depose VELCO witnesses on March 30. Due to the length of time it is taking to conclude depositions, Mrs. Peyser requested some adjustments in the schedule. The technical hearing date has been pushed back two weeks (to the week of June 1) in the revised schedule currently under consideration by the Hearing Officer. The Department will now submit its necessity testimony on April 15 although Mrs. Peyser has denied access to the property to further inform our testimony. Mrs. Peyser waived her right to a PSD independent appraisal so there will be no compensation testimony from the Department.

Swanton Met Tower Penalty Investigation – Docket 8561 –The Department filed a response opposing Respondent's Cross Motion for Summary Judgment on March 17th, with the stated support of ANR and Christine & Dustin Lang.

GMP ESAM – No Docket – On March 15, GMP responded to the Department's 3rd round of information requests pertaining to GMP's ESAM. The Department's consultant is formulating initial positions and will likely need one more targeted round of follow-up discovery. Given the extent of projects in the base rates not being completed (and others substituted), staff plans to take a position that all capital projects in the ESAM that were not in the base rates should be excluded.

Generic Rule 4.100 Ratesetting Proceeding – Docket No. 8684 – In late February the hearing officer established a schedule that reflects one largely agreed to by the parties. The schedule calls for discovery to begin immediately, with a technical hearing in early July. The Department

has responded to initial discovery from VIPPA and Ranger Solar. The utilities are also responding to discovery at present. VIPPA and Ranger have filed a second round and the Department is responding to a 26(h) letter from VIPPA on the first round. Department staff reached out to VIPPA and Ranger to see if there might be a path to resolving this case by stipulation at or around the Department's filed rates. While both indicated that they would consider the idea, it does not sound promising at present.

North Hartland Rule 4.100 Contract – Docket No. 8569 – On February 24, the Board issued an order setting the North Hartland 20-year requested Rule 4.100 PPA for hearing on a handful of issues. In doing so, the Board rejected the Department's request to dismiss the petition. Department indicated to North Hartland that it was considering moving the Board to reconsider. That prompted discussions about a potential settlement. All parties have agreed to enlarge the time period for motions to reconsider (to March 25) to allow for settlement discussions. The parties met on March 10 for a prehearing conference and began settlement negotiations. The discussions were very productive, but late on March 23, the Department learned that the talks between GMP and North Hartland may be breaking down.

VGS Base Rate Filing – Tariff No. 8598 – On March 23 the Department filed a reply to Vermont Gas re the Seven-Month Rule. The Department also submitted a modest second round of discovery.

Chelsea Solar 2.2 MW Standard Offer Project in Bennington - Docket 8302- Chelsea Solar filed several more motions via email on 3/21, including a Motion to Alter and Amend under rule 59(e), to Reopen the Record, for a Supplementary Hearing under rule 59(a) and for New Findings under rule 52, along with a Motion to Amend the Petition. This last motion is particularly odd given that there is already a final order on the project. Interestingly, the proposed amendment is to significantly reduce the footprint of the project, increase the boundary setbacks, reduce the loss of forested land and reduce the overall height of the panels. The motions and exhibits are more than 300 pages long, and PSD is still reviewing them. The Department filed a request for extension of time to respond to the first round of motions, unopposed by any party, until April 19th. We await a Board ruling. It is likely we will also file a motion for extension on the recent round of motions.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586- PSD staff attended a site visit and public hearing on 3/17 in Ludlow and Cavendish. While there was a very vocal exchange between local residents at the public hearing, it was sparsely attended for a project of this size and did not last long. PSD also filed a response to Petitioner's Motion to Clarify Scope, taking the position that the Board had authority to and should review the 248(b) criteria in a consolidated proceeding for the purpose of determining whether a CPG should be issued and whether the project would be entitled to long term levelized rates under PSB Rule 4.104(H). PSD is reviewing responses of other parties and not surprisingly, distribution utility positions are in line with that of the Department. Intervention motions are due by 3/24. Parties are not expected to file a schedule until after the PSB rules on the Motion to Clarify Scope.

VELCO Connecticut River Valley Project - Docket 8605 – The Board held a technical hearing

on this project on 3/22, attended by ANR, DHP and the Department. Questions were raised by the Board concerning the ISO cost allocation process, and the agreement by VELCO to participate with the Department in a site visit, after completion of rough grading at one of the substations. The Department has safety and aesthetic concerns in this area of the site. Parties satisfactorily responded to PSB questions. The Department expects to file a stipulation with VELCO supporting their draft Proposal for Decision by 3/29.

Charlotte Solar Enforcement - Docket 8638 – Parties spent hours leading up to a 3/17 deadline for submission of either a stipulation or a litigation schedule but failed to reach an agreement. Where the Department believed the parties were close, they were not and a second request for extension was filed until 3/31. If we reach a stipulation with respect to the proposed revised landscape mitigation plan, which basically fulfills the existing condition, and Petitioner admits a CPG violation, then parties will file separate recommendations on the amount of the penalty, if any, to be imposed. PSD has completed a draft recommendation for a \$15,000 - \$20,000 penalty and has shared it with parties in a settlement context.

Westman and Cambridge 500 kW Net Metering Projects - NMP 6045 and 6046 –An adjainer and the Petitioners had a miscommunication about whether the revised landscape plan included additional maple trees. This has caused a delay in the submission of the stipulation and joint proposal for decision in these matters. PSD hopes this will be resolved shortly.

Elizabeth Mine Solar 5MW Project in Strafford – Docket 8632 – The Petitioner has reached out to the Department to discuss concerns about the project that are resulting in the project being more expensive than anticipated. Both ANR and DHP have requested that the Petitioner provide testimony as to whether there will be environmental or archeological impacts from two separate line extensions being built (or significantly modified) due to the project. In addition, Petitioner has expressed concerns about large increases in interconnection costs. Detail on this issue has not yet been provided. DPS is meeting with Petitioner next week to discuss these concerns. DPS does not have significant issues with the project on any of the substantive criteria. Petitioner remains optimistic that all objections to the project can be overcome and has therefore sought consensus among the parties for a technical hearing date of 4/29.

GMPSolar – Pantan LLC 4.90 MW Solar Facility in Pantan, Vermont – Docket 8637 - A technical hearing will be held on March 25. The Clerk of the Board indicated that the Hearing Officer had some questions for the Department concerning the 25-year useful life used by the Petitioner to calculate the levelized costs of the project power.

BDE Waterford Suitor Lazar Solar, LLC 500 kW group net-metered facility in Waterford – CPG #16-0005-NMP - On March 21 an adjoining landowner, Mr. Dupuis, filed a letter of support for the project. Mr. Dupuis notified the Board that he and the Applicant had worked together to resolve their aesthetic and water supply concerns.

Vermont AllSun Solar XII, LLC 500 kW Group Net Metered Solar Facility – CPG #NMP-6314 - A technical hearing has been scheduled for April 1, 2016. The parties will attend a status conference with the hearing officer on March 24. The Department understands that the hearing

officer intends to focus on the issue of aesthetics, and the Department's aesthetics expert will be made available for questioning at the technical hearing.

NGRID Transmission Line Construction/Removal Waterford and Barnet– Docket 8444 – Based on input from PSD's engineering division, the petitioner corrected a transmission line characterization contained in its notification of non-material and non-substantial change to project plans.

GMPSolar Williamstown – Docket 8682 – Motions to intervene were filed by the Town of Williamstown and the Division for Historic Preservation. PSD intends to write a letter supporting these entities' requests. The hearing officer issued an order allowing GMP's intervention request and setting the schedule as presented at the prehearing. Discovery is due to be served on the petitioners by March 28th. The PSD is working on discovery questions regarding finance, engineering, and aesthetic concerns. The PSD is actively assisting the Town of Williamstown regarding the PSB process.

GMPSolar Hartford – Docket 8580 – Allco filed its third motion for leave to answer and answer of Allco Renewable Energy Limited. The PSD has no remaining concerns with this docket; however, the docket is seemingly on hold awaiting ANR concerns.

Telecommunications

Comcast CPG renewal – The PSD has issued an RFP seeking an expert witness to analyze the potential for placing public access content on the Comcast interactive program guide and the extent that Comcast should spend more for cable line extensions.

Broadband mapping – PSD staff is conducting follow-up inquiries with broadband service providers to update the data as of 6/30/15.

CoverageCo – The VTA original contract specified 95 locations, 13 of which are in the Topsham telephone area. The VTA has specific locations for 100 locations, but it is not clear which of these 100 are included in the 95 in the contract. CoverageCo has suggested that the contract was revised to remove the 13 locations in the Topsham territory which remain uninstalled. PSD staff has requested that CoverageCo produce documents showing that the contract was changed but none have yet been produced.

Mapping Data – Staff participated in a series of meetings about mapping. The consensus of the meeting was that the Department would produce large maps of fiber optic cable plant, fiber and cable, and a "4/1" map showing locations as dots that have service of at least 4/1 Mbps. Staff have also devised a plan for confirming whether locations are served through Connect America or by VTel. This plan involves sending data requests on individual towns as the Connectivity Division meets with each town.

E911 Budget Shortfall – Division staff met with Finance and Management staff about the E911 budget shortfall. F&M staff advised the Department that E911 was experiencing a budget shortfall of \$150,000. F&M seeks to cover at least part, if not all, of the budget shortfall from the Vermont Universal Service Fund. Division staff advised F&M that VUSF funds were limited,

and even if the funding was there, F&M lacks statutory authority to cover the budget short-fall from the VUSF. The Department has advised F&M that the VUSF could provide \$50,000 in additional funding if F&M can provide clear statutory authority for issuing the additional payment.

VUSF Monthly Report – the VUSF monthly report shows that the fund is on target to meet budgeted revenues. Expenses are down. It appears that disbursements to the equipment program have stopped. DAIL took over responsibility for this program last year. YTD Lifeline credits are also under budget by about \$100,000. In addition, FairPoint has stopped invoicing the fund for lifeline administration. If this continues, the fund could see a savings of about \$40,000-50,000 per year. Staff directed the VUSF Administrator to start accounting for the Connectivity Fund separate from the VUSF. The Administrator advised that she would refer the task to the Solix's finance department.

Whitingham Connectivity Meeting – Staff have set a meeting in Whitingham for April 18. Staff owes follow-up to the towns of Readsboro, Stamford, and Canaan. Vtel has scheduled WOW sign up meetings in Halifax (April 14) and Wardsboro (April 30).

VTA Funded Fiber Projects – The OCFC-West is complete, and staff is awaiting final testing. This project was a large-scale fiber build in east central Vermont. There are two fiber projects remaining: Reading and Central Greens. The Central Greens project is almost complete, but the Reading project started this week. The Reading project will take between 1 and 2 months to complete.

E911 Board Meeting: Telecommunications & Connectivity staff met with the Director and staff of the E911 Board to discuss communications and common issues between the two offices. The group reviewed the process communication breakdown that occurred during the January 5th FairPoint outage that resulted in many Vermonters being unable to contact 911. Addition topics discussed included general communications expectations for information sharing between the offices, the state and federal telecom service providers' outage notification requirements, public notification requirements, and requirements in place for telecommunications service providers processes.

CAP

Reporting for the period Sunday, March 13, 2016 to March 19, 2016

Green Mountain Power—Christine and I met with Brian Otley and Mary Morris. They provided several updates including a new practice by GMP Customers Service Representatives who are now calling households who have received disconnection notices the week prior to the first disconnect date. This practice has yielded positive results and averted several disconnects. They report that about 9,000 customers are currently receiving EAP discounts. A report about EAP is due 4/1/2016. They indicated that they are planning to file a letter about potentially violent or threatening customers with the PSB (remote disconnect). Their recent customer satisfaction telephone survey reached very few people.

Comcast -- a consumer complained about a plan change that was supposed to be less expensive, but turned out to be cost more with fewer features. Comcast had also applied an Early

Termination Fee (ETF) of \$210 for making the change. After we reached out, Comcast agreed to switch back to the original plan and credited the ETF. The consumer called back a month and a half later to report that Comcast had applied another ETF, and larger, \$230. We contacted Comcast again to remove the second ETF, applied in error.

Selected Summary of Consumer Complaints

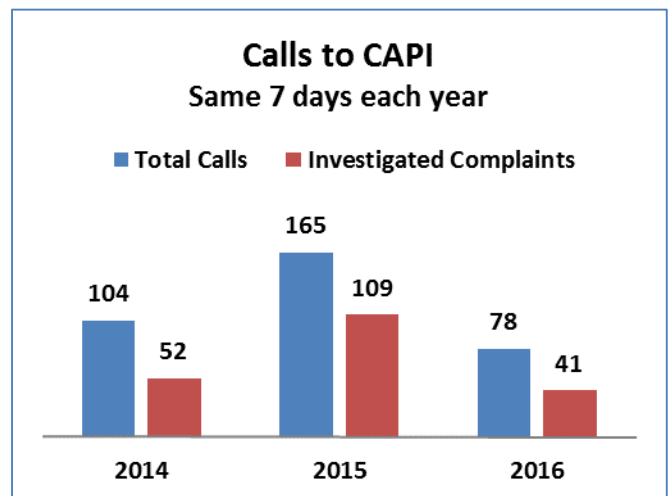
FairPoint – 27 calls includes complaints about interference on phone line, a Charter voice customer unable to get calls from FairPoint phone numbers, the outage in the Burlington area caused by an accidental fiber cut, a consumer unable to get info about when FairPoint will bring DSL to his area, payment arrangements, questions about being able to get the Lifeline discount, billing complaints and a complaints about delivery of broadband about when FairPoint will meet federal broadband standards.

GMP – 17 calls including the following subjects: the expiration of net metering credits (2), a complaint against GMP for refusing to turn off power to allow for private electrical work to be done (GMP alleged line too low), a failure to return a deposit, a complaint about herbicide spraying near well, disconnection complaints (2).

Comcast – 11 calls including a complaint for continuing to bill for many months past the time that equipment was returned and service stopped, a complaint about a Comcast hospitality account, assistance with avoiding disconnection of service, about Comcast raising its rate more than expected at the end of the first year of a 2-year promotion.

Consumer with questions about renewable energy generation in Vermont and whether information about energy source is included on customers' electric bills.

Consumer looking for follow up about a residential energy survey conducted at her home a few months ago.



Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: March 25, 2016

Secretary's Message:

We have received some promising preliminary data from the Homeless Point in Time Count. It's looking like there is a 30% reduction in homelessness in Chittenden county between 2015-2016, from 471 down to 332. Statewide, we are looking at a 23% decrease in homelessness. This makes two years in a row with a decline and 23% is the largest one-time decrease since we've been doing the Point in Time Counts. Our initiative to end family homelessness by 2020, I believe, is contributing to this decline. Clearly it's good news, but it doesn't mean we still don't have a problem. That said, when the data is no longer preliminary, it would be a good idea to do a press conference or press release announcing this decline in homelessness.

As you know, S.107 passed the Senate, and I was interviewed this morning on WCAX. I focused on some of the good outcomes that the state has had and tied it to our efforts to better integrate our services and address the social determinates of health. Although our state faces many challenges, such as the opiate addiction crisis, we are rated the second healthiest state in the nation and we are tied with Massachusetts in having the least number of uninsured people. Our integrated services, clearly contributes to some of this success. There were only six Senators who voted against S.107, but tellingly, four of the five Health and Welfare committee members voted against this bill. We are going to err on the side of caution and work hard to ensure this bill dies in the House. Past secretaries, providers, and other colleagues are rallying against the breakup of the Agency of Human Services.

Tuesday, March 23rd, a delegation of staff from the Agency of Human Services went to Baltimore, MD in order to continue negotiations on the State's 1115 Medicaid Waiver.

CMCS was supportive overall of Vermont's planned health system transformation goals and stated their intention that Medicaid be able to participate fully in statewide reforms. CMCS partners cautioned, however, that continued improvement in eligibility and enrollment activities were required for full CMCS support. The SOV and CMCS are working through details of the Waiver model and, initially, are not aligned on expectations or assumptions, however, CMCS continues to show high level support and we are cautiously optimistic that details will be resolved as we move forward.

AHS Highlights:

Agency of Human Services Central Office:

Local Non-Profits and Developers Interested in Special Purpose and Homeless Housing

Driven in part by Vermont's more targeted priorities for people experiencing homelessness, the AHS Housing Director has received a number of inquiries this month from property owners in Montpelier, Marshfield and Weston wanting to provide special purpose housing for our clients or make their projects more competitive by setting aside 15% of units for people who are homeless.

This enthusiasm is being encouraged while we are simultaneously being cautious about commitments within the confines of the budget. Existing priorities with our tenant-based rental subsidies, and our

flexible supportive services that can be brought on-site as needed, allow us to bring stability and predictability to this type of project without pledging additional state dollars for project-based subsidies or dedicated residential staff.

In addition to these prospects, AHS will assist with reviews of three projects this month, all proposing senior housing with supportive services in Chittenden and Franklin Counties. As this is a competitive round for tax credits, we anticipate only one will receive that source of capital funding.

SSBG

At the national legislative level, the House Ways & Means Committee approved a bill that would eliminate the Social Services Block Grant program. This would have significant financial implications for AHS. Over time, this program has been on the federal reduction list before and has never been eliminated. The AHS fiscal team is closely monitoring this bill's progress in Congress and will update as appropriate. The FFY16 allotment of SSBG is \$3,095,990.

Vermont Department of Health (VDH):

Board of Medical Practice News Announcements

On March 22, the Board sent an email to all licensees with several announcements. Two upcoming Continuing Medical Education events on prescribing opioids were featured. Additionally, licensees were advised of a new tool that can make it easier for prescribers to use the Vermont Prescription Monitoring System, and asked to complete a survey regarding the Medicaid Tobacco Cessation program. Finally, physicians were asked to consider applying for the vacant physician member Board position. The message went to just over 4,000 licensees and 1,252 opened the message in the first 24 hours.

Five Year Cancer Plan Unveiled

This week the Department of Health, in partnership with the American Cancer Society, Vermonters Taking Action Against Cancer (VTAAC) Coalition, the Vermont Cancer Center at the University of Vermont Medical Center (UVMC) and area hospitals, providers, survivor groups and community partners will roll out the new *2016 – 2020 Vermont Cancer Plan*. VDH's Comprehensive Cancer Control Program Manager, Sharon Mallory, led a multi-sector plan development committee through a year-long process to create the plan's vision and write the goals, objectives, and strategies which will serve as Vermont's cancer action plan for the next four years. At this celebratory event, Speaker Shap Smith, along with Commissioner Chen, Cancer Survivor David Cranmer, and a panel of content experts from the Department of Health and UVMC will speak about the state of Cancer Control in Vermont and highlight specific initiatives included in the new plan. This event is taking place at the Capitol Plaza from 10 – 4pm on Thursday.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH remains at full census of 25, with continued admissions and discharges, despite a higher level of acuity and 1:1 staffing needs at the hospital.

Emergency Departments

This week there were 27 people in need of inpatient psychiatric beds and 21 were admitted. There is currently 1 involuntary adult and 1 court ordered adult awaiting placement. The remaining four people are waiting for voluntary beds. The acuity of the patients on the level 1 units has been high this past

week which has prevented units from being able to transfer patients to general beds. The level 1 beds and the child and adolescent beds have been running at 100% occupancy. The entire adult inpatient system of care has been running at 98% occupancy this week. The consistently high occupancy rates have negatively impacted wait times this week.

Middlesex Secure Residential

The DMH Commissioner and a BGS representative attended the Middlesex Select Board Meeting this week following notification to the adjoining neighbor that extension of the time frame for the temporary facility was requested until 2020. The Select Board expressed some concern regarding the second extension request of the timeline and the population being served by the program. The Board indicated that the Bennington States Attorney notified them of the transfer of a “dangerous” individual to the program and recommended notification to Middlesex residents of the danger present in their community. The Commissioner spoke to the board describing the population being served by the program, the number of residents successfully transitioning through the program, safety features of the program, and the positive record of the program with both the town and the adjoining neighbor overall. Both the Board and the neighbor acknowledged that there were no adverse events that they were aware of countering this description. Nonetheless, the Board was interested in having some level of assurances regarding the timeframe for “temporary”, planning activities and funding decisions that would ensure timely development of a permanent program, and the population who would be served in the future. The Board members appeared mixed in their understanding of initial assurances provided by the State in 2012 regarding who would be served by the program and asked DMH and BGS to review documents in the hopes of clarifying the agreement. No action was taken by the town on AHS’ request to extend the timeline to 2020 and they will likely take the issue up again in 2-3 months. AHS, DMH, and BGS will continue to work with the town to address their current questions and concerns.

Legislative

Senator Kitchel has asked the DMH Commissioner and Deputy to meet next week with her and the Northeast Kingdom Human Services CEO to discuss this Designated Agency’s interest in piloting some data collection, reporting, and simplified payment reform ideas. DMH plans to meet with them and listen to what new information the CEO puts forward. DMH has previously re-directed the CEO to actively participate in the ongoing Medicaid Pathways work that is being comprehensively undertaken by the AHS Policy workgroup, AHS Departments who fund DA services, and the Vermont Care Partners. The meeting agenda appears to be exploration of an alternative route in order to possibly expedite this work with NEKHS.

Department of Aging and Independent Living (DAIL):

Update: Cota’s Hospitality in Barre Temporary Receivership Granted

The Court heard DAIL’s petition regarding temporary receivership on March 21st and agreed to appoint a temporary receiver until the hearing on March 29th for a permanent receiver. Nanc Bourne, an experienced and successful residential home administrator, has been appointed by the Court and has assumed her duties at Cota’s. DAIL staff has increased periodic, unannounced visits and continues to support Nanc in her role as the licensee and “owner” of the program. Our goal for the temporary receivership is to stabilize the situation and to ensure safety for the 17 residents; the permanent receiver, if granted, will begin to assess the longer term viability, health and needs of the organization in order to determine the best course of action for residents. We are informed that the current owner, Mike Cota, has secured his own legal counsel.

Department of Corrections (DOC):

Public Hearing in St. Johnsbury regarding work camp closure.

Superintendent Al Cormier attended a public meeting on 3/24/16. The town manager requested DOC representation to answer questions about the legislature's proposal to fill the camp. Al answered general questions about the population currently and the one that is proposed. Apparently there are lingering questions the select board chair has asked to speak with me. I have indicated that the Governor's proposal remains to close the work camp but that I will provide him with any information about the legislature's proposal that I am able to.

Population:

The Department's incarcerated population averaged 1737 for the previous week. The Department's incarcerated male population averaged 1604 for the previous week. The out of state population is currently at 237. The female population averaged 133 for the previous week.

Department for Children and Families (DCF):

High Caseloads in the Family Services Division Causes Federal Sanctions

This week, DCF was informed that a financial penalty will be imposed by the federal government because the Family Services Division failed to meet national standards for monthly caseworker contact with children in DCF custody. The Division has met the standard for the last several years; however, the reality of high caseloads has prevented us from meeting those standards in FFY '16. The standard is 95%; our performance was 85%.

The financial sanction is that the federal financial participation rate for Title IV-B, Subpart I funds will be reduced from 75% to 72%. Title IV-B, Subpart I funds are spent entirely in the Child Development Division. Vermont's allotment is \$536,228. We will still receive our full allotment, however, we must either make up the difference caused by the reduction in FFP by increasing the GF to 28% or reduce our overall spending in this category. This sanction represents additional fallout from high caseloads in FSD.

Eagleton Residential School Closing

We have been informed by Massachusetts that the Eagleton School has lost their approval to operate as a school, following an investigation by several Massachusetts agencies. Currently, we have six youth placed there. Their social workers have been informed. Melanie D'Amico and Janet Dunigan are working actively with districts and with DAIL to situate these youths in appropriate settings, with a goal of moving all of them from Eagleton by early April.

Apparently, mistreatment of some young adults may have occurred. When we first learned that Eagleton was under investigation, the information available to us was very incomplete. For that reason, Janet travelled to Great Barrington to meet with all of our youth. We have no reason to believe that our youth/young adults have been subject to any mistreatment by Eagleton staff.

We are sensitive to the fact that the upcoming unexpected moves for our youth/young adults will be in difficult for them, their families and our workers. We will do our best to support good planning for them.

Department of Vermont Health Access (DVHA):

Hospital Outpatient Rates

There continues to be media and legislative attention on this issue. DVHA has delayed the implementation of hospital outpatient rate changes that were set to be effective March 1, 2016. There have been ongoing discussions with the Vermont Association of Hospitals and Health Systems (VAHHS), and DVHA is meeting with hospital CFOs on Thursday to review the methodology and assumptions used in the development of the rates. The goal is to reach agreement in the next few weeks to implement the rates as proposed or a modified version in the future.

All Payer Model

The first complete draft of RFP scope is anticipated to be complete this week. High priority decisions regarding the RFP are being reviewed with DVHA Senior Leadership and Commissioner.

Vermont Health Connect

Enrollment: The Vermont Health Connect team now manages the eligibility, enrollment, and account maintenance for more than 210,000 Vermonters (210,740 as of February 2016 between QHP, MCA, and MABD).

Legacy Medicaid Transition: The current backlog of Legacy Medicaid Renewals applications to be processed is at 4,779. VHC is in the process of identifying the population from the first two renewal groups that has not responded. Next week, VHC will mail all Medicaid providers in Vermont and border communities to update them on the status of Vermont's Medicaid renewal effort. By reminding patients to respond to renewal requests, providers will not only help drive up the renewal response rate but will also ensure a smoother experience for patients and smoother billing for themselves.

COC Backlog: As of Tuesday, VHC's rolling inventory of change requests has been cut below 4,000 (3,969) for the first time since early January. This is about 1,000 higher than the target for a sustainable work queue.

Integration: The inventory of 834 integration errors is down 45% since the beginning of March.

Call volume: Maximus on boarded additional staff this month and metrics have improved. Last week, 78% of calls were answered in under 24 seconds and the abandoned rate was less than 5%. These numbers put Maximus on track to meeting their monthly Service Level Agreements after four months of falling short.

SHOP: Contracting efforts have begun with hCentive (small business exchange vendor). Additionally, a State Innovation Waiver was submitted to the federal government on March 15 which would eliminate the need for a commercial solution.

Agency of Human Services Central Office:

Safety Training Being Held in Newport

All state staff in the Hebard building will be participating in one of four safety/security trainings taking place this Friday and next Monday. Training will be facilitated by BGS and will include members of the Newport Police and Fire Departments. We have reached out to Community College of Vermont as well as retail tenants in the building and they will participate as well.

St. Johnsbury Meeting to Review Warming Shelter and Plan for 2017

The local Continuum of Care will meet on Wednesday to review the data from this first year of Warming Shelter operations and begin planning for next year. We were given a one year permit on our current site with the caveat that we will need to provide data to the Development Review Board detailing this first year of operation.

Vermont Department of Health (VDH):

Food & Lodging Update

The VDH Food & Lodging Program is replacing a 30 year-old licensing and inspection database system. Training will be conducted next week for Public Health Inspectors on the software, which will be used to conduct food safety and sanitation inspections on a tablet in the field. This system modernization will help provide clear documentation on inspection reports, provide program efficiencies for conducting field work, and increase transparency of information available to regulated businesses and the public.

PH Statistics

Richard McCoy, Public Health Statistics Chief, was asked to visit the Passport Agency Office in St. Albans, to provide a training on Vermont birth certificates and how to identify potential fraudulent Vermont documents. The leadership at the office expressed their concerns and hopes that the State will make progress in moving forward legislation that will limit access to these legal documents.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

A new contract with UVMC has been finalized and extends through June 30th, 2018, offering general stability in physician services during this period of time. Senior leadership at the hospital met last week with over 60 staff to gather input as follow-up to the external nurse staffing consultation report. Over the next several weeks VPCCH will consider suggestions by staff, review as indicated with key stakeholders, and plan implementation strategies and timelines for changes that will improve patient and staff safety and the quality of care at the hospital.

Police Involved Shooting in Burlington

The shooting and subsequent death, following an hours long standoff with police, of a 76-year old individual served by the Howard Center, a designated community mental health agency, again spotlights the importance of both law enforcement and mental health workers having the necessary tools and options available to effectively intervene and de-escalate incidents involving individuals with mental health conditions. In the process of reviewing this event, there have been initial questions raised regarding why more aggressive interventions were not available or deployed earlier in the process that may have prevented this tragedy. Hopefully, a comprehensive review will continue to shed light on the ever present demands of our community responders to balance individual rights and protections, prioritizing treatment options that are wholly voluntary, with those of public safety in communities.

Department of Aging and Independent Living (DAIL):

Vocational Rehabilitation Seeking a Federal Time-limited Waiver for New WIOA Reporting Requirements

A new set of reporting requirements related to the Workforce Innovation and Opportunities Act (WIOA) are set to go into effect on July 1, 2016. VR has asked Janet LaBreck, Commissioner of the Rehabilitation Services Administration, for a temporary, time-limited waiver related to these reporting requirements to allow their newly procured data and case management solution to be implemented. Their current data system, built on an antiquated Legacy system, would be unable to produce the necessary data. Many states across the country are struggling with the same data reporting issues and we anticipate that others will join our request for a temporary waiver. We have made our Congressional delegation aware of this request.

AHS Collaboration Around Proposed Adjustments to Act 158

Act 158 is an act relating to commitment of a criminal defendant incompetent to stand trial because of a Traumatic Brain Injury (TBI). The Act is set to implement on July 1, 2017 but, as it stands, would require significant fiscal resources, staffing support and the development of both a secured, residential short term facility and a community provider system unable to refuse to serve referred individuals. DAIL issued a report to the legislature in April of 2015 recommending against implementation but received no response from the legislature. Based on the impact of the Act across both DMH and DAIL, the AHS Secretary's Office is working with the two departments to draft a memo to the legislature detailing our concerns and offering next steps.

Department of Corrections (DOC):

High Risk Law Enforcement Notification

Ryan Berte (DOB 6/13/1989) will be released on furlough status on 3/28/2016 and will be supervised by CSS Wells out of the Barre office. Berte's case was staffed at the central level on 3/23/2016 and was approved for release to an approved residence. Berte will be residing at 3 Hubbard St, Apt 1 Montpelier. This residence is transitional housing through the Montpelier CJC. Berte will participate in the COSA program upon release. The residence was run through the "Bright Futures" website and there are no registered day cares in the area. Berte will be released compliant with facility treatment as he will be completing in house programming at the end of the week. Berte will participate in community Sex Offender Programming upon his release. CSS Wells has distributed the law enforcement notification on March 4th, 2016 in preparation for Berte's release into the community.

Public Hearing in St. Johnsbury regarding work camp closure.

Superintendent Al Cormier attended a public meeting on 3/24/16. The town manager requested DOC representation to answer questions about the legislature's proposal to fill the camp. Al answered general questions about the population currently and the one that is proposed. Apparently there are lingering questions the select board chair has asked to speak with me. I have indicated that the Governor's proposal remains to close the work camp but that I will provide him with any information about the legislature's proposal that I am able to.

Population:

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Department for Children and Families (DCF):

- Sarah

Child Support Computer System Allows Issuance of Fraudulent Child Support Payments

The state is facing the prospect of being mandated to release up to \$335,000 of child support currently being held by the Office of Child Support (OCS) due to suspicious federal tax refund offsets.

Fraudulent offsets occur when an unknown party steals someone else's social security number and then files a fraudulent tax return using a false address or banking information. The fraudulent tax return results in a federal tax refund being directed to the perpetrator's bank account or a prepaid card. If, unknown to the perpetrator, OCS has certified the child support arrears of the real owner of the social security number to the IRS for collection, the federal tax refund will be intercepted by OCS for past due child support owed by the real SSN owner.

Up until now OCS has been allowed to hold these refunds indefinitely while the IRS investigates potential fraud. However, the federal Office of Child Support Enforcement just published an Action Transmittal requiring the release of these monies to the custodial parents if they are not reported for investigation to the IRS. Due to the lack of a computer interface with the Federal Parent Locator Service (FPLS), OCS is unable to report these suspicious offsets to the IRS which prevents them from starting an investigation; therefore, OCS is obligated to disburse the intercepted refunds.

Currently, Vermont OCS is the only state in the country without computer connectivity to the federal FPLS Portal. This means the IRS could potentially recapture up to \$335,000 from the state in intercepts that may be fraudulent.

In addition, OCS is experiencing a greater than usual number of system errors with the Mainframe ACCESS system. The system errors involve numerous aspects of the child support disbursement processes and, as a result, monies are being misdirected to the detriment of the state budget. OCS has estimated one system issue to have cost reimbursement to the TANF program approximately 25% (\$55,000) of recovery for the month of February. There is reason to believe this issue predates February and continues to be an issue at the present time. OCS has also lost approximately \$125,000 since 2012 in funds recalled from the IRS due to malfunctioning programming within the Mainframe.

Given this new requirement OCS will be re-prioritizing their computer programming priorities to try to avoid any additional losses.

Vermont Foster Care Annual Conference

The Vermont Foster and Adoptive Families Association (VFAFA) held their annual conference last weekend in Burlington. The conference focus was on healing, following trauma. The Friday institute presented by Laura VanderNoot, author of Trauma Stewardship, was well-attended and well-received. About 350 people attended the weekend conference. Dr. Aron Steward, clinical director at Woodside, gave the keynote on Saturday morning, reinforcing some of the same themes.

Commissioner Schatz and Deputy Commissioner Walcott attended the traditional "Open Forum" which gives foster and adoptive parents a place to ask questions and express concerns about any aspect of their experience. This was also very well attended. Not surprisingly, DCF Family Services has a list of issues for follow-up.

Department of Vermont Health Access (DVHA):


Legislative Testimony

On Wednesday, Aaron French, Deputy Commissioner, testified before the House Committee on Human Services regarding legislation to establish and regulate dental therapists.



219 North Main Street, Suite 402, Barre, VT 05641
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**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: March 25, 2016

Emerging Issues

CTE Grant

Embargoed information-- confidential until March 31

With your help, a month ago we applied for a competitive grant that would provide \$100K for six months, followed by upwards of \$650K for subsequent years, to hire a consultant to facilitate the programs of study work for our Career and Technical Centers' priority economic development sectors work. We were just notified that awards will be announced next week, and VT was selected as a recipient. This is **embargoed information**, but good news! This work will involve CTEs, the Department of Labor, ACCD, postsecondary partners, and business/industry partners. We are focusing on healthcare sciences and manufacturing in our initial areas of attention. The goals include development of more rigorous curriculum in priority sectors and increasing post-secondary attainment by CTE students.



State Plan for Every Student Succeeds Act (ESSA) - the new federal law that provides all our money

We are required to develop and file a state plan for how we will operate under the new law. Our goal is to have this to you for signature by November or December. We have begun collecting feedback from the field related to ESSA. Respondents can provide information and register to participate in input sessions here: https://www.surveymonkey.com/r/ESSA_Public_Interest_Survey

We are currently pursuing two sets of questions:

1. What improvement supports should the AOE provide to supervisory unions and school districts?
What improvement supports should supervisory unions and school districts provide to schools?
2. What measures should Vermont use when measuring school performance as a part of a federal accountability system?

Amazon Open Education Resources Repository

Amazon recently announced the creation of an "open education resource site" with "hundreds of thousands" of Open Education Resources. We plan to participate. Each State was invited to have a portion of the portal devoted to their own state content in OER where educators could contribute,

share and collaborate within the site with other in-state colleagues as well as the larger global audience.

Primary Value: Although Amazon is a large multi-national corporation, Vermont could benefit from a tool such as this for collaboration amongst educators. The Open Education Resources movement is upon us, Federal entities have been moving in that direction and we should position ourselves in that realm as well. We want to take advantage of this opportunity to develop and give access to the widest variety of content we can provide to schools, teachers and students.

Secondary Value: Vermont is also fiscally strapped and cannot afford to create this resource on our own. We had to close down our analogous but more primitive site, Vermont Education Exchange (VE2), due to budget constraints. Since the demise of VE2, there continues to be a need to create a common "platform" that all education entities can use and collaborate within. The Amazon platform will NOT replace all of the functionality of VE2, but it could provide one prong of a desired two-prong approach at getting Vermont educators some common collaborative online space.

Key Question 1: What is in it for Amazon?

The Amazon representative stated that Amazon is doing this as a service to public education, but that it hopes that educators will use Amazon's other services to print and build materials for dissemination in the classroom. For example, he said Amazon envisions a teacher "mixing" a number of resources and then creating them in one "book" or artifact. Amazon print services could have that in print form for a classroom very quickly and efficiently. The other piece for Amazon is simply name recognition and a way for Amazon to be tied directly to public education.

Key Question 2: Why does this make sense for VT?

In our fiscal situation, we need to rely on a solution that is

- Fairly seamless for our schools to use
- Free, or otherwise low in cost



H.562/OPR bill-- urgent

H.562, Section 1 transfers a (constitutional) legislative oversight function of the legislative branch to the sole purview of the Secretary of State, through an expansion of the powers and duties of the Secretary of State/Office of Professional Regulation. This would offend the separation of powers doctrine. See [Vermont Constitution, Chapter II, § 6](#). (Section 2 provides that "the Supreme Legislative power shall be exercised by a Senate and a House of Representatives.") More importantly, the proposed law encroaches upon the Governor's (supreme) governing and executive powers at Ch. II §§ 1 and 3 of the Vermont Constitution, because the power of the Secretary of State to review a licensure entity would be expanded within or without its "jurisdiction"; whether or not OPR acts as the administering office of the particular licensing entity, including agencies and departments of the Governor's Administration, not currently subject to any oversight by the Office of Professional Regulation. **This represents a serious erosion of the Governor's and his cabinet's ability and authority carry out our jobs.** Concretely for AOE, this would mean that OPR would take on a direct oversight role of the Agency and the Vermont Standards Board for Professional Educators, to which the AOE provides administrative services. OPR would be in the position of reviewing the very regulatory bodies for which it provides administrative services under its statutory powers and duties, which is an obvious and inherent conflict of interest. To advance this bill, SOS has been attacking us

by claiming our practices are unlawful, even though they have explicitly been endorsed by the legislature and in place for over 14 years. Because the bill generalizes to all regulatory entities and does not mention any Agency by name, we were unable to provide testimony in House Ed and are unsure Ann Cummings will be able to address it in committee. Justin and Sarah have details.

Justin
✓

We need urgent help with an alternative to EAs that is consistent with concerns of the auditor but makes it possible to do work

One of the many audits we have had, complained that 80% of our “contracts” were not bid. A reality is that this 80% represents only about 20% of our contract dollars, and many of these are actually stipends for educators that only amount to a couple of hundred dollars. We have frozen this process because of the complaints and change in administrative policy, but this lack of EAs is crippling us. We just do too much work by hiring teachers for piecework. This week alone, we can't move forward on peer reviewers for licensing reviews, stipends for the federal ESSA mandatory public participation groups, and trainers for the assessment tool that is a critical part of the ESSA grant. We can't hire them as contractors because they are not set up as businesses, and it is awkward to hire folk as temps when they are putting in at most a few hours here and there over an extended period. We also feel we are spending three hundred dollars of staff time for every \$200 we try to pay out. We desperately need some guidance from folks upstairs on how to move forward. **Without EAs, we are struggling to do required work, and may end up jeopardizing some grants, including the Race to the Top Grant, which specifies that we will use teachers to do this work. Any help you can give would be so appreciated.**

Media Contacts:

Katy Savage, Vermont Standard: Asked to speak with someone about AOE teacher salaries and the annual salary reports. She was provided a report and asked to clarify the kinds of questions she had. She later asked about unequal pay across districts, specifically if there is anything being done at the state level to address two teachers with the same experience receiving different salaries based on the town they teach in. Stephanie informed her that the AOE is not involved in educator labor relations and referred Katy to the Vermont School Board Association and the Vermont NEA.

Ken Picard, Seven Days: Ken asked to speak to someone at the AOE about the kind of anti-bullying work schools are doing. He was working on a story about a Vermonter with a mixed-martial arts background who is going around the country doing anti-bullying presentations. Haley Dover provided him the recently revised and released model policy on prevention of Harassment, Hazing and Bullying, and referred him to Greg Glennon for any specific legal questions on the subject. She also referred Ken to several people in the field, including Bill Olsen (principal at Rutland HS), Rick Dustin-Eichler (principal at the Dothan Brook School) and Jon Kidde (Restorative Justice).

Sam Gale Rosen, VPR: Sam called about a show for Wednesday on the push to change how special education works in Vermont. Bill Talbott went into the Montpelier studio to discuss special education funding.

Amy Kolb Noyes, VPR: Amy emailed Secretary Holcombe wanting to talk about school districts that are considering becoming independent schools rather than merging with neighborhood districts under Act 46. Stephanie provided Amy with the correct state statute and explained that school

districts cannot operate independent schools, which are private corporations. She also provided links for clarification. Amy still asked to speak with Secretary Holcombe sometime on Thursday.

Jon Margolis, VTDigger: Reporter emailed asking to talk to an expert on vocational education in Vermont. He wanted to know what vocational specialties are offered in the state, and to confirm whether Vermont offers a place to study HVAC technology. He also wanted to talk to an expert about secondary school counseling and helping kids plan for post-secondary education, either academic or vocational. Stephanie provided a link to CTEs by location. Jay Ramsey spoke to Jon about career technical education, the tech centers and electrical/HVAC programs.

Kyle Midura, WCAX: Kyle came in to interview Secretary Holcombe about the resolution passed by the State Board of Education regarding universal pre-k and dual enrollment.

Todd Wallack, Boston Globe: Todd emailed asking about reporting requirements for schools in the state where a student complains he/she has been abused by a teacher, administrator or other school employee. Stephanie was working on getting some information for him. Greg Glennon may be looped in as well.

Erin Mansfield, VTDigger: Erin called about an investigative piece on Medicaid and wanted to talk to someone from the AOE about how the AOE uses the money that it receives from Medicaid. She was referred to Nicole Tousignant.

Mike Hebert, VTDigger, The Commons: Mike emailed asking for a response to a record request he said was filed by Representative Mike Hebert, who is also chairman of the Vernon School Board. We have yet to receive a request and will craft a reply to send to Mike.

Ryan Jenot, Lyndon State College News 7: Ryan called asking about how lottery funds are used once they are put in the Education Fund. It was explained to him that the AOE doesn't have much control over the funds and that once the money is in the fund, it is blended with the other \$1.5 billion of fund sources. He then asked to speak to someone about how the Education Fund is dispersed. He was provided with several resources for background. If he has further questions Bill Talbott will speak to him.

Josh O'Gorman, VT Press Bureau: Josh called to follow up on the resolution passed by the State Board of Education regarding universal pre-k and dual enrollment. He wanted to know how many people are participating in dual enrollment and what the timeline is on the roll-out of universal pre-k. Secretary Holcombe answered Josh's questions about pre-k at the State House, and Josh was provided the legislative report for dual enrollment.

Chuck Pizer, VT PBS: Chuck called to find out if we could include information about PBS' free offerings to teachers in the AOE's weekly bulletin. He was told we can add it as a courtesy posting and promote it on social media.

Josh O'Gorman, Rutland Herald Times Argus: Josh is writing about the SBE memo. I emphasized that we are in early implementation and need to not lose sight of the critical goals. If as we implement changes are in order, we will work with the SBE to tweak but need to see the data first.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, March 25, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

VSP Police Cars

I met with Senator Kitchel regarding Senator Mazza's desire to take funding from the VTrans budget and create a VSP vehicle replacement fund. Senator Kitchel's plan is to remove \$1.5 million from VTrans budget and add it to the \$800,000 the Department of Public Safety has for vehicles to create a \$2.3 million vehicle replacement fund. I'm working with Senator Kitchel to make this happen and don't anticipate any issues. This does mean a permanent loss of \$1.5 million from our budget in the out years.

Brattleboro Bridge

I'm planning on sitting down with the Brattleboro Reformer on April 14 to discuss the bridge project and the fact that the contractor is not going to meet the revised completion date of December 2016. The new date I will indicate will be late spring or early summer (our tentative agreement with PCL has a completion deadline of June 30 but I'm not making that public until FHWA approves of the agreement we have negotiated). We are providing a \$200,000 grant to the town to assist them with the wear and tear on the local roads when we have been forced to divert interstate traffic through their town due to the project. I'm not sure if I will mention that to the paper and would appreciate some guidance from you whether you want me to mention that grant. The only downside is whether it creates expectations in other communities who are similarly impacted but I think this is a unique situation so I'm leaning towards mentioning it. We are going to offer the reporter, the selectboard Chair, the Town Manager and the DPW director a tour of the construction site and take them onto the bridge.

Legislative Climate Caucus

I gave a presentation on Vermont's role as one of the leadership states working on a regional cap and trade policy, similar to RGGI, with NY, DE, CT and RI through the Georgetown Climate Center's, Transportation Climate Initiative. Many of the members were unaware that we were involved in this activity and were pleased to hear that VT is

taking a leadership role and you are committed to a regional solution. I explained the goal for the next seven months is to develop broad consensus on an approach and then begin filling in the details once the next administration comes into office.

Burlington – Railyard Enterprise Project

Deputy Secretary Tetreault and I met with Mayor Weinberger and his staff to discuss the REP and our proposal to not fund it with federal funds but instead develop a sharing ratio between the State and the City of state and local funds. We expressed our concern of an extended EIS process with millions being spent with no guarantee that the project will be built or if approved by FHWA might entail demolishing building to avoid other resource impacts. The Mayor was intrigued with our proposal which would avoid the federal permitting process and give greater certainty to the project being built within his time as Mayor. He will get back to us in a couple of weeks.

Burlington – Dirty Dirt

The Mayor expressed some concern over the rulemaking process underway at DEC regarding lightly contaminated soils and especially how they impact highway transportation projects like the Champlain Parkway. I indicated I shared his concerns and would speak to others in the administration who might have similar concerns.

Rutland to Burlington Rail Stations

Federal Civil Rights regulations require new passenger rail services on state or publically owned rail lines to construct high level platforms for individuals with disabilities to board the train level with the passenger cars. There is a waiver process states can request from this regulation and I believe Vermont should apply for such a waiver from the Federal Railroad Administration. The Federal Railroad Administration sent us a high-level platform waiver template to use as a guide if we decide to pursue a waiver. It consists of a narrative that is used to justify the need for a waiver and detail how we plan to accommodate persons with disabilities (i.e. lifts). In our case, there is insufficient room at the Burlington station to build a high-level platform without having to relocate the existing bikepath and limit other uses in the vicinity of the station. Waiver decisions are made by the FRA (including its office of civil rights), and any request for a waiver should be coordinated with the Governor's Office and the Congressional Delegation.

NOTES FOR STAFF

Vermont Legislature

- Bills VTrans will continue to follow in the Senate:
 - H. 876 -TBill was voted out of House Transportation on 03/18 and is expected to go to the floor the week of 03/28.
 - H. 854 Timber Trespass
 - H. 552 Endangered Species
 - H. 571 DLS Bill

- H. 560 DUI Bill
- Transportation Funding Bill
- S.1 – Likely to be amended to the T Bill – allows towns to place signs referring to census designated places
- H. 249 – RPC Inter-municipal Service Agreements
- Bills VTrans will continue to follow in the House:
 - S. 225 DMV Misc. Bill – HTC has taken testimony throughout the week
 - S. 155 This bill proposes a number of measures to enhance privacy protection and includes the following: to establish a private right of action for a person whose protected health care information is improperly disclosed; to establish regulations for the use of drones; to restrict the use of automated license plate recognition (ALPR) systems; and to protect the privacy of electronic communications.
 - S. 241 - An act relating to the regulation of marijuana
 - ½ Ac. Threshold on Stormwater Permitting – anticipated to be attached to an active bill

Fair Haven Welcome Center Solar Project: On March 22nd VTrans met with FHWA for the final time and tied up loose ends regarding lease language and the FHWA required fair market value assessment. Final FHWA approval is expected later this week.

Shelburne Salt Shed

— Sarah

Just a heads up that the attorneys for the Town filed a records request with VTrans for any communication and other pertinent materials regarding the VRS salt shed project.

Vergennes Truck Route Bypass

TAC engaged in a lengthy discussion of the proposed Vergennes Route 17/22A Northern Bypass study and ultimately voted to not support the proposal as it now stands and instead pursue an update to a 22A Northern Bypass Alternatives Analysis as recommended in the transportation section of the ACRPC regional plan.

Aviation

The State airplane remains in maintenance. The repairs during the annual inspection included an engine monitor, engine cylinders, and wing repairs. The engine was put back together over the weekend and a run-up was performed. The mechanic is hoping to return the aircraft to service by the end of next week.

Middlebury state wetland permits is taking longer than anticipated. In lieu of holding up the Act 250 hearing scheduled for April 6th, it was decided to remove the tree clearing from the permit submission. This will give ANR time to review and issue the permit and allow Aeronautics to move forward with the runway and taxiway permit. Over the summer, ANR can work on the wetlands permit for the trees as the trees would not have been removed until next winter.

Bennington Economic Development Corp is asking for a limited service FBO agreement. The current agreement is cost prohibitive as they are requesting \$84,000 per year to cover expenses, requesting the State purchase fuel and they sell it, and that the State still maintain the entire airport with our temporary employee. Senator Sears and Mazza are now involved and this proposal represents bad policy for the State and is in essence a giveaway of state funds. I will be meeting with the Bennington Senators and Senator Mazza to explain we don't support this proposal and why. A conference call is scheduled for March 24th to discuss this draft agreement.

QResorts at Newport met with Aviation to discuss the Porsche Rally which is scheduled for June 21-23. The runway will be closed for construction of the parallel taxiway so there would be no operational impacts to the airport during the event. Two things need to happen: First, QResorts is drafting an agreement for the event to include crowd and traffic control, payment to the state, "put-back" clause, etc. Second, Aviation will review the agreement with FAA Compliance Officer to ensure compliance. The agreement would then go to our Assistant Attorneys General and the Secretary for execution. Goal is to have draft agreement by April 15.

Colchester HES NH 5600(14) (I-89, Exit 16, Diverging Diamond Interchange; Improvements to US 2/7) – Act 250 Hearings

Three main points: (1) Vallee/Maplefields submitted extensive comments to ANR/DEC on the draft stormwater permit for the Exit 16 project, (2) Act 250 hearings on the Exit 16 project likely will resume in early May, and (3) Act 250 and zoning permit appeals for nearby Costco expansion project are up for oral argument next week during the Vermont Supreme Court's annual "road show" at Vermont Law School in South Royalton.

Construction

We have 6 active work zones; 5 bridge, and 1 rail. We anticipate 80 contracts active this construction season.

Legal

On March 23, Chief VTrans AG wrote warning letters to J. Michel Guité, president of Vermont Telephone Company, Inc. ("VTel") over VTel's failure to comply with Utility Relocation Orders. In both instances, the electrical utility (the pole line owner) has relocated the pole lines; however, VTel (which is an attaching utility) has not moved its facilities to the new poles, which means that the old poles can't be removed. Because the Rockingham project involves a class 2 town highway, actual enforcement action will require coordination with the Town of Rockingham and its legal counsel.

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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: March 25, 2016
Subject: ANR Weekly Report

Governor Level Issues:

FEMA Denial of Roxbury Fish Culture Station Rebuild: Staff received an appeal response from FEMA National Headquarters regarding the funding of the Roxbury Fish Culture Station through the FEMA Public Assistance “Codes and Standards” funding route. FEMA denied the State’s National Headquarters appeal for funding to build a modern, discharge compliant Roxbury Fish Culture Station citing that Tropical Storm Irene was not the trigger that necessitated the rebuild of the facility but rather the US Clean Water Act was the trigger for the rebuild; therefore, the Roxbury Fish Culture Station rebuild was not eligible for an upgrade under codes and standards funding. Regardless, a small amount of FEMA Public Assistance money is available for the Roxbury FCS rebuild. In order to receive the FEMA funding VTFWD must enter into FEMA’s Environmental and Historic Preservation (EHP) process. This process includes an Environmental Assessment (EA) and consultation with federal and state historic preservation offices. This FEMA funding coupled with an anticipated capital funding request for FY17 and FY18 are expected to pay for the modern, discharge compliant upgrade for the Roxbury Fish Culture Station rebuild. It is anticipated that (without any unforeseen delays) contracting for reconstruction will begin July 2016.

Legislative Issues/Testimony:

DEC Senate Overview: SNRE walked through a number of DEC bills last week, including **H.248** (making miscellaneous amendments to comply with the Clean Air Act), **H.674** (requiring operators of wastewater treatment facilities to provide notice when sewage is discharged from combined sewer overflows), **H.531** (requiring inspection and “red tagging” of non-compliant above-ground fuel tanks),

H.608 (exempting Green Up Day from recycling and landfill ban requirements), **H.625** (extending the exemption from encumbrance on title of properties subject to a pre-transition stormwater permit), and **H.595** (allowing single-family, owner-occupied, homes to draw drinking water from lakes if permit is obtained). We are waiting to find out whether the committee will move forward on any or all of these bills.

Stormwater Utilities: On Tuesday, March 22, SNRE took testimony from Secretary Chris Cole and Commissioner Alyssa Schuren on a proposal to provide a 40% credit to VTrans for fees paid to municipal stormwater utilities (Williston, South Burlington, Colchester). Both VTrans and DEC support this proposal.

Drinking Water & North Bennington: SNRE and HFWW took testimony on the situation in North Bennington and, more generally, toxins in drinking water. Committee members have expressed interest in moving forward legislation that would respond to the discovery of PFOA in private drinking wells.

H.610 – Clean Water State Revolving Fund: Following a report by Rep. Browning, the House passed H.610 on a voice vote on Fri, March 18th, with no interrogation. This bill would modernize and simplify DEC's revolving loan programs; expand the types of projects eligible for CWSRF loans consistent with federal law; consolidate three grant programs (combined sewer overflows, dry weather flows and wastewater treatment facilities) into one program; adopt a single priority system for both grants and loans; and mandate a study to evaluate CWSRF loans to private entities. Jeff Wennberg, Public Works Director in Rutland has mis-stated several times in the press that this bill would eliminate the CSO grant program. In fact, CSOs would be eligible for grants up to 35% of the project cost, compared to 25% under existing law.

H.562 – Office of Professional Regulation – Licensing of Wastewater Treatment Facility Operators and Septic Designers: This bill is on the House floor this week, makes general revisions to the Office of Professional Regulation and, in addition, transfers the licensing of septic designers and wastewater treatment facility (WWTF) operators to the Office of Professional Responsibility. DEC worked closely with the Secretary of State's Office to draft the bill sections related to septic designers and wastewater treatment operators. Both septic designers and WWTF operators would have their own three-member advisory board, and one member of each board would be an appointee of the Agency of Natural Resources. The Department anticipates an active role in the training and examination of septic designers and WWTF operators, with less administrative burden.

Capital Adjustment: DEC has asked the House Corrections & Institutions Committee to allocate \$2.0775 million towards the six municipal pollution abatement projects that received only partial state grants last year. The FY16 Capital Bill funded these six at roughly 6% of the maximum grant allowed by statute. By allocating an additional \$2.0775M to these six projects, the State would be providing approximately 43% of the maximum grant allowed by statute, leaving a balance of approximately \$3.1 million to complete those 6 grants. This includes four CSO projects (Rutland, St. Johnsbury, and two in Springfield); a wastewater treatment facility project in Brattleboro; and a sewer extension in West Windsor.

Earlier this week, the Corrections & Institutions Committee asked DEC's Eric Blatt for information about the balances in the Water Source Protection Loan Fund (Federal monies, \$202,991); and the Vermont Pollution Control [Revolving Fund](#) (state monies, \$496,147). These funds have been inactive for over a decade. DEC will suggest that the federal monies in the Water Source Protection Loan Fund be transferred to the Drinking Water State Revolving Fund; and that the state monies in the Vermont Pollution Control [Revolving Fund](#) be directed to the six pollution abatement projects listed above.

FY16-17 Capital Bill Adjustment: Commissioner Snyder and Craig Whipple, Director of State Parks provided testimony to the Senate Institutions committee.

H.355: This bill, regarding licensing of foresters, was taken up at the Senate Government Operations committee this week. Commissioner Snyder testified.

Forestry Bills: These bills (H.851, H.852, H.854, H.855, H.857) were on the Senate Natural Resources and Energy committee agenda this week; Commissioner Snyder provided testimony.

Press Issues/Releases:

North Bennington Drinking Water: Stories have been running on this topic on a routine basis. DEC is in close contact with the Governor's office on these stories.

Fish & Wildlife Press Releases: It's Time to Remove Bird Feeders and; VT Trout Season Opens April 9 - Mild winter could mean hot start to the season.

Significant Events/Meetings:

Brandon, Leicester, Sudbury, Goshen (BLSG) Mosquito Control District: DEC staff met with the BLSG Mosquito Control District regarding compliance issues under their NPDES Pesticide General Permit. Staff have been working to coordinate, to the extent possible, the compliance measures required for the District's larval control program, administered under a permit and grant contract from the AAFM, to reduce the duplicative burden on the District. It was a cooperative conversation. The District seemed to understand its obligations for the 2016 control season.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Policy (OPP)

Middlebury Airport Expansion: ANR and VTRANS continue to discuss the timing of Act 250 proceeding related to a runway expansion at the Middlebury Airport and if/when VTRANS can address issues related wetland and T/E Bat impacts. There is an Act 250 hearing scheduled on the project for April 6th, but substantial natural resource issues remain unresolved. VTRANS filed a state wetlands application last week, but the review process is not complete and the

program has concerns regarding the extent of proposed wetland impacts. A meeting between VTRANS and ANR program staff is scheduled for Tuesday, 3/29, to continue working through issues with the goal of resolving them prior to the Act 250 hearing.

VELCO PV-20

ANR and VELCO are working to resolve remaining issues regarding VELCO's PV-20 under-lake transmission line upgrade project with the goal of entering into a stipulated agreement prior to the deadline for ANR testimony in mid-April. Staff met with VELCO and their consultants on Wednesday, 3.23, to continue discussions of how to manage potential water quality impacts associated with the construction of a set of new transmission lines and the removal of existing infrastructure, including potential impacts to the deep water intake for DFW's Ed Weed hatchery in Grand Isle.

New Applications

Week of March 14th, OPP received 3 new Act 250 applications and 3 new Section 248 petitions.

Environmental Conservation (DEC)

North Bennington PFOA Groundwater and Geology: DEC's Geology Division is coordinating work with Bennington College to collect accurate locations (GPS) of water wells (tested and untested) and link as many water well records as possible from the drinking water well database to the GPS locations. DEC has developed a series of maps with well data and geology, but considerable field data needs to be collected in order to interpret groundwater flow paths and contaminant transport, interactions between groundwater and surface water, and transport through different types of surficial materials into the underlying fractured bedrock.

Stormwater Program, Stormwater Manual Update: The program held a public stakeholder, pre-rule meeting on our draft manual. This was held at the Pavilion on March 15 and was attended by 65 individuals including engineers, environmental NGOs, and municipal representatives. The feedback was generally positive, although we expect additional comment from both consultants and environmental interests. An additional internal stakeholder meeting is scheduled for next week. We are also taking public comment through April 15. Following the comment period, we will make any final revisions and proceed to rulemaking to adopt the new manual.

Fish & Wildlife (FWD)

Fishing Activity: Numerous shore anglers were checked along the CT River and Champlain shores. It has been a slow start to the crappie season but good bites aren't far away. Some ice anglers in various parts of the state are still out there despite the unpredictable ice conditions. Violations detected included fishing under revocation, license issues, short fish, boating and access area issues.

Bear Den Work: Staff worked three bear dens of adult females that are collared as part of the Deerfield Wind Black Bear Study. The lack of snow has made den work this year difficult but

staff have had some good help from the USFS and from headquarters. Many bears are already out of their dens and some are involved in conflict situations, including at a development complex in West Brattleboro (Westgate) where multiple bears are getting unsecured garbage and may have been doing so in past years as well. Staff did a recon of the situation and will pressure project owner to install a centralized collection point for the garbage and bear-proof dumpsters.

Lampricide on the LaPlatte River: Staff met with USFWS Lake Champlain sea lamprey control staff and a consultant hired by USFWS to perform a hydrodynamic modeling study to predict lampricide plume transport from the LaPlatte River into Shelburne Bay. The LaPlatte River is being proposed for a first time lampricide treatment to control a growing larval sea lamprey population, and the plume modeling study is necessary to delineate a treatment water use advisory zone, and also to determine if the Champlain Water District intake near the mouth of Shelburne Bay could potentially be exposed to low levels of lampricide. The Champlain Water District is a public water source for portions of nine towns in Chittenden County. We discussed the results of preliminary runs of the model and selected a suite of environmental scenarios (winds, river flows and lampricide concentrations) to be modeled that would cover the expected range of conditions that may occur during a treatment.

Forests, Parks and Recreation (FPR)

Ski Area Meetings: Annual winter ski area meetings will wrap up this week with Monday's meeting with Killington. We met last week with both Jay Peak and Bromley. While lift ticket revenue at Jay Peak is down from last year, their overall revenue is only down slightly from last year, due primarily to the popularity of their indoor water park and skating rink. The loss of lift ticket revenue has hit Bromley harder as they do not have other winter amenities or attractions. Bromley will likely close for the season this week.

Land Transactions for New Parks: The donation agreement for the Davidson donation (For a new park next to the Hubbardton Battlefield) has been signed and we now expect to close on this donation later this spring. Hazardous waste cleanup at the Muckross property in Springfield has been completed and the Phase I Environmental Site Assessment will soon be updated. We are working closely with the Kunin family to finalize closing details and hope to close on the Muckross donation later this spring.

Vermont Days: Planning is underway with our partners for Vermont Days scheduled for the June 11-12 weekend. The popular annual event highlights free day admission to state parks, the historic sites and the Vermont Historical Museum. People can also fish without a license on June 11.

Horse Council: FPR staff are meeting with representatives of the Vermont Horse Council this week to continue discussions about advancing equestrian interests on state lands.

Spring Fire Season: Warm weather and lack of snow have contributed to an early spring fire season with a few grass fires reported in the last week. Fire staff are beginning to conduct fire department trainings.



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

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: March 25, 2016
Subject: Weekly Report

Priorities:

A contractor has been selected to reinsulate the heating/cooling piping throughout headquarters. Background checks have to be conducted on the employees who will be performing the work. Work is scheduled to begin on April 4th and it is unclear at this time exactly how long this will take. This is intended to be the final phase of mold remediation.

CJS

Forensic Lab -

All 24 existing lab positions currently filled; 1 analyst currently training in Alcohol and another 7 cross-training in Latent Print analysis; 1 DNA analyst out on parental leave & another will be leaving in July for Grad School

DNA Instrument Service/Maintenance (2 year contract) ~\$15,500 [with vendor for review].

Temperature monitoring system (2 year contract) ~\$20,000 [with vendor for review].

Backlogs (as of 2/29/2016):

- Blood Alcohol (0)
- Drug Chemistry (769)
- Serology (60)
- DNA (casework) (161)
- DNA (CODIS) (155)
- Firearms (37)
- Latent Prints (467)
- Arson (1)

Issues continue with the Lab building BGS has met with contractors to evaluate the problems with the air handling system. Snorkels/hoods/bio-cabinets are inoperable/unsafe to use when air handling is down. A report is supposed to be forthcoming. BGS is also working on lighting issues (sensors, switches, bulbs, amounts, etc.).

NARCAN training was conducted with staff to address response for accidental exposure.

Testimony in House Transportation on regarding saliva testing in DUI cases.

OTM -

We are working with SEARCH to enhance the VJISS system to support NIBRS (National Incident Based Reporting System) and Nlets reporting requirements. This is done in compliance with the Uniform Crime Reporting (UCR) Program, of which NIBRS is a part. UCR is a city, county, state, and Federal law enforcement program under the FBI. This program provides a nationwide view of crime based on the submission of crime information by law enforcement agencies throughout the country. Nlets is the premiere interstate justice and public safety network in the nation for the exchange of law enforcement-, criminal justice-, and public safety-related information. Nlets, is a private not for profit corporation owned by the States that was created over 45 years ago by the 50 state law enforcement agencies. The user population is made up of all of the United States and its territories, all Federal agencies with a justice component, selected international agencies, and a variety of strategic partners that serve the law enforcement community-cooperatively exchanging data.

SevenDays publication and WCAX are interested in following up on the crime reporting capabilities of VJISS doing a report on the accomplishments of the VJISS Project. Anything contemplated will be run by Scott Coriell first.

The lack of a GIS capability at DPS is nearly a debilitating factor toward many initiatives. With no position for this we are considering options from ACCD and AOT. Discussions are ongoing with both agencies.

The VSP pilot project for In-Vehicle and Body Cameras continues.

VCIC -



Michele Childs inquired (3/23) about disqualifying offenses in relation to the Medical Marijuana Program (caregivers and employees of dispensaries). Representative Grad (House Judiciary) has asked for how the list compares with other statutory guidance of this nature. Outside of the Marijuana Program, VCIC does not actually complete fitness determination some examples might be Education, Banking, and Professional Regulation. A response is actively being crafted and coordinated with legal.

A tentative training has been scheduled for the annual State's Attorneys summer retreat to discuss matters relating to Sex Offender Orders and the registry at large. Given the relevance of this topic an additional outreach may be made relating to the summer judicial training held at approximately the same time.

DEMHS

DEMHS staff continue to support the DEC response to the Bennington water contamination incident through technical and planning assistance.

State Hazard Mitigation Planning and Policy Committee met. Topics included discussion of how to prioritize projects submitted for Pre Disaster Mitigation.

Public Assistance Team had a conference call with FEMA Region 1 to review status of all open PWs. Recent focus is on documentation of Category Z management costs for post-Irene disasters and close-out of smaller open disasters.

Hazard Mitigation Team had a conference call with FEMA Region 1 to review status of all pending HMGP applications. Specific discussion focused on Hartford's Quechee acquisition site redevelopment plan, which needs to be approved by FEMA soon or else Hartford's matching grant funding will expire.

VT ALERT initial presentation provided to the town of North Hero on 3/21/16.

Alternate EOC public and secure networks were tested successfully on 3/18/16.

VT Digger attended spring flood/emergency preparedness forum in Brattleboro.

Vermont Public Radio called to inquire about weather risks in the springtime - particularly with limited snow cover and runoff. Directed Producer to ANR Wildfire Coordinators and National Weather Service. DEMHS will be consulted on all-hazards planning.

Fire Safety

The Division received \$21.7 Million in new plan review construction valuation collecting \$120,000.00 in fees.

The security work at the Springfield Regional Office should commence soon as the contract is in place.

Reported carbon monoxide incident in Underhill/Jericho with fatalities.

Todd Cosgrove is still out due to the motor vehicle, but slowly feeling better. Randall Bronson is helping us.

Vermont State Police

A Troop

FF

14 Total Arrests, 5 DUI

Head on collision from previous weekend involving a state fire truck resulted many interviews to determine if the crash was an intentional act. Case is ongoing.

132 cases with 8 arrests including 4 DUIs. In addition we continue to work the large thefts and burglaries in which 4 search warrants have been executed resulting in approximately \$75000.00 worth of ATVS, motorcycles and tools recovered. 2 suspects have been charged with more forthcoming.

Troopers were dispatched to a burglary. VSP K9 was utilized and found the suspect hiding in the woods. Several charges forth coming and many cases solved after apprehension.

Responded to a missing person case in Waitsfield as the subject had been out "wandering" and trooper located a short time later.

BCI

Assist New Haven Barracks with Aggravated Assault and homicide investigation.

Assisted Essex PD with an arson possible homicide. Essex advised they had a CI alleging a fire was set and a victim was not believed to have been home at the time of the arson. Det Sgt assisting.

Assisted uniform with a crash in Jericho. Uniform requesting assistance with interviews and search warrants. Statements made by one driver show that a passenger may have grabbed the wheel of the car and push the vehicle into on-coming traffic causing a head on collision.

Debit fraud investigation. Investigation showed that the incident was not criminal in nature. Det/Tpr. assigned.

Ongoing Trooper backgrounds.

Fraud case at CRCF. Inmate alleging she was receiving letters from family members stating she stole a vehicle. Det Sgt assigned.

Death investigation of a 61 year old female. Investigation revealed the victim died on natural causes. Long medical history to include obesity.

Follow up on St Albans arson case. Search warrants applied for cell phone records. Suspect identified and interviewed.

Assisted uniform with three search warrants. Case involves suspects in possession of stolen property to exceed up to \$100,000.00

Fire investigation in Duxbury. Fire determined to be a cabin in a wooded area. Fire determined to be accidental. Det/Sgt investigating.

Sex Assault investigation of a 15 year old female performing oral sex on another 15 year old female. Victim alleged she was pressured into performing the oral sex. Det Tpr. assigned.

Assisted Barre Cty Fire department with cause and origin of a fire at a daycare. Determined to be accidental.

Threatening case in Montpelier. P and P officer going through a worker comp claim making threatening allegations to state workers in Montpelier specifically workers at the Risk Management office. Building was in lockdown for three days. P&P officer was located in Brattleboro and spoken to about not following through with threats. Investigation showed no real specific threats were made. Statements could have been taken as a threat but not specific.

Death investigation of a 50 year old male who died during work. Male had cardiac history. Believe to have had a heart attack while doing physical work. Autopsy pending. Det/Sgt assigned.

Female alleging she was sexually assaulted in 2012 by his gymnastics coach. Victim unwilling to disclose earlier but willing to talk now. Det/Sgt assigned.

Death investigation of an 82 year old female who fell down the stairs and broke her leg and hit her head causing injury. Death ruled accidental.

Death investigation of a 62 year old female who had long history of medical concerns. Victim died while on the phone with 911.

B Troop

FF

10 Total Arrests, 2 DUI

Reported abduction in Barnet VT. Troopers met with the victim who stated she had been pulled into a vehicle at Dunkin Donuts in St. Johnsbury and brought to a pull off by Joes Brook in Barnet, VT. The victim reported and attempted sexual assault, but was able to get out of the vehicle. BCI responded.

Troops arrested a female subject with mental health issues after she assault a trooper who was trying to assist her after she had been found on the ground outside a store banging her head against the ground.

Domestic assault where the 33 y/o female offender struck her step-mother in the head with a glass jar. Offender was arrested and also put in contact with mental health.

BCI

Reported attempted sex assault and abduction in St. Johnsbury. Female Victim's story has changed several times, to include a recent account stating it wasn't an abduction and location has changed. Male has been identified.

Assist to Essex County Sheriff's department with cell phone warrant.

Several sex offender registry photos.

Several Sex offender registry checks.

Assisted Road Troops in St. J with reported stabbing. After investigation and meeting with alleged victim...there was no stabbing.

Fraud/embezzlement case handed over to BCI because trooper investigating case left the department.

C Troop

FF

13 Total Arrests, 7 DUI

Assisted Castleton PD with a 3B Fatal Crash on Drake Road

BCI

Meeting regarding follow up for missing person Jonathan Schaff.

Follow up regarding Parrott sexual assault and kidnapping offenses in Poultney; meeting with S/A for an arrest warrant and witness interview in Granville, NY

Follow up for missing person Jonathan Schaff with witness interview in Granville, NY Unit meeting
Assist uniform at traffic crash.

New case Fraud. 65 y/o Starksboro woman been sending tens of thousands of \$ to scammer who she believes is her long-lost son in Ft. Wayne Indiana. "Son" and his girlfriend are now threatening her and rest of family. Case punched request of AG's office

New case Suspicious. 10-96 individual reported sexual abuse.

Hart homicide meeting. Continued follow-up on case.

Call out: Recv'd call from Tpr. Sex Offense in Arlington. Incident occurred a couple years ago, victim was not in immediate danger – no contact with offender since Christmas 2015. Offender resides in Florida. Advised case could be follow up on the following day

Call Out – New Case Death Investigation –72y/o female found unresponsive within her residence. Medical condition consisted of congestive heart failure, diabetes and morbid obesity. No autopsy.

Called out to assist Det/Sgt. Suspicious in Bristol and Lincoln where male was found on the side of the road beaten and bound with duct tape and rope.

Assigned new case: Assist to Middlebury PD. Phone extraction for fatal accident.

Public speaking - College of St. Joseph – Victimology class and Interpersonal Skills and Communication class.

Follow-up with Woonsocket, RI police department on using CFAC interviews from sex offense that occurred in Rhode Island. Signed off on probable cause for victim assistance.

Worked with Rutland State's Attorney Office reference Federal Detention Action Letter for Gerald Lamb on 2012 sex offense.

Arrested Jake Desjaden for possession of narcotic and transporting into places of detention.

Sex offender Registry checks .

New Case: Sex Offense. Town of Mount Holly. It was reported a 6 year old girl might have been sexually abused by her father. Victim Interviewed.

Meeting: DCF and CFAC. Case Review.

Completed assigned Background Investigation (Sommers).

D Troop

FF

26 Total Arrests, 3 DUI

Stopped a vehicle for following too close on I91 in Springfield – 0099 done – 788 bags of heroin, 1 ounce of cocaine seized – two arrested for Possession of, Trafficking of and Transporting into VT Heroin and also a charge of Possession of Cocaine.

Stopped a vehicle for failure to signal in Westminster; arrested one for possession of 22 bags of heroin.

Tpr. & K9 assisted Brattleboro PD with a canine search on a motor vehicle stop; large amount of money, heroin and cocaine were seized.

Tpr. responded to a family dispute in Wardsboro; one subject was extremely disorderly and had slit his wrists with a knife which he had been threatening to harm others with; subject was taken into custody and charged two counts of Aggravated Domestic Assault, Interference with Access to Emergency Services, 7 counts of Violation of Conditions and Assaulting Medical Personnel with Bodily Fluids.

BCI

Non suspicious fire in Londonderry.

Assist investigation for Bennington fatal fire.

Testimony and assist SA Office with witness prep all week long for the Hill trial.

New sex offense in Marlboro (Marlboro College). Offense reported to have occurred two years ago.

Background – NY – Phone interviews for VSP applicant.

Violation of Conditions of Release – SSCF – Served subpoena on victim in Springfield.

Death Investigation – Randolph – Call out for untimely death of 83 yr. old male.

Assist C Troop with Suicide by hanging death investigation Killington Condos on Saturday, 23 year old male.

Untimely death investigation of 56 year old male from natural causes. Chelsea.

Follow up with Pennsylvania SP regarding report of sexual assault on minor which occurred a couple years ago.

Assist with evidence for Hill homicide.

Travel to Warwick RI for background investigation.

12 year old having sexual communications with adult male over the internet.

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

Gregg is assisting Hartford PD with a Human Trafficking case.

Pete is continuing work on the Homicide. (16C100800)

Eric is assisting with a mobile phone extraction regarding a suspicious 10-50.

Current Cases: 9

Pending Cases: 3

New Cases This Week: 3

OCME:

12 autopsies/3 inspections

Polygraph:

Testified in Hill homicide trial for two days.

Completed numerous criminal polygraph reports and scheduled numerous tests for criminal tests

Major Crimes Unit:

CRT training in Royalton

Follow up Cheryl Peters; meeting with Polygraph Unit on previous testing, reviewed reports, building interview themes

Criminal investigation into kidnapping case in Bristol

Rashed Homicide, NTO and GOOGLE SW all finalized, and reviewed by SA to be filed for post arraignment review

Gaudette Homicide follow-up with OCME, work ups by the VIC on suspects

Follow up on Hart Homicide case

HQ- CSST Building models from last several homicides (FARO).

Background on those interested in CSST team.

O'Hagan Homicide motion hearing Caledonia Criminal Court.

Follow up- jail house calls made by Baird (O'Hagan homicide) – Conditions of release violations.

Follow up from a 2014 Case, Tim Fenoff wanted was picked up in NH,. Supplemental Affidavit completed for Gov's warrant.

Follow up-Marzilli homicide- search warrant for jail calls



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: March 25, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

DCF/SA Moves within Barre Court: SA is moved and is satisfied. The DCF move is looking like mid-April. Backfill tenant for City Place is still open.

195 Colchester: Is ready to transfer to UVM. Title issues surfaced late last week and is with Jeff for review/resolution, the transfer is now looking like May 1st.

Thrush Parking Lot: We are working with Green Mountain Power (GMP) on replacement of three (3) utility poles in the Thrush Lot (they want them replaced). We want the one in the middle of the lot relocated so it is between jersey barriers and not in the middle of the lot. We met with GMP yesterday and they like the idea to help avoid the pole from being hit, as well as to make snow removal and salting easier. If Dig Safe okays, this will happen in the next few weeks. GMP intends to do the work early some Sunday morning so it will not affect our parking.

Status of Governor's Priorities:

House Corrections and Institutions Committee finished markup of the FY'17 Capital Budget Adjustment Bill and voted it out of Committee. A briefing of the details of the analysis, the excel spreadsheet and a copy of the 1.4 draft bill as passed by the Committee was sent to Justin Johnson, Michael Clasen and Andy Pallito last evening.

FINANCE AND MANAGEMENT

Issue Updates:

- On Tuesday and Wednesday F&M testified in front of the House Corrections and Institutions Committee and Senate Institutions Committees respectfully. The focus was to get and update on the ERP Expansion Project and an update on cash flow needs. Based on the status of the project, we communicated to the Committees we had flexibility in our FY2017 cash needs to delay a portion of the Capital Appropriation. In the House approved Capital Bill, our FY2017 appropriation was reduced by 500k with the understanding it will be re-appropriated in the FY18 or FY19 Capital Bill.
- Staff is in process of reviewing budget as approved by House, we expect to send a letter to the Chair of Senate Appropriations by April outlining concerns and recommended technical corrections.

HEALTH CARE REFORM

All Payer Model:

Lawrence, Robin, and Michael spent a fully day at CMMI negotiating a potential all payer model agreement. They were joined by Al and Ena from the GMCB. The overall goal was to achieve sufficient State and CMMI consensus on the major elements of a deal to allow CMMI to put the proposed agreement through the federal approval process. CMMI is representing that the federal approval process will take 3-4 months. They want to submit the proposed deal for approval no later than April 15th. They believe that any later submission will potentially jeopardize getting a deal done in 2016 given that (a) delays could occur and (b) there is some sort of blackout period near the end of a federal administration.

Overall, we made good progress. AOA staff feels that the April 15th is achievable provided we have good collaboration across the Administration and with the GMCB. The major remaining open negotiating issues with the federal government are set forth below:

Quality Measures: The State, CMMI, and CMCS are getting closer on quality measures; however, this is a highly technical and tedious area that tends to move slowly.

Floor: Vermont feels that at minimum it needs a guaranteed Medicare increase in Year 1 of the model to make the model attractive to providers and mitigate the risk of setting Medicare rates without any prior experience. CMMI is suggesting that they may be willing to accommodate us for year 1 with a high floor if Vermont backs off a multi-year floor.

Participation: We need to reach agreement on goals for how many lives will be in the model over time. CMMI wants a model where we are significantly more aggressive than CMS's national goals and nearly achieve full state participation by year 5. However, they are also concerned about operational feasibility & want to make sure the ACO does not grow too fast. (Yes, these 2 goals are somewhat contradictory.) For some perspective, CMS has a goal of 50% of Medicare payments in an alternative payment model by 2018. Vermont needs to determine what it believes is feasible.

Blueprint: CMMI and Vermont staff are working in a collaborative way to continue Medicare Blueprint payments; however, we do not yet have a definite way to preserve these dollars.

Start Date: There is consensus that we are striving for an agreement in 2016 and to begin phasing in the model in 2017; however, the actual year the demonstration starts for the purpose of starting fiscal and quality targets remains TBD. It is looking more and more likely that the first year of accountability will be 2018, but this needs to be sorted out. It will be very important to develop a consistent message about the timing of the model if an agreement is reached with CMMI.

Operations:

Additionally, CMMI has begun to focus on operations. Specifically, they want to begin discussions with the ACO to make sure they are properly committed and prepared to make the all payer model work. This is a good step forward. Yet, direct conversations between CMMI and an ACO may create tensions to the extent AOA, the GMCB, and the ACO have different opinions and goals.

Medicaid Implementation:

The all payer model team will brief the Governor next Wednesday, March 30th. The goal will be to get approval for DVHA to proceed with releasing an RFP to contract with an ACO and for the Administration to continue with the project more generally.

SIM/VHCIP:

We are working on launching several new projects in the coming weeks: a new series of trainings for front-line care managers and an event notification system. The trainings will provide information about core care management skills and disability and long-term services and supports. The event notification system will provide admission, discharge, and transfer data to providers when Vermonters interact with the health care system.

We are also planning a federal site visit and the date is a moving target. It will be anywhere from April 11th-May 11th. We are coordinating this site visit with the APM negotiating team to ensure we have in-person meetings at the right time. As in the past, the site visit is a time for us to work through any issues we have for the current performance period and showcase our successes with our stakeholders.

We finally received federal approval for several 2016 contracts, alleviating significant worry among contractors and the finance team. This approval was delayed due to a federal backlog.

The SIM activities continue to dovetail significantly with the APM activities as we enter our last year of SIM and plan for the first year of APM. Specifically, more SIM resources are being allocated to support the APM planning work and Medicaid preparations. SIM is preparing its Year 3 budget to ensure sufficient resources for necessary APM work.

1332 Application to Waive the SHOP Portal:

Lawrence, Devon and DVHA did a call with CCHIO and Treasury on Wednesday. Treasury would like further analysis on the deficit neutral requirement of the waiver application. Unless we can sort out how

to do this without contract resources, it adds a potential delay. There was no indication as to whether the feds were favorable or unfavorable to our request.

Legislative Issues:

Robin, Michael, and Ena testified before a joint hearing of the Senate Finance and Appropriations committees regarding the all payer model. We were called to explain Ham Davis's article that said that the all payer model will be delayed for a year due to delays in Medicare's ability to make all-inclusive population based payments. Ham's article is inaccurate. The hearing mostly served as a general all payer model update. Beyond asking basic questions, the committee went after the GMCB about UVMHC being over budget. Legislators (Westman, Kitchel, Ashe, and Campbell in particular) stated that they needed to have confidence in the GMCB to ensure that they really regulate the system and avoid enriching an ACO. Also, some legislators seemed irked with UVMHC's remediation plan regarding its excess revenue feeling that some dollars were owed to Medicaid. Robin, Lawrence & Sue had a follow up conversation about this issue Friday morning. The avenues for the legislature to claw back this funding would be to reduce the general appropriation to UVM, reduce Medicaid hospital provider rate appropriation, or to offset the dollars going to the designated agencies with a reduction in their Medicaid budget.

S.245 Reporting of Hospital Affiliations and Payments re: Hospital Affiliations: Letter to consumers letting them know when their physician is affiliated with a hospital. Ashe, Sirotkin, and Zuckerman added a provision where Medicaid would not increase the rates of any physician acquired by a hospital. GMCB will study prohibiting commercial payers from increasing rates. VAHHS is VERY unhappy about this.

S.255 MCO Standards: Devon and David Martini from DFR presented S.255 in House Health Care. The committee would like to hear from the Health Care Advocate on the bill, but otherwise seemed fine with it.

H.761-- Primary Care Standards: SHW hear testimony this week from primary care physicians and GMCB. GMCB pointed out that SIM is already working on a lot of this work. Lyons would like some reference to this work in the alignment efforts of S.255

H.812-- ACO Oversight: SHW discussing this morning. DVHA has indicated to Devon that they have an issue with some of the provisions in H.812. Devon will meet with them next week to determine issues.

H.820-- LARC/Contraception: Passed without religious exemption

H.873 Misc. Tax Bill-- Employer Assessment: Employer assessment tiered to 5-49 uncovered employees-- no increase, stays at \$151.12/quarter; 50-99 uncovered employees, increase to \$210.00/per quarter; 100+ employees increased to \$249.00/quarter. Raises \$4.9M in FY17 and \$6.7M in FY18. Amendment added that AoA will have to do a report reexamining the employer assessment and making recommendations. Also, DOL is not able to implement these changes in the time frame outlined in the bill, so that is a practical issue to resolve in the Senate if we are going to support this change.

H.873 Misc. Tax Bill-- Ambulance Provider Tax: 3.3% tax on net patient revenue. \$2.3M total funds will go to ambulance providers. Passed the house on Thursday. There are issues with implementation that Devon will try to work out with DVHA next week and change in the Senate.

HUMAN RESOURCES

Legislative/Policy Update:

Coordinating with Governor's Office on S. 184 which establishes an ethics commission. The main point is that it must be consistent across branches and allow the administration flexibility in how it establishes a code of ethics for its employees.

Submitted Last Best Offer to Vermont Labor Relations Board re: CBA dispute. Hearing scheduled before Board on April 7th.

Working with Sue Zeller and AGs office on H. 530 and changes to bulletin 3.5 regarding contracts and definition of personal services contracts. Bill is now in the Senate.

Responded to request from Steve Klein/JFO on movement on position counts/employee cost growth from 2010 to present. We provided from 2006 on as it provides a fuller picture. JFO request was clearly based on R member request.

Participated in press conference/signing ceremony for Disability Working Group Executive Order. Very well attended event and well received by the disability rights community.

Communications:

Provided information to VTDigger on Last Best Offer and process moving forward.

Significant Events/Meetings:

2015 Employee Engagement Survey Results have been compiled and will be disseminated to appointing authorities this week. HR Managers are putting together a plan to work with appointing authorities to address concerns and opportunities raised from the results.

Met with possible vendor for moving our VTHR system to a cloud based system. Coordinating with Finance and Management to make sure we are all on the same page, as any major systems overhaul should be coordinated.

Met with AGs office on appeal to VT Supreme Court of Lepore grievance. Involves AOT biologist who perjured himself as a juror in a capitol murder case, resulting in a mistrial. We will be working closely with the AGs office on this matter.

INFORMATION AND INNOVATION

Nothing significant to report.

LIBRARIES

Nothing significant to report.

TAXES

Legislative Update:

Miscellaneous Tax Bill: We will provide a bill review in the next couple days. Most of floor action around the employer assessment and the provider tax on ambulance. And the addition of a tax on e-cig.

A reminder that the bill contains three provisions relating to sales and rooms tax of dubious constitutionality. The first is styled after a CO law requiring that vendors not collecting sales tax send the state information on their sales to both their customers and the state. The CO law was upheld by the 10th Circuit, likely headed back to Supreme Court. Notably, the Ways & Means language has a lower dollar threshold, so CO case would not be dispositive on whether our law was unduly burdensome. The second is styled after a SD law that just passed Tuesday, asserting nexus over any vendor with \$100,000 in sales or 200 transactions even without physical presence. Rep. Ancel asserted we don't want to be the first to litigate this – but the only other state that has gone this far is Alabama by rule, and their threshold is \$250,000 in sales. VT and SD would be more tempting targets for challenge. Finally, the bill requires the Department to contract with online platforms facilitating short term rentals to collect taxes. Obviously, can't force a contract...and the only practical entity to contract with is AirBnB because they handle payments. As previously reported, we do have a draft contract template from AirBnB, and we would have a number of problematic issues to try to negotiate. The Commissioner will set up preliminary discussion with the company.

Ag Exemption Bill: Per the bill, machinery and equipment would only have to be used “predominately” in agriculture, 75% of the time, to be exempt. House Ag was very happy with Tax at the end.

Estate Tax: This was not included in Miscellaneous Tax as per Rep. Ancel's original statement in committee.

Taxpayer Concerns: Just in case the 5th floor catches wind, current outstanding issues that we are hearing about include what it means when the Department subordinates the current use lien to a lender (realtors argue that the subordinated lien should not only stand second in line, it should be extinguished upon any foreclosure), and whether free samples of alcoholic beverages are subject to the use tax (the general rule is that when an item ordinarily sold at retail is pulled out of inventory for a free sample, the use tax applies – less clear how this works for alcoholic beverages which are subject to sales tax off premises but alcoholic beverage tax on premises).

Operations Update:

Tax Season: Refunds: Starting to see even more articles across the states about delayed refunds. We are caught up in the sense that we are processing returns real-time. If they do not hit a flag, refunds will go out within 3-6 days. Those triggering reviews are experiencing longer delays than in previous years. Ironically, we actually have not found as much fraud as in previous two years at this time – although we don't have final results until the fall.

VTax Project: The team continues to iron out the relatively minor issues from the Phase 2, Sales & Use, Meals & Room & Withholding roll out. But most attention is now focused on Phase 3, rollout of the Personal Income Tax. Currently it is scheduled for rollout in mid November, the first big decision is whether to delay that until December (to give more time to process extensions which come in October).

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: March 24, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: Testified in front of House Capital Expenditure Committee regarding the \$75,000 allocation to commence a new DLC warehouse location study. Tried to impress upon the committee that there was a legitimate need to plan for the future and for capital investment in the business model. Re-iterated that Dept. contributes \$30 million dollars of revenue to the States annual budget and if we are to continue to maintain our business model that investment was necessary.

Press Issues/Releases/Contacts: Burlington Free Press article highlighted the DLC'S role in a successful multi-department effort to insure licensee compliance over St. Patrick's Day to enhance the public's well being

Significant Events/Meetings: On March 18 the Department hosted an Open House for Liquor Agents for office and Warehouse tours, as well as question and answer sessions. We are in the process of planning a similar event for the Legislature.

Summary of Key Department Activity:

Agency Issues: The Department continues to advertise for new agencies in Pownal and Brandon.

The Board and I have interviews scheduled for April 8th for the Board Counsel position

Staffing: - Deputy Commissioner Gary Kessler commenced his DLC responsibilities on 3/20/2016.

IT POS system: We are continuing to work on the RFPs and other State required paperwork to restart the POS and retail projects. We hope to have this completed for the POS project and out to bid by the end of the month.

Warehouse: We have initiated a new bill of lading process for merchandise shipped out of warehouse and received by our agency owners.

Licensing: The fee bill appears to be progressing with a 9% annual increase planned on all of our licenses.

A new license for off premise retailer delivery of wine and beer to adult Vermonters appears to be progressing.

Commissioner's Commentary:

An analysis of the Department's product listing classifications has been commenced.

We have provided additional definition to the Department's policy on employee use of State vehicles. On March 16th I accompanied District Coordinator Brent Leach on visits to liquor agencies.

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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: March 25, 2016

Secretary's Top Issues

Annual Farmers Market Association Meeting

- Kristin Haas and Henry Marckres attended the annual VT Farmers Market Assn. (VTFMA) meeting in South Royalton this week to present a summary report on the FSCP Division's farmers market audits during the summer 2015 season. Noncompliance rates were shared (relatively low), as well as the multiple positive outcomes of the FSCP Division's collaboration with the VTFMA in 2015. Market managers expressed their appreciation for the positive outcome and the way in which Division employees handled themselves/interacted with vendors. The audit program will continue in 2016.
- Hugh Lund, Consumer Protection Specialist 3, will be training representatives of the New York Department of Weights and Measures on inspecting and testing L.P.Gas fill stations on Friday. Hugh has trained many Northeast inspectors on L.P. inspections.
- During the Agency enforcement meeting, a decision was reached to begin adding more specific data in our Consumer Protection penalty website and to put out a press release to advise the consumers where to find this information. We are also working closely with the Attorney Generals' Office on specific situations.

Recent enforcement activity

- On 3/24/16, ARMS Enforcement received the Order and Final Judgment from the Vermont Superior Court, Essex Unit, signed on 3/18/16, for the Agency's case against Paul Girard for violations of the RAPs. Pursuant to this Order, Mr. Girard shall:
 - a. not keep hooved animals or poultry on his property;
 - b. remove the top 8" of composted or raw manure in his yard; and
 - c. pay a \$500 fine to the Agency, in addition to court costs and service fees.
- On 3/24/16, Richard Hall remitted \$7,250 to the Agency for violations of the RAPs and his LFO Individual Permit. Mr. Hall attended a pre-hearing with Agency staff where the penalty amount was negotiated. At the conclusion of the pre-hearing, Mr. Hall requested a hearing. One day later, VAAFM received an email from Mr. Hall stating that he would fix the management practices that were in violation and that he would pay the negotiated penalty amount. An AOD is being drafted for Mr. Hall's signature.

North Lake Farm Survey

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 360 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. To date, over 281 farms have been fully surveyed and approximately 77 farms are left to survey as part of this effort.

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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: March 25, 2016

Status of Governor's Priorities:

Legislative Activities and Issues:

- Fee Bill (H.872) passed with a couple of amendments to Liquor Control – no additional changes to AAFM.
- Big Bill (H.875) passed with amendments, none pertaining to AAFM.

3/24/16

Senate Finance voted out S. 230 Energy siting bill. Senate Natural Resources and Energy reviewed the changes to the bill on Thursday. Changes included

- incorporated language from S. 205, including requiring due consideration of the primary agricultural (this includes potential for mitigation) and forest soils criteria, and forest integrity and health; the requirement that the VAAFM participate when electrical generation exceeds 150 kW and located on a tract with primary ag soils;
- Finance removed the fee to VAAFM; and
- if land is developed with a solar facility this would not be considered "development" soils would maintain primary ag soils classification.
- Leg Counsel Adler reviewed other changes with the committee. They wanted to bring in Senator Ashe to discuss some of the changes.

Senate Agriculture took testimony from Joseph Tisbert, Farm Bureau on H. 778 authorizing the Vermont Agency of Agriculture to enforce the federal Food Safety Modernization Act Produce Safety Rule.

- Farm Bureau supports H.778
- Hopes there is a way to coordinate inspections with other inspections from the Agency or third parties (NOFA, for instance). It takes time out of the farmers work to spend time with inspectors for different programs Qs: Does FSMA override GAP? Does FSMA allow for third party inspection for compliance with the produce safety rule?
- Cameron Wood indicated that there is nothing in the bill that prohibits coordination, and there is coordinated authority outlined in Sec. 851 with Health Department
- Senate Ag interested in amending to require that inspection occur during work hours (Sec 852)
- Senate Ag is looking at some amendments including a definition of farm, specifying length of time an operator should maintain records. FSMA may have the requirement for record keeping and reference to federal law may be sufficient.

H.861 Treated Articles: Cary Giguere and Jim Leland met with Senate Ag on Wed. regarding this bill. Cary provided the testimony to the committee. AAFM has been consistent with its testimony regarding the Agency's intent with this bill (authority to manage a problem if a problem was identified). Those opposed to this authority have focused on questioning the Agency's agenda and suggesting that our true intent is to regulate pressure treated wood and treated seeds. Senate Ag heard from those opposed to this authority yesterday. AAFM did not attend while they testified. However, while in the committee yesterday regarding the technical corrections bill AAFM were asked about 861. Jim Leland's understanding is that the committee will direct legislative council to re-write the bill and, instead of including 'treated articles' in the definition of an 'economic poison' as the mechanism to gain the authority, to add a section to Chapter 87 dedicated to treated articles and outlining a process that the Agency would use to manage or restrict treated articles. This would likely include VPAC recommendations etc. That language will likely be available next week.

H829: Technical Corrections: Senate Ag. There were no objections to the changes though Senator Sirotkin has requested some clarifying language regarding the ability of the secretary to approve alternatives to siting manure stacking sites and waste storage facilities.

Tile Drain Report: The report was presented to House Fish and Wildlife this week. Marli Rupe (DEC) and Julie Moore (Stone Environmental) did an excellent job presenting the report. Ryan Patch provided this Agency's input relative to the report and RAP promulgation and public outreach.

RAPs: Jim Leland provided an update to the House F&W committee on the status of the RAPs. He explained to the committee the timelines for rule promulgation and that AAFM would not be meeting the July 1 deadline. He explained why and what our estimated timeline would be. He also told them that AAFM would be seeking the legislature's indulgence formally with a letter and a visual of the new timeline. There were questions about how this might impact implementation deadlines for various aspects of the RAPs. Jim explained that AAFM would be addressing those concerns within the letter. There was also a question regarding the impact on TMDL implementation timelines and Jim explained that AAFM is reviewing those now and will submit any changes to DEC/EPA as necessary. Jim Leland also explained the timeline changes to Senate AG and also sensed no real objection. That committee is, however, being pressed by Rural VT to extend the promulgation date to January 1, 2017 and to change implementation dates in a like fashion.

Significant Events/Meetings:

- Kristin Haas and Henry Marckres attended the annual VT Farmers Market Assn. (VTFMA) meeting in South Royalton this week to present a summary report on the FSCP Division's farmers market audits during the summer 2015 season. Noncompliance rates were shared (relatively low), as well as the multiple positive outcomes of the FSCP Division's collaboration with the VTFMA in 2015. Market managers expressed their appreciation for the positive outcome and the way in which Division employees handled themselves/interacted with vendors. The audit program will continue in 2016.
- Kristin Haas, State Veterinarian, met with counterparts in NJ and NY to develop the agenda for the upcoming Northeast United States Animal Health Association meeting, which VAAFM state veterinarians are hosting in May at the Stoweflake. Between 60-90 animal health experts from 11 northeast states and Canada are expected to attend, and a variety of issues will be discussed.

Evolving Issues:

- State Veterinarian, Kristin Haas, is working with a Milton-based private practitioner and an equine boarding stable owner to manage a confirmed positive case of Equine Herpes Virus 1 (EHV1). Although not reportable in VT, the disease is highly contagious and must be managed aggressively. The stable will be quarantined for a minimum of 28 days, and the owner/employees must practice strict biosecurity in order to prevent disease spread. All parties are being cooperative to date.
- The Animal Health section collaborated with a local food animal veterinary practice to provide supplies and Animal Disease Traceability resources to them for an upcoming producer meeting focused on antibiotic residue avoidance in meat and milk.

Summary of Key Agency Department Activity

Administration:

Land Use

In the first quarter of CY 2016 the Agency completed the “[Act 250 Onsite Mitigation Report: A Pilot Project in Environmental District 4](#)”. The goal of onsite mitigation is to preserve the best soils in Vermont in a configuration that allows “present and future agricultural use.” The Agency of Agriculture, Food and Market's research in Environmental District 4 focused on whether farming is currently occurring on the onsite mitigation soils. This research teased out possible barriers or limitations to farming in order to improve the analysis of what qualifies as suitable for onsite mitigation.

General themes that arose from this pilot project were: the importance of access to the land, the larger areas of mitigation are more likely to be in agricultural use, and due to the lack of utilities the majority of areas in agricultural use are used for pasture and hay production. This research also provided insights into:

- what landowners know and understand about permit conditions addressing onsite mitigation; and
- the need for improvements in the outreach and communications surrounding the goals of the onsite mitigation program.

Before any conclusive statements can be made regarding the characteristics of onsite mitigation land successfully being used for agriculture, the Agency recommends that this research be completed for the entire state to ensure a statistically significant sample size.

Agricultural Development:

Local Foods Section Chief and Senior Agriculture Development Specialist Meet with Mark Berry, Business Development Director for Reinhart, Regarding Local Food Supply Chains

- Reinhart is a major food distributor in Vermont, serving both government and school cafeterias.
- The discussion focused on how to get more fresh Vermont produce onto Reinhart's trucks, and ultimately into Vermont schools and state cafeterias.
- VAAFM provided a list of Good Agriculture Practices certified and institutional scale producers in the state, so Reinhart can do some targeted outreach.
- In the future, Reinhart will work with farm to school partners to develop a training on ordering and planning best practices, to streamline food service food ordering, which can help Reinhart provide a more effective service.

VAAFM Farm to School Coordinator Leads Calls on Bulk Milk in Schools Research Initiative

- The latest 2 batches of milk cooler grant applications sparked a discussion between VAAFM, ANR, Agency of Education, Food Connects, and Chittenden Solid Waste Districts, regarding best practices and impacts of schools having bulk milk dispensers in the cafeteria, as opposed to the cartons that are normally used.
- Many schools throughout the state are interested in using bulk milk dispensers in schools to increase consumption, promote dairy, reduce waste and save money. Currently, there are no research-based guides to share with schools, to help them make informed decisions about making the switch.
- This group of stakeholders will conduct a project to capture impacts, learn best practices and produce a guidance document schools can use. 5 schools will participate, to serve as case studies for the project.

BGS Procurement and VAAFM Food Systems Team Collaborate to Add Language About Healthy Vermont Food to the RFP for Food Service at the Vermont Statehouse and 133 State St.

- VDH helped clarify questions about healthy meal standards, while ANR provided input on including Universal Recycling-related language in the RFP
- VAAFM hopes that the additional language about local food will help meet the state's goals related to local food procurement tracking, and help increase the amount of local food procured at these two facilities.

- This effort is evidence of the successful partnership BGS has made with other agency partners, as a result of the Inter-Agency Partnership on Local Procurement in State Government, which initiated in the summer of 2014.

Inter-Agency Farm to School Partners VAAFM and ANR Participate in National Farm to School Network Core Partner Policy Call on Food Waste Rescue

- Capturing food waste is being seen as more of a priority in farm to school, as it aligns with the movement's interest in building student awareness about the value of food.
- Many states have incorporated this concept into farm to school discussions, but Vermont is a leader in this area, especially in its use of an inter-agency collaboration to conduct outreach and create guidance materials for schools, regarding share tables.
- Currently, ANR, Agency of Education and VDH are developing a guidance document for schools about share tables. Other states and USDA are eager to see the final document, to help them develop their own material.
- Farm to school is an all-encompassing concept that incorporates multiple goals, from multiple stakeholders, through one lens. This initiative is evidence of that.

VAAFM Farm to School Coordinator Attends 9th Annual Junior Iron Chef, Joined by Senator Leahy, Lead Sponsor of 2016 Farm to School Act.

- 58 student teams from throughout the state competed in a competition that judges local food usage in recipes, taste, texture and look.
- Most of the 58 schools were Vermont Farm to School grantees, which is evidence of the program's ability to transform food culture in schools.
- Each team has fewer than 10 members, and is coached by an adult- usually a food service director, farm to school coordinator or teacher.
- Winning teams are featured on WCAX and WFFF this week, during morning programming the week of March 21.
- US Senator Leahy presented awards to the winning teams, and highlighted the importance of farm to school during his remarks.

VAAFM Farm to School Coordinator, Zipparo, Attends Gathering of National Farm to School Northeast Regional Steering Committee State Leads

- Zipparo serves as the state lead for the National Farm to School Network, and is the only state lead in the northeast from a state agency. The other state leads work for nonprofits, and one is a food service director.
- Having a state agency lead on the committee is highly valuable to the committee, and has led to a collaboration of northeast Department of Education and Department of Agriculture staff who work in farm to school, coordinated by Danielle Fleury, Northeast Coordinator for USDA Farm to School.

VAAFM Farm to School Coordinator Meets with Vermont Farm to School Network Educational Value Work Team, to Develop Agenda for Next Inter-Agency Meeting on Farm to School

- Representatives from Charlotte Central School, Shelburne Farms, VDH, ANR and Agency of Education discussed ways to share message of how farm to school can help schools meet the many goals and standards they must fulfill.
- The meeting, which will take place April 15th, will create a better understanding of how farm to school can enhance educational standards and help schools enrich the delivery of education to students, through experiential learning and applied skill building in all subjects.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

- Hugh Lund, Consumer Protection Specialist 3, will be training representatives of the New York Department of Weights and Measures on inspecting and testing L.P.Gas fill stations on Friday. Hugh has trained many Northeast inspectors on L.P. inspections.

- During the Agency enforcement meeting, a decision was reached to begin adding more specific data in our Consumer Protection penalty website and to put out a press release to advise the consumers where to find this information. We are also working closely with the Attorney Generals' Office on specific situations.

Animal Health:

- Animal Health Specialists attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.
- Animal Health Specialists completed HPAI Assessments at Misty Knoll Farm in New Haven, VT, at Lewis Creek Farm in Starksboro, VT, and in other locations. Meeting at Misty Knoll included Dr Joel Russo of APHIS and Jeff Comstock of VAAFM, who assisted in planning for the composting of mortalities if HPAI were to infect the premises.
- Animal Health Specialists completed a joint inspection with New York State Assistant State Veterinarian Dr. Roger Ellis and Inspector Elizabeth Holmes regarding Livestock Dealer and transporter Brent Manning of Poultney Vermont, who has been acting as a dealer in VT without a Vermont Livestock Dealers License.
- Animal Health Specialists worked with multiple Vermont producers to disseminate official ear tags to them in order to improve Vermont's compliance with federal Animal Disease Traceability requirements.

Dairy:

- Dairy Section continues to perform required regulatory activities and to pursue enforcement actions as warranted.
- Dairy section was without administrative assistance for two weeks. Now have someone covering at least 1 day per week.
- Dairy section continues to refer Dairy Farmers to Ryan Patch with questions about the new water quality rules.
- Farm and plant inspectors continue to do their assigned duties.
- USA Food Safety is still being modified to meet our needs. Now working on sampling side.
- Dairy Plant Program Supervisor attended the PFOA informational meeting in N. Bennington on 3/16.
- There has been a couple more inquiries about on farm and small scale processing.
- There are 2 dairy farms now reactivated. (One in Orwell and one in Whiting). The Whiting farm has been out for a couple years. The Orwell farm has been out since last November. Both situations are younger farm families.
- Four USPH Ratings have been completed in the last 2 weeks (3 that were small farmstead facilities). These ratings allow VT Products to be marketed across state lines.

Agricultural Resource Management:

- On 3/24/16, ARMS Enforcement received the Order and Final Judgment from the Vermont Superior Court, Essex Unit, signed on 3/18/16, for the Agency's case against Paul Girard for violations of the RAPs. Pursuant to this Order, Mr. Girard shall:
 - d. not keep hooved animals or poultry on his property;
 - e. remove the top 8" of composted or raw manure in his yard; and
 - f. pay a \$500 fine to the Agency, in addition to court costs and service fees.
- On 3/24/16, Richard Hall remitted \$7,250 to the Agency for violations of the RAPs and his LFO Individual Permit. Mr. Hall attended a pre-hearing with Agency staff where the penalty amount was negotiated. At the conclusion of the pre-hearing, Mr. Hall requested a hearing. One day later, VAAFM received an email from Mr. Hall stating that he would fix the management practices that were in violation and that he would pay the negotiated penalty amount. An AOD is being drafted for Mr. Hall's signature.

North Lake Farm Survey Initiative:

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 360 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. To date, over 281 farms have been fully surveyed and approximately 77 farms are left to survey as part of this effort. The following number of farms were surveyed within the last week as part of the survey initiative:
 - 3 SFOs

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

- Staff investigated a discharging manure pit at a LFO in Franklin County. ANR also investigated the manure pit and determined it was a direct discharge.
- Staff responded to a complaint about a SFO in Franklin County related to farm and manure management. Findings from the investigation are being summarized.
- Staff presented revisions to the second draft of the Required Ag. Practices (RAPs) at a Manure Management and Training meeting in Richmond, VT put on by UVM Extension and the Champlain Valley Farmers Coalition. Attendees included farmers, custom manure applicators and technical service providers.
- Staff are processing LFO annual reports to determine whether or not their reports meet reporting requirements. This includes review of nutrient management plans (NMPs) submitted by LFOs as part of their annual reporting. Evaluations are being made to determine whether NMPs meet required standards. We are in the process of working with the ARM Division Enforcement Section to develop next steps.
- Staff are working with the ARM Division financial management team to review Farm Agronomic Practices (FAP) Program applications for education/outreach grants and develop grants agreements with the applicants.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to work on and test the FoodSafety Water Quality database. We are currently working on enforcement actions, permit fees and payments, data tracking and data migration. Releases to the staging environment have allowed for continued testing.

Secretary's Comments:

Secretary Ross was in Orlando, FL this week participating in a federal level conference on Food Safety.

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To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: March 25, 2016
Re: Weekly Report

Status of Governor's Priorities:

none

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

None. I provided a few sentences to be read on VPR program covering problem gambling which aired on Monday.

Significant Events/Meetings:

None this week.

Evolving Issues:

none

Summary of Key Agency Department Activity:

We are focused on efforts to get two positions filled and keep work covered until they are filled. Our total weekly sales have been higher than last year in 95 out of the past 104 weeks. And Instant Ticket weekly sales have been up 102 out last 104 weeks. These ticket sales are a major driver of work in the office, and traffic at our retailers.

Executive Director's Commentary:

I am focused on our operation and ensuring we select good candidates for these open positions. The two recently departed staff members were not indicative of well screened selections. We are also looking at who does what duties to ensure we have the best possible fit for skill sets.

We are evaluating plans for some modifying our warehouse to accommodate ticket sales volume. We will include BGS and Occupational Safety in our initial steps.

Sent from my iPad