

WEEKLY REPORTS

Checklist

4/1/16

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☒ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: April 1, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **Richmond Creamery project:** For the last three years we have been working with the Town of Richmond and recently Brendan O'Reilly, developer to rehab the Richmond creamery site in downtown Richmond. This is a Brownfield with other limitations such as wetlands on the property. We recently awarded a CDBG to the town as the last leg of the financing. Brendan Riley was seeking an option extension from the seller to facilitate completion of the mandatory environmental review which must be completed prior to a purchase and sale agreement or purchase. The owner balked on the extension thinking he could get more money for the property, his deal with Brendan was \$110,000. The day the option expired, representative Anne O'Brien and the Richmond Senior Center (Anne sits on the Board I believe) came in and purchased the property for \$125,000. Anne and her team are now expecting they can utilize the CDBG and EPA funds are ACCD is providing. However, because the property was purchased prior to the completion of an environmental review they are now no longer eligible for either source of funding. The only way to utilize CDBG or EPA funds or if the senior center to sell the property either to Brendan or some other developer who would then have to complete an environmental review. Anne was assuming she would simply have to reapply for CDBG. She has effectively screwed up the project. And she did so with inside information having been part of Brendan O'Reilly's project. We broke the news to her and Jeannie Morrissey of JA Morrissey who was brought in to assist the senior center. There is a select board meeting Monday night. Apparently the town had no idea of the senior center purchase prior to its closing. Rep. O'Brien is indignant and thinks she did the right thing. Lucy has a meeting set up with her today to further discuss.
- **Long trail and Otter Creek brewing:** We met with Dan Fulham, CEO in Bridgewater on Tuesday regarding his permit frustrations. They largely reside in Bridgewater where he has buffer violations. Irene changed the streambank and therefore his buffer zones have had to change. Also, he began construction on a farm house on the property, converting it to a lab, without a permit. Trey Martin is convening his team to get to the bottom of the buffer situation. We committed to a "scoping" meeting prior to initiating new developments planned at both Bridgewater and Middlebury. Dan seemed happy. I admit, he was bloviating a little which wasn't helpful. His primary issues are with Act 250 enforcement and his perceived inflexibility. The new investment in Vermont is about \$8mm.
- **S. Burlington City Center plan:** Kevin Doran and team came to give a briefing to Deb Markowitz, Chris Cole and I on the developments regarding S. Burlington City Center. Many exciting new opportunities there, not the least of it which is the redevelopment of the University Mall and the arena joint venture with UVM. They will be seeking an amendment to expand their TIF district. They clearly will be looking for permit and funding assistance from ANR, Vtrans and possibly CDBG.
- **Vernon gas plant proposal:** I understand a group from Vernon has requested a meeting with Governor Shumlin. That meeting will be with Chris Recchia and myself instead. I continue to have significant reservations about the feasibility of this project. One large concern is what the NRC will allow within what proximity of dry cask storage. Another is whether Don Campbell has the horses to get the project done. While in Brattleboro, he and Hervey Scudder came to me with three different renewable energy project ideas, none got legs. My attempted research of Mr. Campbell turned up very little to nothing. I'm going to encourage the Town to start asking about financial wherewithal of the developers.
- **EB5:** Dan D'Ambrosio of the Free Press, Anne Galloway and Amy Nixon of the Caledonian Record continue to request public records and write stories. D'Ambrosio told me Stenger told him he has recently raised \$5 million and Stenger is in S. Africa now raising funds.
- **Dan Towle Reports: Risk & Insurance Management Society Conference:** Dan Towle, Director of Financial Services, is still busy preparing for the largest insurance trade shows in the US, held this year in San Diego, California. The state will be unveiling its new trade show booth for the first time. Dan has recruited a group of 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 meeting 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. A new captive insurance brochure will also be released at this event.

LEGISLATIVE ACTIVITY

- **Senate Appropriations:** Senator McCormack is the committee person in charge of the ACCD budget, but given his health issues has been unable to meet with ACCD to preview and get familiarized. Both Pat and Lucy have taken the opportunity to have mini budget conversations with Senator Kitchel about ACCD in advance of our presentation to the committee. The ACCD team presented our budget to the Senate Appropriations Committee earlier this week. The presentations all went quite well, and no real red flags were raised.
- **Economic Development Bill H.868:** The House Ways and Means Committee still has possession of the bill and are taking a look at the VEGI rewrite. In the meantime, the Senate Economic Development Committee is starting to take testimony on the bill in anticipation of its arrival there. Lucy testified on the bill, sharing the Administration's position on each section. They are likely to drop the Housing bill into the Economic Development bill. Fred Kenney and Commissioner Goldstein met with representatives Clarkson and Donovan to get their views on the VEGI components of the bill. Donovan is happy to support if we can show more of the individual stories of the employees hired as a result of the VEGI incentive and how they progressively earn more wages as the years go on. Clarkson admittedly mentioned that she needs more schooling in VEGI overall. Apparently most of the House Ways & Means (HWM) is in the same boat. As we sat through the walk through of the VEGI changes by David Hall in HWM many questions arose about the current statute before even getting to the amendments in the bill. More education is necessary here. Fred Kenney attended two sessions of House Ways and Means consideration of VEGI re-write in H.868. So far, have only run partway through re-write with legislative counsel. In addition to many questions that rehash issues that have been voted on and enacted by the Legislature, the Committee may have some adds to the re-write which could include:
 - A request for data showing starting wages and subsequent wage escalation of all VEGI employees.
 - Similar request showing data and information on number of new employees who are removed from public assistance programs because of VEGI.
 - Guidance for EBoard for consideration of requests to increase the cap.
 - Definition of what program is from tax expenditure perspective. Chair Ancel is concerned that program lacks accountability and is not accounted for fiscally because it is not a grant requiring an appropriation and is not a tax expenditure.
 - Fix for perceived problem with timing of requests for increases in program caps.
- **Housing Bill H.865:** House Appropriations voted out the bill 11-0 and House General is working on language to address some confusion. Rep. Mitzi Johnson did an excellent job explaining where the \$1M was coming from, an AHS IT project that has cost savings. Next stop for the bill is Ways and Means which is planning to take testimony late this week. Senate Economic Development is taking testimony on the bill which has been positive from everyone so far. The one area of disagreement remains between DHCD and VHCB on who would administer the grant program. Lucy testified that, while we support the concept of the bill, and indeed, Commissioner MacKay helped to craft it, we support the Governor's recommended budget. You may recall this bill appropriates a million dollars for the grant program. Lucy outlined the reasons why it really makes more sense for it to be administered through DHCD.
- Fred Kenney met with Senator Sirotkin regarding Burlington Waterfront TIF and Town Center project. He will spearhead request for extension in Senate Finance.
- **Captive Legislation Voted out of Senate Finance:** The Department of Financial Regulation captive legislation was presented in Senate Finance last week. A new amendment to the legislation originally voted out of the House was added to the legislation. The amendment will provide additional clarity to the treatment of cell captives and how they can be converted, assigned and sold. The bill was later voted out of Senate Finance.
- **Executive Order 15% for Homeless:** Noelle met with AHS's Angus Cheney along with Josh and Shaun from DHCD to discuss a framework for implementing the Executive Order. This is in prep for a meeting with VHCB and VHFA. We want to ensure that there are consistent requirements across funding agencies to reduce paperwork and ensure we are reporting apples-to-apples.
- **ANR, Stormwater:** ACCD and VTrans staff met with ANR to review a proposal in Senate Natural Resources that would require more developments to install stormwater controls. The rationale for the change is explained in

an ANR [report](#) that found that most development falls below the current one-acre permit threshold. It recommended reducing the impervious surface, e.g. parking lots and roofs to ½ acre as a way to limit the amount of phosphorous and sediment entering Vermont’s waterways. It also noted that retrofitting stormwater controls to meet the new state and federal clean water requirements is more expensive than designing them into the project upfront. In other words, it’s cheaper to pay now than it is to pay later. While the argument makes sense, we remain concerned about the cumulative costs of this and other new clean water regulations on downtown development – and if these new requirements will inadvertently encourage more scattered, low density development in rural areas.

We are currently working with partners to develop strategies that recognize the environmental performance of certain types of development commonly seen in our more urban designated centers. For example, one way to address our concern is to regulate runoff from parking lots and roofs differently (because stormwater from roofs is cleaner than stormwater from parking lots). We believe incorporating this and other urban-friendly strategies like allowing the purchase of phosphorous offsets (conserving rural land from development) can both improve water quality and support the development needed to keep communities economically strong and vital.

- **S.257:** House General, Housing and Military Affairs heard from Senator Balint about S.257 (Subtenants). The Senator explained that one of the accomplishments of this proposed legislation is creating a definition of “subtenant”, which currently exists in common practice but is not defined in law. She also explained the rationale for the bill, namely the attempt to create an expedited process by which a landlord can remove a person from a unit when there has been no formal agreement about their tenancy and any informal agreement had been between the current inhabitant and a tenant who no longer resides in the unit (or who no longer wishes for the other occupants to reside in the unit). The Committee is very likely to take testimony on this bill and try to move it forward.

LUCY LERICHE, DEPUTY SECRETARY

- **Pot:** Pat and Lucy attended the Cabinet level discussion led by Andrew Friedman of Colorado. Many excellent questions and invaluable implementation information and lessons learned from the state of Colorado.
- **Upper Austria Delegation:** Lucy, Jared and Ken met with Adam Sherman of BERC/VEIC and the Modern Wood Heating delegation from Upper Austria who are visiting Vermont. Vermont's learning and exchange partnership became formalized through an MOU signed by Governor Shumlin and Governor Josef Pühringer two years ago. We are seeing value in this partnership as Upper Austria has advanced modern wood heating throughout the country, and we have access to tremendous technological sophistication and innovation and structural lessons learned. Austrian businesses are very interested in perhaps having a presence in Vermont. As we develop the industry here, they see a future potential opening to vast US markets for their boilers and furnaces. We will need to deal with the federal certifications before this can really take off, which is a formidable obstacle. In the meantime though, we can do some meaningful things on the state level.
- **Northeast Biomass Heating Expo:** Lucy was the opening speaker at an evening reception as part of this event, along with Commissioners Snyder and Recchia. The event itself is two days, and is quite impressive!

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **State CMS Web Template:** The CMO continues to work with DII and the state’s eGovernment partner, Vermont Information Consortium, to implement the next round of enhancements to the state CMS template. Approximately 85% of issues identified by users will be addressed by the developers as part of a continuing effort to refine the template and improve user experience statewide.
- **Amtrak Marketing:** Outreach efforts to promote ridership on the Ethan Allen Express and Vermonter Amtrak lines have provided yet another opportunity for silo-busting – this time with DHCD and our designated downtowns. The CMO is working with AOT, VDTM and now DHCD to create a new collateral piece to encourage visitors to travel to Vermont via the train, which will feature content on each of the downtowns along the route, including points-of-interest and ways to get around town without a car.
- **Historic Sites:** Erin completed the design of 8 interpretive panels for the new Bennington Battle Monument exhibit this week, as well as 4 panoramic photo panels for the monument observation deck. The Bennington project was just the first in a list of design projects the CMO will be undertaking in the next month to promote visitation to our Historic Sites including design and production of the annual Calendar of Events brochure, new point-of-sale admission and retail signage, a set of six new interpretive panels for Hubbardton Battlefield, a new rack card for Hubbardton Battlefield, and new Calvin Coolidge and Chester Arthur campaign buttons for the gift shops in honor of this presidential election season.

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

• VCGI Imagery Program

- **Orthophotos:** Now that the new 2016-2020 VT Ortho contract has been signed by BGS and Quantum Spatial, VCGI has jumped right into orchestrating the 2016 spring acquisition. Orthos are usually acquired between April 1st and mid-May. VCGI is focused on crafting a Task Order for this year's acquisition, including 30cm base imagery and 15cm buy-up for certain areas. The snowpack is low this year so all we need is final task order and good weather.
- **LIDAR:** VCGI is refining its plan for storing, organizing, and serving LIDAR data and LIDAR-based data derivatives. This planning is very important as the many facets of LIDAR data tend to be complex while end users need simplicity when searching for and utilizing LIDAR-based data. In concert with this planning step, VCGI is anticipating forthcoming data deliveries from additional LIDAR data collections and will work them into implementation of the LiDAR Web Services Plan (see Table 4. "VCGI LiDAR Data Delivery Services" of the [VT State LiDAR Plan](#)). Efforts by the USGS state liaison continue on finalizing the Scope of Work and Joint Financial Agreement (JFA) for 2016 U.S. Geological Survey (USGS) Broad Agency Announcement (BAA).

• Outreach and Professional Development Program

- Leslie and Ivan are working on coordinating components of a Geospatial Forum which will occur in White River Junction on May 5.
- Leslie prepared for 3 events this week: Online mapping workshop with Realtors, VT Geography Bee, and GPS Workshop in Middlebury.

• GIS Governance & Coordination: Secretary Moulton, David Metraux, and Steve Sharp met with the Secretary of Administration (SOA) to present the deliverables produced from "Analysis of GIS in State Government" project. This project was initiated last August by SOA, and resulted in two reports; 1) Esri's "VT Location Strategy" and 2) EGC's "VT GIS Action Plan". There was a good discussion about the findings in both reports and how to move forward with the recommendations.

• Projects and Technical Support Services

- **VT Open GeoData Portal:** Steve, Ivan, Leslie, and Melissa reviewed some of the feedback re: the draft design documents. Steve and Ivan will continue to work on related standards and guidelines (e.g. tagging) and collecting information about interoperability between ArcGIS Online and Socrata. Steve and Leslie are working to finalize the front-end website design.
- **NBRC Parcel Data Project:** Leslie completed the Northern VT Parcel Mapping Project final report and submitted it to NBRC.
- **Department of Public Safety:** DPS staff and ACCD-IT/VCGI staff are planning to meet to discuss a proposed MOA through which VCGI would provide a limited amount of services to Public Safety during the balance of FFY 2016.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **VDTM Fully Staffed:** This has been a huge week for VDTM – we are finally fully staffed! Phil Tortora started as our Communications Director which rounded out our team. Vermont Life should be reaching full staffing soon as well so we will be ready to get to work on the summer marketing campaign as well as the new Economic Development Marketing Plan that we are receiving this week from Development Counselors International and Spike Advertising. Heather Pelham will be reporting on the plan but we at VDTM want to give her a big thank you for keeping the project on track.

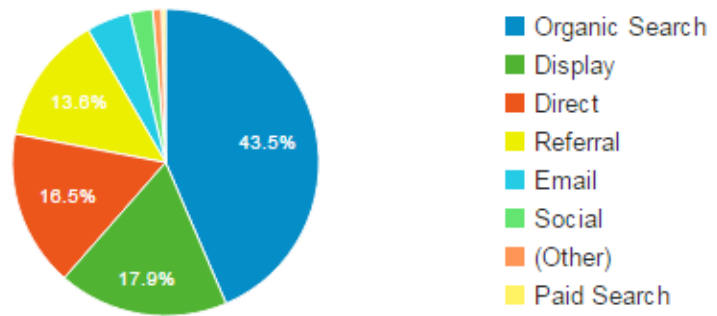
Steven Cook, Deputy Commissioner

- **Spring Marketing:** VDTM's spring advertising campaign closes on April 10th. To date the campaign has generated significant traffic to www.VermontVacation.com/Maple. The digital advertising campaign has seen strong performance. The maple campaign was the second top performing page on VermontVacation.com.
- **Google Display**
 - Impressions 484,597
 - Click Through Rate 0.25%
 - Average Cost Per Click \$ 0.69
- **VermontVacation.com Analytics:** Analytics for VermontVacation.com between Feb 28 – March 29 2016:

Highlights

Sessions	40,549
Users	35,181
Page views	100,076
New Sessions	83.95%

Top Channels



Geographic Users

United States	87.67%
Canada	2.52%
United Kingdom	2.29%
France	1.36 %

SALES ♦ Kathleen Kolva, Sales Manager

- **Google Maps:** Kathleen has teamed up with Hilary DelRoss to improve the VDTM thematic Google Maps. Kathleen will be looking into the accuracy of each of the Google Maps listed on the VermontVacation.com/TravelTrade page. Hilary is reviewing the maps posted throughout VermontVacation.com. With ongoing weekly meetings, Hilary and Kathleen will chip away at synchronizing the 50+ maps, updating them, and improving their usefulness.
- **Amtrak:** Kathleen continues to represent VDTM at Amtrak meetings. VDTM will support EscapeMaker's New York promotions with e-blast information as well as mailing them collateral (bike maps, Amtrak rack cards) for distribution at tabling events. Kathleen will work with Gary Holloway to develop an expanded Amtrak brochure, featuring 1-2 attractions in each of the towns in which Amtrak stops.

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

- **Advertising:** We are gearing up for the arrival of Chris McGee, our new ad sales person, by compiling a list of leads so he can hit the ground running.
- **Pitch VL:** Final preparations were set for the "Pitch Vermont Life" event March 30 in Middlebury. We have 15 presenters, and numerous prominent members of the Addison County community will also attend.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Attended the VTSBDC advisory board meeting: heard the story of Scott Kerner owner of Three Penney Taproom, Mule bar, Carrier Roasters and Good Measure Brewing Co. This is a creative entrepreneur who wholeheartedly admits he is the idea guy and VTSBDC helped him with understanding financing and preparing documentation to get him to be bankable. This was invaluable advice and help. Scott will be buying a building in downtown Northfield to house the brewery and the coffee roaster. He is interested in legislation that would enable him to be the owner of a brewery and also the owner of the establishment where it is served.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Held final Northern Border Regional Commission (NBRC) information session, here in Montpelier at ACCD. There were 8 attendees, bringing the total attendance across all four info session to over 100. Next up is an applicant collaboration session on April 11th in Hyde Park, at GMTCC (9 RSVPs to date).
- **Climate Economy Entrepreneurship Network:** Alongside Ken Jones, represented the Agency at the first working group meeting, designed to pick up this recommendation and opportunity, coming out of VCRD's Climate Economy Summit. Working with VSJF, BDCC, VSECU, VCLF, Design Book, and others. Next step is research on incubator and accelerator models for "climate economy" businesses.
- Continued assistance to **Vermont Packing**, the new slaughterhouse that is set to open in Grand Isle – referrals to VTP and Efficiency Vermont; **Pompanoosuc Mills** (exploring VTP application and Northern Forest Center technical assistance), and **Vermont Tree Goods** (referral to VCLF).

BUSINESS SUPPORT ♦ Brett Long, Director

- Contacted the following companies for literature for Hannover-Messe:
 - Orvis
 - GW Plastics
 - Liquid Measurement
 - Sweet Tree
 - Concept2

- Logic Supply
- Phoenix Wire

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Anderson Kill (leading national insurance law firm headquartered in New York):** Dan met with Phil England, shareholder and head of their insurance practice, to discuss self-procurement tax issues, domicile competition issues and a variety of prospects that his practice is working with. They have been a strong business partner and Mr. England has been helpful to Vermont in being outspoken on self-procurement taxes and their non-applicability to captive insurance companies. There were discussions about a current Bermuda based captive they represent that may be ripe for a redomestication to Vermont.
- **Former Vice Presidential Candidate and Senator Joe Lieberman Impromptu Meeting:** Dan had an opportunity to speak with Joe Lieberman on a flight this week from Washington, DC to New York. The former Senator was very curious about captive insurance and Dan was able to brief the Senator on Vermont and captive insurance. The conversation also included some of the former Senator's observations into the current presidential election, which were both insightful and amusing.
- **National Managed Care Practice Leader for Willis Towers Watson (WTW) Meeting:** Dan is to meet with Kenneth White, the top executive and Practice Leader for WTW based in Miami this week. He is a key figure in overseeing relationships with many of the key Blue Cross/Blue Shields and other similar entities throughout the country. Based on Dan's knowledge, many of the managed care organizations set up Cayman based captives and Dan hopes to better understand why Vermont does not get more of these opportunities. He hopes to educate Mr. White on Vermont and the advantages of domiciling their clients in Vermont.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Continued to work with: Vermont Aerospace (St J), Westminster Cracker (Rutland), IBEX (WRJ), Black River Produce (Springfield), CadCut (Montpelier) encouraging submittal of VEGI Pre-Applications.
- Responded to inquiry from Ann Clark, Rutland.
- Met with Minty Conant re: potential expansion of Caledonia Spirits.

Tax Increment Financing Districts

- Received and reviewed South Burlington request to expand NTC/NDA to include University Mall. VEPC will review request to expand TIF District later this year.

• **WCEDP**

- Attended WCEDP Advisory Council meeting. Council worked on draft 2016 grant RFP; finalized Council operating agreement; considered LOI from Bachar Sawami Innovations, which was sent back for more work.
- Followed up on WCEDP loan applications: Five companies have had Letters of Intent to Apply approved, two have submitted loan applications to VEDA.

VEF

- Continued to work with BHS Composites to finalize grant agreement.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

Companies PTAC is currently working with:

- | | |
|---|---|
| – Buckland Consulting, LLC – Shelburne | – Precision Composites of Vermont, LLC – Lyndonville |
| – Classic Dental Laboratory, LLC – South Burlington | – Resource Systems Group, Inc. – White River Junction |
| – Control Technologies Inc. – Williston | – Sawabini & Associates LLC – Shelburne |
| – G & N Excavation, Inc. – Moretown | – Stevens & Associates PC – Brattleboro |
| – JV Engraving & Embroidery, LLC – Charlotte | – Venus of Vermont, Inc. - Brattleboro |

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Cabot Hosiery VTP/VETI application will be in the Commissioner's SharePoint review box this week and will include traditional VTP qualified trainings as well as the enhanced VEGI trainings.
- I met with Logic Supply who is working on VTP application for a new product and process they are implementing as the company continues to grow.
- Curt Carter and I met with Lane Press last week and they are looking at a new training initiative due to new equipment and a new cultural leadership change. They are maintaining roughly 200 employees and are worried with succession training as their workforce ages.
- I will be attending the Franklin County job fair this week. They have over 60 employers that will be there.

- Have a meeting with Grand Isle meat processing who is looking to employ 12-15 new employees and are looking into a VTP grant.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **Historic Preservation in the News:** Last week two projects that DHP were involved with hit the news.
 - **3-D Printing Contest:** The 3-D Vermont Architecture and History Olympiad was held for the second year in a row featuring middle and high school students competing in an event that combines the old with the new! Partnering with the Agency of Education and Preservation Vermont, staff from DHP helped bring this event to life again this year. Students are required to research a bit of Vermont history and then bring that history to life with 3-D printing. Each team made two models as one set will be traveling around the state and exhibited at the State Historic Sites throughout the year. For the story, click [here](#).
 - **Barn Grants:** Caitlin was a wonderful spokesperson in a feature on historic barns and the role that the Barn Grants play in their restoration. Caitlin runs this incredible program that provides small (up to \$15,000), but powerful matching grants for the preservation and restoration of agricultural buildings across the state. While a barn in Jericho that will be a wedding venue was featured, over 80% of the grants go to working farm buildings. For the story, click [here](#).
- **Downtown Development Board Meeting:** Noelle chaired the meeting and finalized the letter to Colchester regarding expectations from the Board regarding the requirement to have public and civic buildings in the new town center. They have 3 years until the next renewal and hopefully progress will be made. For full board details, please see CP+R report below.

Deputy Commissioner Hanford

- **Richmond Creamery Brownfield Clean-up & Re-development:** Participated in numerous calls & discussions throughout the week as we learned that the property was purchased by the Richmond Community Senior Center. This acquisition of the property prior to the completion of the HUD Environmental Review and Release of Funds significantly complicates this project and puts the CDBG \$ at risk. The Town & Gristmill Builders /Buttermilk LLC were not informed of the purchase until after the fact and were quite surprised as they were moving forward and close to completing the HUD Environmental Review and meeting the conditions of the recently awarded \$500,000 CDBG grant. Communication has been clear that this is a significant issue for the CDBG and EPA commitments. We will continue to answer questions and provide ongoing assistance to the Town and all parties as we all share the goal of cleaning-up and redeveloping this contaminated site.
- **Housing VT and Shires Housing:** Held conference calls and discussions to encourage a recently submitted Arlington Housing Rehab project delay funding consideration from the VCDP Board until other funding commitments are made and numerous questions are answered. We explained that available funding and strong competition for VCDP \$ make it very unlikely that a project with these concerns and inability to move forward with no other funding commitments would likely not be funded at this time and it would be best to withdraw their application from the April 11th board meeting. They agreed and have since withdrawn their application for consideration in June.
- **COTS & Housing VT Ground Breaking:** Attended the ground breaking for this exciting housing and homeless assistance project in Burlington. The Governor and Mayor spoke passionately about the affordable housing and homeless crisis. The good news is....we are making progress on these issues and innovative projects like this one are helping. See VCDP report for pictures from Claire who also attended as she provided the grant underwriting & analysis for this project.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Downtown Board Meeting Overview

- Awarded village center designation for Arlington and East Arlington.
- Renewed village center designation for Enosburg Falls, Hardwick, Putney, Royalton and South Royalton.
- De-designated West Dover and Peru village centers due to delays in their town plan updates. Updates are in process and both will reapply once the work is complete.
- Approved letter to the Town of Colchester outlining expectations regarding the new town center designation requirement for civic and public buildings.
- Reviewed and scored a practice Downtown Transportation Fund grant application in preparation for next month's competitive round (9 applications were submitted requesting over \$487,000 for \$351,000 in available funds).
- Updated the board on issues with Morrisville's designation and their plans to address it.
- Shared information on Bradford's plan to downgrade their downtown designation to a village center designation.

State Designation Program Report

- **Northfield:** Richard met with the Northfield Community Development Network (NCDN) to share the benefits of village center designation and the work of the Vermont Downtown Action Team (V-DAT). The meeting was well attended with representatives from Norwich University, several small businesses and town selectboard members. The NCDN is using the V-DAT plan to guide their efforts and are moving forward with implementing the community branding efforts later this year.
- **Newport:** Gary participated in a panel discussion focused on the arrival of Walmart in the Newport-Derby area. The panel included representatives from Walmart, the City of Newport, the City of St. Albans, the Town of Littleton, NH and NVDA. The presentation focused on actions these communities took to strengthen their downtown businesses before and after Walmart opened its doors. The meeting drew over 100 people including local area businesses, residents, town officials and area non-profit organizations that offer business support and resources. Newport has yet to make any decisions on how it will invest a \$600,000 payment from the developer to help local businesses and the community adapt to this change.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

Section 108 Loan Guarantee Inquiry

- Ann has been fielding questions from the City of Rutland attorney regarding the use of the Section 108 Loan Guarantee Program as part of the City's Revitalization efforts. HUD has been actively attempting a renewed interest in the Program to use the funds available to borrow. With an approximate current interest rate of .82%, the Program is appealing if there is a readily accessible stream of revenue for the loan repayments. The Boston Office has been more than generous with sharing the latest guidance and examples of a recent program in Somerville, MA.

Closeout Agreement Program Income/Revolving Loan Funds

- Cassie has been providing technical assistance to the Town of Springfield on their six Revolving Loan funds (RLF's), accurate reporting, annual assessment payments and compliance with the timely use of these scarce funds. This technical assistance culminated with a call to Town officials for Ann and Cassie to review and advise the Town on their plans for the available funds. There are several upcoming projects to be funded from the local fund, ensuring compliant use for the funds. Most importantly in the mix of projects in the queue are the Jones and Lamson building clean-up and re-use (EPA is actively involved at this point); Woolsom Block for a mixed use project of housing and retail space spearheaded by Housing Vermont and the Springfield Housing Authority; and the acquisition by the Springfield Housing Authority of a severely blighted property adjacent to the elementary school. There is a renewed energy and interest in the RLF's with the Town Manager, Tom Yennerell at the helm.

CDBG Disaster Recovery Program

- The Grants Management Disaster Recovery team of Tamera Pariseau, Maria Davies, and Jessica Mendizabal made a trip to Moretown to monitor the under-construction Moretown Town Office building, funded in part with a \$700,000 CDBG-Disaster Recovery grant. Construction is scheduled for completion by late June or early July, and the Town hopes to have the building occupied by September, allowing for the hectic Primary season to pass prior to move-in. The finance team completed the review and provided some technical assistance and found that the Town was in compliance with the financial portion of the grant management. However, there were some Labor Standard/Davis-Bacon issues identified during the monitoring, and additional technical assistance will be provided to assist the Town in addressing the Findings that will be identified in the report.



of



Photographs
the newly
built
Moretown
Town Office
Building:

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **3D Vermont:** Last Friday, the second annual 3D Vermont competition was held at Vermont Technical College in Randolph. The event is coordinated and sponsored by the Division for Historic Preservation and the Agency of Education, but could not have even come to fruition without Mike Hathorn of Hartford High School. The level of preparation, thought, and model drafting and building by the middle and high school students far exceeded the level last year; and the buzz and excitement in the building was palpable. Laura gave a wonderful introductory speech to the students and assembled crowd, Jamie and Elizabeth from VDHP, Brennan Gauthier and Kyle Obenauer from VTrans Cultural Resource section, and Glenn Andres and Blaine Cliver of the Vermont Advisory Council on Historic Preservation were among the many judges and logistics coordinators; Jess staffed the archaeology table and functioned as a coordinator with Peter Drescher from the Agency of Education and Mike Hathorn. At the conclusion of the competition, Windsor High School won the overall prize for the second year in a row; modeling a now-gone series of prison buildings in Windsor. Reviews and press from the competition since it has concluded have been extremely positive, and the coordinators are already talking about ways to improve and expand it next year.
- The Hartford High School 3-D team presented to Mount Independence for display this year a set of the models they made for the competition last Friday. Site Administrator Elsa Gilbertson was able to attend the event and cheer on her team. They did a great job on their Mount Independence project, gathering information on a site visit, and used images from historic maps, our engraved powder horn, and other primary source material to create the long-gone 1776-77-star fort and a blockhouse, and the current visitor center. Great job to the team. Their video presentation was extremely professional and VDHP hopes to be able to use it at the historic site.



Secretary of Education Rebecca Holcombe

Project Review

- **Shelburne Farms:** Jamie and Caitlin met with Shelburne Farms and SAS Architects to discuss a potential small addition, expansion of service areas at the Shelburne House (aka Inn @ Shelburne Farms); VDHP holds an easement on this property. Also up for discussion is a conversion of the Annex from staff housing into guest accommodations and site work to develop a stronger relationship between the Annex, Inn and Formal Gardens. One other topic that came up was an interest in modifying all the fireplaces in the Inn for better safety and energy efficiency, a valid interest, but also one that could have strong aesthetic impacts on the historic interior character-defining spaces.
- **Rio Blanco:** Scott and Jamie met with the development team for the Rio Blanco assisted living facility in downtown White River Jct. The team has been in consultation on this project for a while, and recent discussion has been focused on the site layout and massing and form of the new construction within the downtown historic district. We will be completing a final review and providing formal comments in the next few weeks, once the final renderings are supplied.
- **Southgate Steeplejacks:** Jamie joined Caitlin for a visit to Jay Southgate's shop for a tour of the former Wells Lamson Granite Works in Barre and discussion about past and current work. Jay's crew is currently constructing a new steeple for the Congregational Church in Burlington that was lost to arson. Mr. Southgate is quite proud of his work, but there can often be strong differences of opinion regarding whether his particular style of approach and treatments meet the Sec. of the Interiors Standards. This has created tension in the past between the contractor and VDHP staff who review his work, as well as the general public interested in preservation. In the past, Mr. Southgate has also received significant criticism, and at times even outrage, from the public on the alterations that

occurred on a number of his projects. The group discussed ways to improve communication before, during and after design and construction activities to help prevent such situations from repeating.

- **Black Barn Arts:** The Project Review Team had a focused discussion with Laura and Dale on the challenges of consultation surrounding the proposed artist residency center in Guilford, which was recently determined eligible for the State Register of Historic Places by the Advisory Council on Historic Preservation. The Council was asked to evaluate the property at the time and condition it was in when Act 250 was triggered back in 2013. Unfortunately, the Applicant never engaged in consultation with VDHP and completed significant building alterations and site modifications that have eroded the historic integrity of the site and were done prior to having any Act 250 permit in place. The District Coordinator requested VDHP work with the Applicant to find resolution through mitigation, however the team does not see any way we can find suitable resolution through this pathway, and as a result, will refer this project to NRB enforcement for discussion of next steps.

Historic Sites Section Chief and State-Owned Historic Sites

- **Morrill Historic Site:** On Saturday, members of the AGR Fraternity at UVM celebrated their Founder's Day by volunteering at the Senator Justin S. Morrill Historic Site in Strafford. This enthusiastic and energetic group of young people worked on post-winter clean up around the property and assisted in cleaning and organizing inside several of the barns and outbuildings.



- **Hubbardton Battlefield and Mount Independence:** We've been working with the Crown Point Road Association (CPRA) this winter on programming to commemorate the 240th anniversary this year of the Mount Independence-Hubbardton Military Road section. CPRA has included these events in their calendar, recently distributed to their membership.

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

- Shaun and Dale conducted a **training on Fair Housing** law and the nexus between land use decisions and inclusive communities for several CDBG grantees and Regional Planning Commissions. Several towns from central Vermont were represented at the training and the discussion touched on several challenges being faced by select boards when trying to encourage housing development with a mix of affordability levels. Another training is scheduled for May 17th in Charlotte.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Regular VCDP

Applications

- **Town of Arlington:** The Battenkill North project proposing to rehab 22 housing units in the Towns of Bennington, Shaftsbury, and Arlington does not have any funding commitments at this time. In addition, the project scope includes divestment of 3 housing units in North Bennington. It is unclear at this time if these units will remain as affordable housing and how any other non-profit agencies can afford to rehab them if Housing Vermont and Shires Housing are unable to. Due to these issues, this application may be moved from the April Board Meeting to the June Board Meeting.

- **Town of Bradford:** Staff is working with Rita Seto of Two Rivers Ottawaquechee Regional Commission (TRORC) as she is updating the Town's 2012 sidewalk planning grant application which was tabled by the Community Development Board at its June 2013 meeting. The Town was recently given a deadline to resubmit the tabled application no later than the June 2016 CD Board meeting, and the Town does plan to have the Board reconsider the application. There were legal and scope of work concerns that the Town believes it has now addressed. Guidance on how to proceed was sent to the Town and TRORC.

Existing Grants

- **Town of Williston:** COTS held a groundbreaking ceremony on Tuesday.



Potential Projects

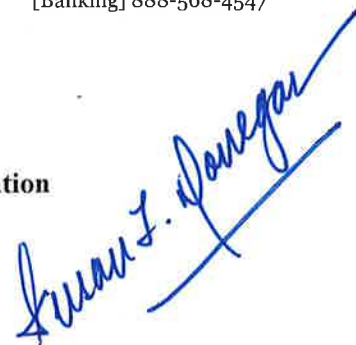
- **Town of Rockingham:** Program guidance was provided to Development Consultant Tom Appel, who is working with the owners of the Hotel Windham in downtown Bellows Falls. The owners have been focused on rehabilitating the retail space on the ground level and are now ready to begin planning for the redevelopment of the upper floors of the building. The owners are in the early discussions on how to complete the work and are tentatively targeting the October CD Board meeting for an application submittal.
- **Town of Lyndon:** Nathan and Josh had a conference call with Peg Hale, Director of the Home Ownership Program at Rural Edge. The discussion focused on Rural Edge's next application to be submitted for the continuation of their Northeast Kingdom Revolving Loan Fund program that provides low interest loans, and grants to complete repairs to LMI owner occupied homes in the NEK. The program also provides financial counseling to LMI persons. The next application may look to expand the services that they provide to include additional financial assistance to help landlords address renovation needs in rental housing throughout the NEK.

State of Vermont
Department of Financial Regulation
 89 Main Street
 Montpelier, VT 05620-3101
www.dfr.vermont.gov

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: April 1, 2016
Re: Weekly Report



Legislative news:

This week's report is an update of the legislation sponsored by DFR and legislative matters that may affect the department, bills from last year that may be reconsidered and a list of studies completed by DFR.

Bill	Current Status	Notes
<i>DFR Sponsored Legislation</i>		
<i>H. 538 – An act relating to captive insurance companies</i>	Passed House Passed Senate with proposal of amendment In House Commerce – 03/31 <u>H.538 Status</u>	Amended in House Commerce (v. 1.1) Dave P to testify Senate Finance 3/22 Amended in Sen. Finance and passed by Senate Sen. Ayer and Dave P. to testify in House Commerce on Amendments 3/31
<i>H. 872 – An act relating to Executive Branch fees/FY 2017 Fee Bill (Mutual fund increase)</i>	Passed House In Senate Finance	Commissioner testified in Sen. Finance 3/30, follow up questions to respond to
<i>H. 619 – An act relating to the Commissioner of Financial Regulation and information-sharing agreements</i>	Passed House as part of H.862 (An act relating to insurance laws) In Senate Finance	Part of Omnibus – HCCED vote 3/8 On Sen. Finance Agenda 04/01. Emily Kisicki to testify
<i>Non-Sponsored Legislation Affecting DFR</i>		
<i>S. 20 – An act relating to establishing and regulating dental therapists</i>	Passed Senate (2015) In House Human Services	DFR provided written comments 3/22 Committee hearings 3/31 and 4/1
<i>S. 155 – An act relating to privacy protection/H. 302, An act relating to the use of drones</i>	<i>S. 155 – Passed the Senate, In House Judiciary</i>	Walkthrough in H. Judiciary on 3/29



S. 213 – An act relating to parental insurance benefits	Sitting in Senate Economic Development	DFR Informal Study by end of April
S.215/H. 653 – An act relating to the regulation of vision insurance plans	S. 215 – Passed Senate, in House Health Care H. 653 Sitting in House Health Care	DFR requested time to speak to HHC when they take up S. 215
S. 217 – An act relating to the State's organization of professional regulation	In Senate Gov Ops	Commissioner testified. Likely DFR will need to participate in study if passed.
S. 218 – An act relating to automotive minimum liability coverage	In Senate Judiciary	DFR sent written responses to Qs 3/10
S.238/H. 654 – An act relating to intermunicipal insurance agreements for health care	S.238 Sitting in Senate Finance H.654 Sitting in House Health Care	DFR does not support
S.255 – An act relating to regulation of hospitals, health insurers, and managed care organizations	Passed Senate 3/15 In House Health Care	09-03
H. 12 – An act relating to licensing consumer litigation funding companies	Sitting in House Commerce	Drafting activity and DFR testimony in early March.
H. 112 – An act relating to access to financial records in adult protective services investigations	Passed House 3/10 In Senate H&W	Committee testimony 4/1
<i>H. 277/S. 95/S. 241 – An act relating to regulation and taxation of marijuana</i>	S. 241 (as amended) passed Senate 2/25 Activity in Senate committees	Commissioner testimony 3/30
<i>H. 364 – An act relating to underwriting motor vehicle insurance and credit ratings</i>	Passed House Part of Omnibus – in Sen. Finance	Testimony 4/1
<i>H. 547 – An act relating to bylaws of a cooperative insurance corporation</i>	Passed House Part of Omnibus – in Sen. Finance	Testimony 4/1
<i>H. 548 – An act relating to extraordinary dividends for life insurers</i>	Passed House Passed Senate 3/30	
<i>H. 571 – An act relating to driver's license suspensions</i>	In House Judiciary	Committee seeking DFR testimony 4/1
<i>H. 603 – An act relating to mortgage lending</i>	In House Commerce	Low priority for Committee DFR does not support.
<i>H. 618 – An act relating to group life insurance</i>	Passed House Part of Omnibus – in Sen. Finance	Testimony 4/1
<i>H. 709 – An act relating to homeowner's insurance and gun possession</i>	(SHORT FORM) House Commerce	Low priority for Committee
<i>H. 722 – An act relating to enhancing protections for victims of a security breach</i>	(SHORT FORM) In House Commerce	Believe this corresponds with draft language from AGO shared with DFR on 2/1.

<i>H. 727 – An act relating to a study of credit-based insurance scores and insurance rates</i>	Passed House Part of Omnibus – in Sen. Finance	Testimony 4/1
<i>H. 737 – An act relating to recognizing blockchain technology</i>	In House W&M In Senate Economic Development	Moved to econ. dev. bill (H. 868) In House W&M 3/31 In Sen. Econ Dev 3/31
<i>H. 767 – An act relating to workers comp premiums</i>	Passed House Part of Omnibus – in Sen. Finance	Testimony 4/1
<i>H. 773 – An act relating to the classification of employees and independent contractors</i>	In House Commerce	Kaj testified 2/10. Moved/combined with 867; committee hearings week of 3/28
<i>H. 805 – An act relating to employment rights for members of the National Guard and Reserve</i>	Passed House, Favorable report by Senate Econ Dev., referred to Senate Approps	
<i>H. 868 – An act related to miscellaneous economic development provisions</i>	In House W&M In Senate Economic Development	DFR included in summer AirBnB study and blockchain provisions. In House W&M 3/31 In Sen. Econ Dev 3/31
<i>H. 873 - Miscellaneous Tax Bill</i>	Passed House 3/24 In Senate Finance	Information sharing for captives
<i>Transportation Bill</i>	House Transportation	Vulnerable users
<i>Bills from last year that could reappear</i>		
<i>H. 13 – An act relating to regulating flood insurance coverage requirements</i>	Sitting in House Commerce	
<i>H. 19 – An act relating to health insurance coverage for hearing aids</i>	Sitting in House Health Care	
<i>H. 34 – An act relating to the process of licensing travel insurance agents</i>	Sitting in House Commerce	Fee bill covers this entity now.
<i>H. 157 – An act relating to public access to administrative rules</i>	Sitting in House Gov Ops	
<i>H. 218 – An act relating to creating an angel investor tax credit</i>	Sitting in House Ways & Means	
<i>H. 223 – An act relating to title insurance</i>	Sitting in House Commerce	
<i>Studies</i>		
White Paper – Marijuana Legalization In Vermont: Implications for Financial Services	On DFR website, shared with committees.	
Consumer Litigation Funding	Submitted 12/1	
Peer to Peer Lending Study	Submitted 12/1	
Blockchain Technology Study	Submitted 1/15	



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MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: April 1, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VTel – It has now become apparent that our fears about the VTel wireless project are coming true. At the very least, we need to be prepared for negative feedback, as failure of this project to deliver can leave as many as 9000 Vermont customers without the broadband service we were counting on. Darren, Scott and my team are meeting on Monday to discuss. We hope for a briefing with you shortly thereafter.

RPC Energy Planning

The Department is preparing to kick-off the regional energy planning initiative for next four RPCs (Rutland, So. Windsor, Lamoille, and Central VT). The contract has passed muster with the AG's office and is now on its way to the contractor (Bennington RPC) for signature.

S.230 – Energy Siting Bill – After much machinations, S.230 was voted out of the Senate by a vote of 22 – 3 (Rodgers, Degree, Zuckerman) on Thursday evening. Before 3rd reading, the bill was laden with a series of less-than-desirable amendments. Those include:

- A provision that will give towns greater deference in PSB proceedings until March, 2017 when (in theory) they should be able to have updated town plans certified by their Regional Planning Commission.

- A provision that not only requires the PSB to issue an order on the pending “Sound Docket” by October 1, 2016 but also requires the Board to include a variety of recommendations on issues including monitoring, sound standards, and setbacks from wind generating facilities

Defeated on the floor was an amendment that would have required continuous sound monitoring at existing and new wind generating facilities.

In a victory for the Department, Senator Rodgers withdrew an amendment that would have enabled utilities to petition for a grid service fee specifically for net metering customers.

Net Metering Rule Revision – Conversations continue with developers and utilities regarding the PSB’s update to the net metering rule. Of note, Boardmember Cheney testified before HNRE regarding the new rule and seemed to signal the Board’s openness to revisiting some sort of grid service fee. Chairman Klein also indicated that he would support a change that required all net metering participants to pay their customer charge and intends to testify to this at one of the Board’s public hearings on the rule. VEC pitched a story to VPR (Hirschfeld) on the rule and associated Board process and he is expected to follow up on Monday.

MA Transmission Security - As you were briefed yesterday, a brush fire in MA along a transmission corridor led National Grid staff to see cans connected to a rope thrown over conductors. No damage occurred to the grid, now was anyone ever without power. Based on the briefing at the end of the day yesterday, there were 4 of these “devices” that had materials in the cans and cable coming out of them. The FBI, Homeland Security and all appropriate responders were notified. The objects were described by the FBI as “incendiary devices.” As of now, it is unknown what the contents of the cans were and whether they could have disrupted power transmission and distribution.

VY – We completed the settlement documents and sent them back to Entergy on Tuesday. I briefed Mike Twomey on the content, and he seemed encouraged. We asked for a response by next Wednesday – Mike thought they’d probably respond sooner.

Connecticut River Dams – TransCanada’s decision to sell its generation assets presents an opportunity I know you are already pursuing – as am I. I am forming a team to gather basic information about the Dams – size, location, permitting issues, generating capacity, price of production, value of power, assessed values, value TransCanada is asking be applied relative to property value, and other issues. Please use us as reference for information and positioning about the value. The two options I think we need to evaluate are State ownership outright and VT utility ownership. Both have advantages and disadvantages. I have spoken to Mary Powell as I know you have – Now that VY negotiations are nearing a conclusion (I am an optimist) I would like to be a part of any team you establish to look into this or to negotiate with TransCanada. This could be very beneficial for Vermont but needs technical and negotiating support from the Department.

Meetings/Calls this 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, Elizabeth mine Solar
Apr 01 – Budget Hearing with Senate Appropriations

Meetings next Week:

Apr 04– VTel Meeting
Apr 05 – Commissioner Recchia site inspection @ WCS in Texas for the week
Apr 06 – Deputy Copans hearing at HF & W on New Haven Solar MOU, S.230 Hearing & Solar Siting
Apr 07 – Deputy Copans VCRD Climate Summit Convo.
Apr 08 –

Media:

Public Official Contacts: VPR on passage of S.230

Everything Else:

Regional

Competition in Transmission Planning and Construction

- Under Order 1000, FERC required that regional transmission organizations such as ISO-NE implement practices to allow for competition in transmission planning and construction. The underlying purpose is to reduce costs to ratepayers through the competitive process, and FERC allowed individual regions to propose different solutions. The New England states supported the idea of competition in the transmission process.
- ISO-NE has provided further details regarding its implementation of these Order 1000 requirements. Any project that is needed for reliability within three years would not be subject to competition due to time pressure. However, ISO-NE also indicated that it would not issue an RFP for projects with a need greater than three years as it is not certain whether the needs would still be the same that far out in time. Additionally, ISO-NE indicated that in the future most transmission needs will be driven by resource retirements, as load growth has essentially flattened, and therefore the transmission need will be less than three years.
- ISO-NE's approach effectively eliminates the competitive process from transmission planning and construction.

Congressional Delegation and ISO-NE Communication

- On March 14, several members of the U.S. Senate and House from New England, including all three members from Vermont, signed a letter to ISO-NE raising concerns regarding the Forward Capacity Market. The concerns were primarily focused on the cost of the capacity market and included statements such as “We also continue to question what exactly ratepayers are getting in return for these massive costs and whether capacity markets are the best construct to maintain electric reliability at just and reasonable costs all while achieving local, state, and regional energy policy goals. The March 14 letter asked ISO-NE to respond to questions in three specific areas: (1)

ensuring that the Installed Capacity Requirement is accurate and does not represent over-procurement of capacity resources; (2) whether resource retirements have resulted in market manipulation; and (3) whether capacity markets provide sufficient incentives for renewable resources and distributed generation.

- On March 28, ISO-NE issued a reply that reiterated its basic talking points on the benefits of the Forward Capacity Market. ISO-NE continues to expressly link the increase in capacity prices to the fact that renewable resources have the effect of decreasing energy market prices. ISO-NE continues to make this point despite the fact that a relatively small amount of renewable energy is coming on-line compared to natural gas-fired energy, with low natural gas prices being the primary driver of lower energy prices, and therefore higher capacity prices. ISO-NE also failed to expressly address the concern that, in recent years, the Installed Capacity Requirement has consistently been adjusted downward from the time in which the ICR was set to the relevant capacity period. Finally, ISO-NE states that there has not been market manipulation as a result of resource retirements, and that its proposed resource retirement reforms are focused on preventing manipulation in the future.

New Hampshire Transmission proceeding at FERC

- The New Hampshire Transmission docket at FERC recently finished the discovery on the witnesses put forward by consumer advocates. FERC trial staff is scheduled to submit testimony in early April.
- New Hampshire Transmission contacted the states and indicated that it would be willing to settle the docket for \$6 million. The total cost at issue is \$10.1 million in regional network service charges (there is an additional \$0.6 million in local network service charges, but these are paid by Seabrook Generation, which is also a NextEra subsidiary, along with New Hampshire Transmission). States had offered to settle at \$6 million prior to litigation.
- On March 30, state consumer advocates discussed the settlement offer and are proposing a counter of \$7.2 million + states agree to waive interest (which would be approximately \$0.75 million on top of the \$10.1 million) + New Hampshire Transmission waives the right to recover \$0.3 million that would otherwise flow through the 2015 regional network service charge + New Hampshire Transmission agrees to waive legal fees (that would be collected through the regional network service charge).
- The Massachusetts Attorney General's Office, which has been paying most of the outside counsel fees, wants to settle this docket fairly quickly.

ISO-NE Strategic Transmission Analysis re Maine Wind

- On March 28, ISO-NE provided an overview of a study it will be conducting to add new 345 kV lines in Maine to connect 2000 MW in northern Maine and 1000 MW in western Maine. It's not clear what value the study will have as it would assume delivery in southern Maine, which addresses the transmission constraints within Maine but does not address the north-south interface, which limits the amount of new energy from northern New England. Additionally, the study is assuming that these resources would not

provide capacity – in other words resources would have to compete based on negative pricing to deliver energy, and some of the resources would be transmission constrained (ISO-NE did not say what amount of energy would be expected to be delivered).

- There are some merchant transmission companies proposing projects to address transmission constraints in this area and have expressed concern with the fact that ISO-NE is conducting this study.

ISO-NE Press Release re Wholesale Prices

- On March 29, ISO-NE issued a press release stating that New England's 2015 average annual wholesale energy price was \$41/MWh, down 35% compared to 2014, and the second lowest since 2003. This was despite the fact that the monthly average wholesale energy price in February 2015 was \$126.70/MW, due to cold weather and high natural gas prices. This compares to June 2015, at \$19.61/MWh, which is the lowest average monthly wholesale energy price since 2003.

Engineering

Update on VY Groundwater Management Issues

On 3/24, the State Nuclear Engineer, VDH and ANR officials received an update from VY and Energy Solutions regarding the Turbine Building groundwater incursions. There are now a total of six holding tanks (~20,000 gallons each) located just outside of the Turbine Building. Incursion water previously stored in industrial grade bladders and now some “process” (i.e. former Reactor Coolant System) water is being pumped to these tanks. Two of the three truckloads (i.e. ~10,000 gallons) that shipped to Energy Solutions' disposal facilities last week consisted of process water (rather than incursion water as was previously reported). An additional (single truckload) shipment to Energy Solutions' facilities left site Tuesday morning.

VY Announces Outsourcing of Site Security Functions

As widely reported in the media, Entergy announced the awarding of a contract for security and related services at the VY site to Securitas Critical Infrastructure Services. The option to outsource plant security is included in VY's decommissioning plan and is permitted under VY's current NRC-approved Site Security Plan. The outsourcing is expected to greatly reduce the administrative burden (i.e. the cost) for the VY Security Force over the next several years. Under the contract, all current VY Security Force employees have the opportunity to be hired by Securitas and are expected to be retained (at current wages and pay grade). Securitas will continue to use all current VY Security Force policies and procedures. The contract will take effect on June 28.

Public Advocacy

VGS Addison Expansion—Docket 7970-VGS submitted the 5th non-substantial change determination request to the Board on March 25. This change reflects the Hurlburt/Old Stage Road re-route to avoid the Lyons and Martin properties. The Department's aesthetics consultant will review. The Board has appointed a hearing officer to conduct post-CPG process with respect to discrete issues in the 3rd and 4th non-substantial change determination requests. VGS is coordinating with interested parties and is due to advise the Hearing Officer regarding certain

procedural matters on April 1.

CLF 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. On March 23, 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. Parties' comments are due April 18. There was no activity in the docket this week, but it is generating much speculation and press coverage.

Triland Williamstown Solar Project-Docket 8666-Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. On March 17, Triland submitted supplemental testimony addressing certain sound issues. Additionally, the Department received discovery responses from Triland on March 25. Staff is reviewing both the discovery responses and supplemental testimony. 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. Staff is preparing a second round of discovery questions to be served on April 1.

AARP Low Income Program-Dockets 7535 and 8500-GMP has prepared a draft of its annual report to the Board with respect to the Fund and the Program. They have provided the draft to the Department and AARP for review and comment. Staff is reviewing. It is due to the Board on March 31.

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 and avoid a Motion to Compel. Counsel for the landowners appears likely to use the discovery difficulties to argue for an extension of the schedule. The Department's appraiser visited the Broughton and Cuneo properties on March 28 in preparation for the compensation phase of these dockets. That testimony is due to be filed April 22.

VGS-Town of Hinesburg condemnation-Docket 8643-This parcel is in a park owned by the Town. The Hearing Officer denied the intervention motions of the Hinesburg Conservation Commission as well as the individual Hinesburg citizens, finding that the Select Board is the appropriate body to represent the Town with respect to the park. Counsel for the individuals who were denied intervention has submitted a Motion to Reconsider Hearing Officer Ruling. 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 and the parties are preparing a proposed schedule to be presented to the Hearing Officer.

VGS-Peyser condemnation-Docket 8645-This parcel is in Monkton. Mrs. Peyser was scheduled to depose VELCO witnesses on March 30, but that has been rescheduled to April 4. Due to the

lengthy amount of time it is taking to conclude depositions, Mrs. Peyser has requested some adjustments in the schedule and a revised proposed schedule is currently under consideration by the Hearing Officer.

VY Second ISFSI – Docket 8300 – Parties filed reply briefs in the proceeding. The Department continues to support the issuance of a CPG, but filed a short reply brief in response to a few concerns raised by other parties' briefs, including Entergy's proposed finding that the VY site "will continue to be an industrial site," which is at odds with the Docket 7862 MOU that requires unrestricted use of the site at the end of decommissioning and site restoration. The Department also filed an opposition to NEC's motion to admit new evidence after the close of the evidentiary record, arguing that such a motion was premature under Rule 60(b) and granting of the motion would be prejudicial to the other parties to the proceeding. The parties are waiting for a final order from the Board in the proceeding.

GMCW Investigation – Docket 8613 – The Department received responses from GMCW to its second round discovery requests. The Department has also requested an extension of time from April 1 to April 8 to file a proposed deadline for recommendations on how to proceed while it reviews the discovery responses. The Department is awaiting review of the information by its sound expert before determining how to proceed.

South 40 Solar – Docket 8600 – The Department received a revised site plan from SFS. SFS is seeking to reach agreement on the aesthetics criterion in advance of the technical hearing. The Department will not entertain entering into a stipulation until a mitigation plan is agreed to between SFS and the last abutting homeowner group. SFS rebuttal testimony addressing the need and economic benefit criteria is due on April 11.

Lamoille River Solar – Docket 8634 – The Department attended a site visit with Board staff to the project site. No significant issues were apparent from the visit. The Department also filed a letter with the Board noting that it will not be filing testimony in the proceeding, but will not enter into a global MOU either. The Department has some concerns about the project – principally about the adequacy of decommissioning funding – but does not need expert testimony to explore those issues. Technical hearing is tentatively scheduled for the week of May 9.

Irasburg/Blittersdorf MET Tower Investigation – Docket 8585 – The Department received responses to the second round set of discovery requests. The Department intends to file a partial motion for summary judgment establishing that the alleged violation of § 246 occurred. The schedule currently calls for a stipulation or litigation schedule to be finalized by April 6.

Barton Village, Inc. Electric Department 20.81% rate increase - Docket 8646 - The Parties filed a stipulation on March 25, 2016. In the stipulation the Parties agreed to a 16.17% rate increase, instead of the 20.81% rate increase Barton initially applied for. If the Board accepts the Parties' stipulation, Barton will refund ratepayers the amount billed above 16.17% since December 5, 2015. On March 29, 2016, the Department filed testimony in support of the stipulation. The Board has scheduled a technical hearing for April 15, 2016 at 9:30 AM.

GMPSolar – Panton LLC 4.90 MW Solar Facility in Panton, Vermont – Docket 8637 - A technical hearing was held on March 25. The Technical hearing did not raise any new issues. The Applicant indicated that a system impact study will be available this week for parties to review and comment on.

Vermont AllSun Solar XII, LLC 500 kW Group Net Metered Facility – CPG #NMP-6314 - The parties attended a status conference on March 24. The hearing officer indicated that it would like to ask the Department's and the Applicant's witnesses questions pertaining to the testimony filed on the issue of aesthetics, and the Memorandum of Understanding entered into between the Department and the Applicant. Two adjoining landowners have filed comments with the Board expressing concern that the landowner may compromise the existing vegetation near the project site.

BDE Danville Lazar Solar, LLC 500 kW Group Net Metered Facility – CPG #NMP-7433 - On March 28, 2016, the Board held a site visit at the request of the Town of Danville. The Town of Danville hired a bus and pointed out the areas in Danville from which the proposed project may be visible. The Board has not, at this time, granted a hearing in this matter.

Sun CSA 58, LLC 150 kW Group Net Metered Facility – CPG #NM-6841 - On March 30, 2016, the Clerk of the Board notified parties that the Board will hold a hearing on the issue of aesthetics, an issue raised by adjoining landowners.

Spencer-TGC Westminster, LLC 1.8 MW solar net-metering facility for the Vermont Army National Guard, pursuant to §§ 248(j) and 219a(m) – Docket 8699 - On March 24, 2016 the Board requested parties to file legal briefs by April 5 addressing whether the lease arrangements proposed in the Petition meet the requirements of § 219a(m). On March 28, 2016, the Board requested supplemental testimony and exhibits by April 8 from the Petitioner, addressing system stability and reliability, planned or existing transmission facilities, and project sound levels. On the same day, the Board issued a Section 248(j) notice setting a comment deadline of April 25.

Village of Morrisville Water & Light Department Request to Reserve 500 kW of Capacity in Net Metering Program – No docket number - On March 25, 2016 the Village of Morrisville Water & Light Department filed a request and brief with the Board seeking authority to assign 500 kW of net metering capacity within its 15% cap for a utility-owned net metering project. The Department will review the filing and respond by April 15, 2016.

Other Net Metering – The Department filed comments on three 500 kW net metering projects in March which each raised the issue of whether a net metering project exceed the statutory 500 kW (AC) nameplate capacity limit if the applicant “de-rates” the output of an inverter. Those projects were:

16-0017-NMP Novus Beckley Hill Solar LLC

16-0015-NMP BDE North Ferrisburgh Lazar Solar LLC

16-XXXX-NMP Novus Montpelier Solar LLC

In addition, the Department received a registration for a 15.6 kW project on March 25, 2016, based on an expressed intention to “de-rate” an inverter such that the output will not exceed 15kW. On March 24, 2016 the Board issued an Order in another net metering docket, NM-6824,

noting that derating the output of an inverter does not change a project's nameplate capacity. The Department is seeking further information from the applicants as to whether the inverters can be permanently de-rated.

Triland 2.2 MW Solar in Pownal – Docket 8610 – PSD participated in an uneventful technical hearing. The PSD has reviewed the Petitioner's PFD and anticipates waiving its § 811 rights as long as the Board's PFD is consistent with the Petitioner's version and ANR's MOU. Additionally, at the hearing officer's request the PSD will file a letter stating that as long as the project is constructed and operated in accordance with the evidence and plans submitted and ANR's MOU conditions, the project will promote the general good of the state of Vermont.

GMPSolar Williamstown – Docket 8682 – A motion to intervene was filed by Shawn and Rhonda Thygeson and another, lengthy motion was filed by Allco. The PSD issued discovery on the petitioner including questions regarding finance, engineering, and aesthetic concerns. ANR also issued discovery on the petitioner.

VELCO PV 20 Replacement Project – Docket 8604 – The hearing officer granted the PSD request for a technical hearing to be scheduled for April 28th. Thereafter, the petitioner requested deferring the filing of rebuttal testimony and staying discovery while ANR and the petitioner work toward settlement. The petitioner proposes an April 15th deadline for filing an MOU with ANR.

Rutland Renewable Energy, LLC – City Solar Garden Project – Docket 8182 – GroSolar, the current holder of this CPG, has been in contact with the PSD for support regarding changing the decommissioning plan/fund. Initially, groSolar wanted to do away with the decommissioning fund completely. After the PSD informed groSolar that PSD found no reason to support such a request, groSolar requested PSD support for the use of an escrow account instead of a letter of credit. The PSD informed groSolar that in principle the PSD does not oppose the use of an escrow account as opposed to a letter of credit as long as it is fully funded and all the PSB safeguards are satisfied. GroSolar emailed us documents that purportedly amended the CPG and MOU to reflect this simple change. Upon review, the PSD discovered that the documents eliminated a vital benefit of the MOU bargain, namely that GMP would keep the decommissioning fund if it exercised its option to purchase the project. The PSD contacted counsel of record on this docket to let her know that PSD could not support this amendment.

Generic Rule 4.100 Ratesetting Proceeding – Docket No. 8684 – Discovery on the Department and utilities is coming to a close, with non-petitioner's testimony from producers and utilities due April 15.

Rule 4.100 Rulemaking – No Docket – The Board set April 9 as a date for reply comments and specifically inquired about a couple of topics, such as handling long-term contracts on a case-by-case basis, rather than prescribing details about them in the rule. Department staff is considering this suggestion.

North Hartland Rule 4.100 Contract – Docket No. 8569 – March 30 is the date for motions/schedules to be filed in the absence of agreement. Talks have generally broken down

though some last ditch efforts are being attempted. Otherwise competing schedules will be filed March 30.

VGS Base Rate Filing – Tariff No. 8598 – On March 25, the Board issued an order setting a prehearing for April 13. The Board did not resolve the effective date issue, notwithstanding significant briefing on the issue. The Board seems to want the parties to work this issue out. The Department will propose a schedule that lines up both the alt reg case and the rate case for order by Feb 2017. Notwithstanding that the Department filed initial discovery on March 4, Vermont Gas has yet to reply.

GMP Rate Design – Docket No. 8525 – On March 24, the Board approved GMP’s proposed rate design as well as the MOU entered into. The Board indicated that it was pleased with the commitments made in the MOU for GMP to begin development of new rates leveraging smart meters. The rate design will take effect April 1.

Swanton Met Tower Penalty Investigation – Docket 8561 –The Department filed a response on March 17th opposing Respondent’s Cross Motion for Summary Judgment and is awaiting further response from Travis Belisle or action from the Board on several pending motions.

WEC § 248(j) Upgrades to Landfill Gas Facility in Coventry – no docket – WEC filed its petition on March 18th, requesting PSB approval to construct upgrades to its Coventry facility, including installation of a Siloxane Removal System and related facilities to reduce the concentration of siloxane compounds in the landfill gas, replacement of the existing emissions stacks, and increasing their height by 6.4 feet to address Air Quality Permit standards. The Board has not yet set a deadline for comments.

City of South Burlington 248(j) Petition to Install a 1.55 MW Solar Group Net-Metered Facility on the Closed Landfill in South Burlington – no docket – The City of South Burlington filed its petition on March 23rd requesting approval for a 1.55 group net-metered facility consisting of approximately 6,768 solar modules. The facility would be constructed on a closed landfill and would interconnect with GMP’s existing three-phase service from Airport Parkway. The Board has not yet set a deadline for comments or requested input on whether the project is suitable to be reviewed as a 248(j) project.

Chelsea Solar 2.2 MW Standard Offer Project in Bennington - Docket 8302- The Board granted the Department’s request for extension of time to respond to the first round of motions until April 19th. They also granted intervention to the Town of Bennington. We hope that the Town will take an active role in responding to the plethora of pending motions from Chelsea Solar.

Coolidge Solar 20 MW Solar facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586- PSD notified the Board that it had no objections to the intervention of GMP, WEC, VEC, BED, and VPPSA in both dockets, and the intervention of DHP, VELCO and SWCRPC in just the § 248 proceeding docket (8685). Coolidge Solar filed a reply to party responses to their Motion to Clarify Scope, urging the Board to find that requiring Coolidge to satisfy the Section 248 criteria prior to approving the Rule 4.100 contract with VEPP was preempted by PURPA. The next step is for the Board to rule on the motion and on

consolidation of the two dockets, which no one opposed. Much to the surprise of the PSD, today Coolidge Solar filed a Memorandum of Understanding with the Division of Historic Preservation. The Department was completely unaware of any negotiations between these parties and was not consulted by DHP about the MOU, which relies on the aesthetic mitigation proposed by Petitioner to satisfy DHP concerns about the aesthetic impact of the project on a historic farm located in the middle of the project. This DHP MOU presumes that the landscape mitigation measures proposed by Coolidge Solar will be part of the CPG, but DHP apparently did not consider asking PSD for their opinion on whether the proposal adequately mitigated the visual impacts of the project. The commitment by DHP also makes it more challenging for PSD to coordinate and present a unified state agency position on the project.

VELCO Connecticut River Valley Project Docket 8605 –The Department is reviewing VELCO’s draft Proposal for Decision and is likely to stipulate to it and support entry of it by the Board without further proceedings.

Charlotte Solar Enforcement - Docket 8638 – Parties continue to wrangle over language of a stipulation agreement as well as significant components of a proposed landscape mitigation plan that would serve as a basis for a partial settlement of this enforcement matter. A filing is due to the Board on 3/30 and it remains to be seen if the parties will reach consensus by this deadline. If a partial settlement is reached, parties will propose a schedule for filing recommendations on a penalty amount, following an admission by Charlotte Solar that they violated the CPG with respect to the installation of landscape mitigation.

Westman and Cambridge 500 kW Net Metering Projects NMP 6045 and 6046 – Still awaiting the submission of a signature page by and adjoining landowner to the three-way stipulation between that landowner, the applicant and the Department.

Elizabeth Mine Solar 5MW Project in Strafford – Docket 8632 – The Petitioner will be meeting with PSD on 3/31. Absent an agreement between Petitioner and DHP regarding archeological impacts from a GMP line extension to serve the project, DHP sought and was granted permission to late file testimony in this matter. Petitioner has now propounded discovery on that testimony.

Grand Isle Solar 5 MW Project in Grand Isle – Docket 8665 – PSD learned from the Petitioner that ANR does not believe that undue adverse impacts to wetlands on the site can be adequately mitigated by conditions at this time, and is therefore preparing to file testimony. PSD has some engineering and aesthetic concerns and will also be filing testimony about these on 4/4.

Basin Harbor Club/Beach Properties 150kw Solar Net Metering Enforcement – Docket 8692 – The Board convened a prehearing conference in this matter which was opened to investigate whether sanctions should be imposed for misrepresentations or false statements in the initial application for a CPG concerning whether the project was near or within any historic sites or districts. However, counsel for the developer of the project, who has filed a Notice of Appearance but has not intervened based on prior PSB precedent disallowing intervention by developers in such matters, alerted the Board, at the outset, that the CPG had been transferred to a different entity and that the Board had failed to provide notice of the proceeding to that entity. The Board Hearing Officer immediately recognized the likelihood that a necessary party had not

been notified and adjourned the conference pending further action. Vermonters for a Clean Environment and Energize Vermont were in attendance and had videotaped the proceedings. It appears that counsel for the developer knew in advance of the significance of the Board's failure to notify a necessary party, but elected not to communicate that information to anyone prior to the conference, despite numerous email and telephone messages about the matter exchanged with PSD counsel.

Public Engagement - No Docket – Department staff gave a presentation to the Bennington Regional Commission on the role of municipal and regional participation in PSB § 248 proceedings.

Telecommunications

Broadband Analysis – The PSD has revised the methodology for broadband speed maps. The PSD will create one map depicting fiber to the home, and second showing fiber and cable networks. It will create a third that shows all locations served at 4/1 or better, and this map will also depict the FairPoint CAF II territory in a shade. Each of these maps will include town-level statistics on locations served. The PSD will also identify census blocks that contain any unserved locations, and this will include statistics by town that list the locations conditionally eligible but that are within the VTel and CAF II territories.

DPS Fiber Projects – Department staff went on a ride out with the Department's contracted project manager to view the ongoing fiber projects. There are three general issues remaining. First, testing is incomplete on the OCFC-W through Braintree. There are two points that need to be spliced and tested before the project is complete. The second issue involves the attachments to a VELCO transmission line in Stockbridge. More engineering needs to be done before construction can proceed on the 1.5-mile transmission line. Lastly, construction has started but is not complete in Reading, along 106. Staff believe that these issues can be resolved without hiring a new project manager. The Department's contracted manager is leaving to take a position with Tilson Technology.

EDA Resiliency Project – The VTA contracted for 10 resiliency sites with CoverageCo small cell sites with solar power and battery backup. Both the power systems and the electronics were specified to be DC powered, and while the power systems were supplied DC, the electronics are AC. The systems also have an inverter to feed AC power to the hosts as a netmeter solar site. The companies have created a proposal to use this existing inverter to feed AC power to the electronic systems.

Department staff submitted a change in scope amendment to the EDA to make changes to the EDA funded small cell project. The Department inherited this project from the VTA. Last week, the EDA requested more information ahead of its final review and decision. Division staff submitted answers to those questions on Tuesday. Staff is awaiting review by the EDA.

CoverageCo Deployment – During the staff's ride-out of the fiber network, staff took time to view several CoverageCo installations. A little more than half the installations staff passed were online and working. One installation on Chelsea Mountain Road was installed, metered, and connected to FairPoint DSL, yet it was not transmitting a signal. Another in Reading was

connected to FairPoint DSL, but the meter wasn't installed. An installation in South Strafford, which CoverageCo claims cannot get FairPoint DSL, was located directly across the street from a FairPoint central office and along the same route as ECFiber. The Department is in the process of hiring a temporary project manager to oversee this project. The project manager ought to start with an audit of the "Original" CoverageCo project, since many of these installations appear to be inoperable.

Carrier Letters: Staff drafted letters to several telecommunications carriers, asking for verification of addresses that are able to obtain broadband services, as well as the speed of service available. This data is important as the Connectivity Initiative looks to open up the application period for grant funding. By identifying areas that currently receive service, it will prohibit overbuilding and assure best use of the available funds.

CAPI

Reporting for the period March 20 to March 26, 2016

GMP Expiring Net Metering Credits – CAPI staff produced a list of suggested consumer information and outreach that GMP could utilize in its efforts to provide better customer service for its net metering customers as they struggle with excess production credits that are expiring.

Lifeline – CAPI continues its research about what might be causing the decline of Lifeline enrollees in Vermont. A call was made to USAC about waivers from the federal database. Only one designated wireless carrier is actively providing service in Vermont -- QLink. The FCC will likely make a decision this week about additional changes to the Lifeline program that include a Lifeline discount for data and may affect Vermont's waiver and application processes among other things. We have a follow up call planned with Economic Services scheduled for this week to see if their changes with application processing have yielded the intended results.

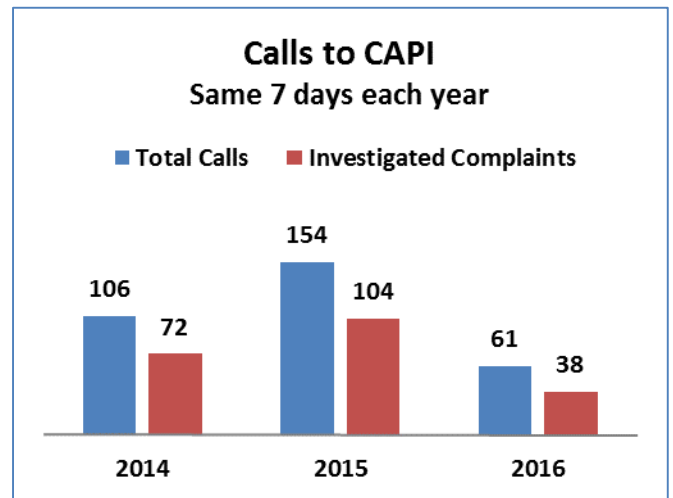
Deceptive solar marketing – CAPI will work with consumers who call about this issue and liaison with the Attorney General's office to assist with further development of guidelines for marketers of solar generation facilities to prevent customer confusion or harm.

Cases of the week

Verizon Wireless -- The Attorney General's Consumer Assistance Program referred a complaint about Verizon Wireless to CAPI. A consumer, no longer under contract with Verizon Wireless, went to one of their stores to buy a new battery for her Jetpack. While there, the salesperson convinced her to upgrade to a new Jetpack at no charge, but failed to disclose that this would trigger a contract term. The consumer only found out about this after the fact. In the meantime, she had returned the old Jetpack. She didn't want to start another contract term, but was told that she would incur an Early Termination Fee (ETF) if she canceled the service. CAPI provided the consumer with information about the Consumer Code for Wireless Service, a voluntary set of principles and actions that wireless carrier participants agree to abide by, including disclosure requirements (such as when contracts are invoked). At the consumer's request, CAPI contacted Verizon Wireless on an informal basis to ask whether Verizon Wireless would be willing to give the consumer back her old Jetpack, or something equivalent, with a new battery (which is all she wanted) and release her from the contract without incurring an ETF. Verizon Wireless responded

by saying they had called the consumer and resolved her complaint by billing her only for the cost of a new battery and “adjusting the contract end date.” When contacted, the consumer said she was satisfied with the resolution.

Selected Summary of Consumer Complaints



Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: April 4th, 2016

Secretary's Message:

Eligibility and Enrollment (EE)/Integrated Eligibility (IE)

John Stern, Deputy CIO, and I testified again at the Senate Committee on Institutions on the progress we're making with EE/IE. The committee immediately put on the table, the VT Digger article which directly quoted two confidential emails that were sent internally. The concern from the committee, was that the article implied that we had decided to sole source the IE contract. I let the committee know that the emails were taken out of context and that the reporter misconstrued its intent. I told the committee that it was my decision to take on sponsorship of the project and in making John Stern the project lead. Regarding procurement, I let them know I'm not at liberty to discuss that, and when pressed regarding sole sourcing, I let them know that Justin Johnson's quote was correct, that decision has not been made. We are now under the gun and have been informed that the JFO IT consultant, Dan Smith, has been instructed to make a Go/No Go recommendation on IE to the committee on this coming Tuesday. We believe we've given Dan all the information he needs and we are hoping the committees will continue to approve the allocation we requested. John and I will be testifying to both committees on Tuesday afternoon. Losing these funds and not being able to go forward, would put the state at great risk.

COTA Hospitality

The latest update to Commissioner Hutt's report on the COTA facility is that all the staff have quit, putting us in a crisis situation (please see the DAIL highlights). We are now being forced to and immediately, move the 17 residents into temporary facilities in the community. Our primary resources include, some Washington County Mental Health Emergency Beds, local nursing homes, and a few residents would be able to temporarily return to their families. Most residents require 24-hour supervision and nursing services. We are involving the police department to ensure a safe transition and I'm sure this will hit the press.

S.107

Regarding S.107, which is the establishment of an Agency of Health Care Administration, I wanted to thank you Governor, for your statement and opposition to this bill on VPR this week. We've been in touch with both the chair of House Appropriations and House Human Services, the signals we're receiving is that it will not pass in the House. We are remaining vigilant and will line up testimony if asked.

AHS Highlights:

Agency of Human Services Central Office:

Bennington Department of Health District Office involved in PFOA contamination

The local staff in VDH are working very well with the Department of Environmental Conservation regarding the water contamination in North Bennington. There have been some operational glitches related to computer systems, setting up the HOCs, etc., but--to the community--the partnership is seamless. Field Services has gotten positive feedback about the communications and passed that along to local staff. The situation in Pownal will be very different because there is potential contamination of the public water supply.

Bennington prepares for Accountable Community conversation

On April 14, the Blueprint Team, Regional Clinical Planning Committee, and AHS Field Services will be hosting a retreat for community members to talk about piloting an Accountable Community model. The day will be facilitated by Susan Sgorbati from Bennington College. This is one of many positive collaborations between the traditional health care system and the human services system that have been developing in the region.

Integrating Family Services continues to develop in the Southern regions

In both the Brattleboro and Bennington districts, IFS exploratory teams are having discussions about how to move IFS forward. The teams were energized by the statewide stakeholder meeting earlier this month. Both districts are focusing on local teaming initiatives. Schools are the most difficult partners to engage in both districts.

Layoffs at Jay Peak and Q Burke impact the Northeast Kingdom

The Northeast Kingdom took a couple of significant hits this past week as Jay Peak and Q Burke Mountain both announced lay-offs totaling more than 225 full time positions. The poor winter conditions resulted in significantly fewer part-time seasonal positions being filled over the course of the winter, and this loss of full-time year round positions only adds to the problem. At Q Burke, the problem was exasperated by the failure of the new 50 Million Dollar hotel/lodge/resort that was completed and scheduled to open in December. The fall-out from this has an impact in both the St Johnsbury District (Q Burke) and the Newport District (Jay Peak).

Warming Shelter in Newport Underutilized

The Newport District and the local Continuum of Care was able to get a modest Warming Shelter on-line in mid-February, operated and staffed by North East Kingdom Community Action. The shelter has not been utilized despite the fact that a number of individuals have been referred. Unlike what may have happened in other regions of the state, it is believed that the underutilization here is due more to "personal choice" than to any other reason. We have seen over the last 2 winters that there is a core group of single homeless men who will, during Cold Weather Exception, make use of a hotel room when available, but will opt to return to their campsite/alternative rather than make use of a cot in a church basement. Given the numbers involved (maybe 8-15), we are exploring ways to do targeted outreach to these individuals in the coming months to see what if any progress can be made prior to next fall.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCCH remains at full census of 25 this week with fewer admissions and discharges given patient acuity.

Emergency Departments

This week there were 29 people in need of inpatient psychiatric beds and 22 people have been admitted. There were 4 court ordered people for inpatient evaluations this week of which 2 were placed and 2 were ordered for evaluation in the last 24 hours. One judge also ordered an inpatient evaluation, ignoring the mental health screener's recommendation for outpatient evaluation. Given presenting information, the psychiatric evaluation will likely not recommend inpatient evaluation either.

Four adults (2 voluntary and 2 EE), and one minor (EE) presenting today, remain in need of placement. Three adults are likely to be placed shortly and one adult will need the next Level one bed available. The overall adult inpatient system of care has been averaging 96% occupancy this past week.

The DMH Commissioner and Director of Mental Health Services are meeting with Emergency Room Directors and Nurse Managers on 4/1 to review current progress in decreasing wait times in ED's and updates for the group on VPCCH bed capacity and staffing, involuntary care designation progress at the Veteran's Hospital, secure residential program planning, and AHS cross-department work in addressing aftercare barriers for patients who no longer require hospitalization.

Northeast Kingdom Mental Health Services

The Department of Mental Health, Department of Health – Substance Abuse Program, and Department of Disabilities, Aging, and Independent Living are collaborating on a response to complaints recently received regarding the Executive Director of NEKHS. The three departments will be notifying the agency's CEO and Board of the allegations and seeking information in response to the concerns voiced by recently terminated employees. The complaints have some similarities to the issues that plagued RMHS most recently such as management and culture of the organization and human resource concerns. The communication to the agency will be accompanied by a heads up of the complaints and planned follow-up by the involved Departments to the Chairs of Senate Health and Welfare, Human Services, Senate and House Appropriations, and Rep. Toll. The Departments are working together to proactively explore any basis for the allegations and intervene early if there is potential for impact to delivery of services in the Designated Agency's catchment area.

Department of Aging and Independent Living (DAIL):

Alzheimer's Awareness Day

The Alzheimer's Association held an Alzheimer's and Other Dementia Related Disorders Awareness Day at the Statehouse on March 30th. They sought to bring awareness of the issue to the forefront, focusing on the rate of diagnosis, currently 12,000 Vermonters and 17,000 by the year 2025, and the Medicaid spending rate which is projected to increase from \$90 million to \$140 million by 2025. This is a public health epidemic which will continue to be a significant issue for Vermont as our population ages.

Update on Cota's Hospitality Residential Care Facility Receivership

Pursuant to the Temporary Receivership which was granted, DAIL was at Court on March 29th seeking permanent receivership for Cota's. Our goal remains the same, stability and safety for the current

residents and an accurate assessment of the ability of the facility to come into compliance with regulations to operate the facility safely. The Court elected to continue the hearing and required the Temporary Receiver to maintain her responsibilities until the next Court hearing on April 14th. Following the session in court, the owner, his partner and another staff person resigned their positions at Cota's Hospitality, creating a staffing crisis. DAIL is working with the Temporary Receiver to identify resources to shore up the facility. Our assumption and hope is that the facility will have the financial resources to support these efforts but DAIL may need to assume some level of financial obligation to ensure safety and support while the Receiver makes final decisions and recommendations about ongoing operations.

Department of Corrections (DOC):

Population

The Department's incarcerated population averaged 1744 for the previous week. The Department's incarcerated male population averaged 1612 for the previous week. The out of state population is currently at 237. The female population averaged 132 for the previous week.

Department for Children and Families (DCF):

Southwestern Vermont Community Action Agency Hires New Executive Director

BROC - Community Action in Southwestern Vermont has hired Tom Donahue as its new Executive Director. BROC is one of Vermont's five Community Action Agencies; they cover Bennington and Rutland Counties. Most recently, Donahue was the Executive Director at the Rutland Regional Chamber of Commerce. He begins on April 4th. As a Community Action Agency, BROC is a key community partner in addressing homelessness, food insecurity, energy assistance and employment support for low income individuals and families in southwestern Vermont.

Change in Leadership at the Office of Child Support

After over 25 years as the Director of the Office of Child Support, Jeff Cohen will be leaving state service at the end of April. He is currently the longest serving Child Support Director in the country.

We are extremely pleased to announce that Robin Arnell, Esq. will be starting as the Director of the Office of Child Support (OCS) beginning April 4th. Robin is currently the Supervising Attorney for OCS where, during her twenty plus years with the child support program, she has held a variety of legal and management roles.

Throughout her career Robin has been instrumental in most aspects of the child support program including strategic planning, policy development, legislation, process management, supervision, and working with the courts and other external partners, not to mention litigation; and despite being an attorney, she has a sense of humor.

I hope you will join us in wishing them the best of luck in their new endeavors!

Department of Vermont Health Access (DVHA):

Vermont Health Connect

2016 Design Development Implementation (DDI)

Responses to the RFQ for continued 2016 DDI work are still under review. Currently there is no contracting vehicle in the works for the Release 3 (R3) scope removed from the 2015 Optum DDI contract. This includes key case management functionality as well as other Non-Functional Requirements (NFR) (IDM, ECM, SOA) related enhancements. Due to the massive changes this would create for operations, this should not be implemented until after 2016 open enrollment. The procurement process will need to begin in April in order to complete the design, test, train, and implementation phases before open enrollment 2017.

Operations

The State and Optum M&O have collaborated to initiate three “Surge” project teams to deal with key deficiencies within VHC: Medicaid renewals form, integration, and reconciliation.

Legacy Medicaid Renewals

Legacy Medicaid renewals (LMR) processing continues. As of this week the ADPC has scanned 7819 applications, and 1109 customers have called to complete a phone application.

Other Agency Report Items for Consideration:

Agency of Human Services Central Office:

HSE Financials

CFO Clark provided more detailed financial documents to the Senate Institutions Committee related to project to date spending in the Health and Human Services Enterprise. This was in follow-up to HSE testimony two weeks prior.

Personal note

Linda Dean Farrar’s sister passed away last week very suddenly. I know that the Governor has worked with Linda and wasn’t sure if his office was informed in case he wanted to send regards.

Barre Homelessness Forum and Job Fairs

A forum on homelessness and affordable housing in Barre will take place at the Aldrich Public Library on Wednesday, April 6th at 6pm. The Central Vermont Job Fair will take place Wednesday, April 6th from 10-4 at the Barre City Auditorium. Washington County Mental Health Services will hold a job Fair on Monday, April 4th, from 4-7 at 579 South Barre Road in South Barre.

Vermont Department of Health (VDH):

Supreme Court Hears Arguments in Case of Stephanie Taylor, M.D

On March 29th the Vermont Supreme Court heard arguments in the appeal of Stephanie Taylor, M.D. Dr. Taylor entered a stipulation in 2005 under which she surrendered her medical license and agreed to never again reapply, ending the last of several investigations of unprofessional conduct that led to sanctions by the Vermont and Massachusetts boards. In 2013 she petitioned the Board for permission to reapply. The Board denied her request and she appealed to the Supreme Court, which remanded the case to the Board, ruling that the Board provided inadequate findings in its decision. On remand, the Board again denied the request, leading to this second Supreme Court appeal.

Medical Board Investigators to Attend Community Opioid Forum in Montpelier

Medical Board’s Investigators will attend a Community Forum on Opioids led by the Health Department on Monday, April 4. The Investigators will be available to answer questions about prescribing issues and what someone can do if they have concerns about a prescriber’s practices.

Tick Awareness

Infectious Disease Epidemiology staff recently reached out to the 500+ members of the Vermont Recreation & Parks Association to offer free tick awareness trail signs to town parks and recreation departments throughout the state. Signs have already been sent out to three towns' parks departments. The Vermont Recreation & Parks Association graciously offered VDH a complimentary exhibit booth at their fall conference in Fairlee which VDH will use to further spread awareness of tick borne diseases.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital Continued

The hospital had its monthly stakeholder advisory Committee meeting that included two presentations: an overview by Dr. Desjardins of emergency involuntary procedures (EIP's) and a psychiatrist's thought process in determining patient dangerousness and the use of EIP's and a progress report by VPCH on work to-date on the external nurse consultant report.

Six VPCH staff attended an Electronic Health Record (EHR) training last week in Alabama as part of the EHR implementation project underway at the hospital. The feedback was very positive and project timeline remains on track.

Legislative

The DMH Commissioner and Deputy met with Senator Kitchel 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 provided an overview of the current Medicaid Pathway work that is being coordinated across departments and supported by SIM funding and includes representatives from AHS Policy and departments, Designated Agencies and Vermont Care Partners. Status of activities and time line were also shared for initial design work completion. Senator Kitchel appeared satisfied with the current direction and movement of the work and may seek to include legislative language that further supports this collaborative approach to service delivery and payment reform given administration changes that will occur in 2017.

Department of Aging and Independent Living (DAIL):

DAIL Budget Testimony

DAIL was scheduled to testify in Senate Appropriations this week related to our FY'17 Recommended Budget. Unfortunately, the Committee was delayed and our testimony was rescheduled for next week.

Adult Protective Services Fairpoint Phone Line Error

There was a situation last week involving the release of possibly sensitive information. On Friday, the Adult Protective Services (APS) toll-free reporting line was not functioning. We notified DII, who in turn contacted Fairpoint, the company that manages the toll-free line. So that we could continue to receive reports while Fairpoint worked to resolve the issue, we asked them to point the toll-free number to a different line within APS. Unfortunately, when Fairpoint staff set up this temporary solution, they entered the wrong phone number, and for a period of several hours the toll-free line was pointed to the personal cell phone of Kevin Newton, a random person not affiliated with the state. The situation was fully corrected within a few hours.

APS staff are working with Martha Csala and Greg Needle to ensure that we handle the possible information breach appropriately.

APS Reports Related to Police Officers

Recently, Adult Protective Services has received two reports of suspected abuse, neglect or exploitation of potentially vulnerable adults by police officers in the course of their duties. An exhaustive review of our current statutes does not exempt police officers from screening and investigations even though they have a unique role in the lives of all Vermonters, including those deemed vulnerable. We are obligated to review those reports and to make informed decisions about initiating investigations. In internal discussions, we have developed a strategy for an “awareness” conversation with impacted police chiefs to alert them to our statutory responsibilities and to ensure that we coordinate with their own internal investigations appropriately.

Department of Corrections (DOC):

Pretrial Services

Pretrial services director Annie Ramniceanu reports that contract negotiations to amend the existing contract which provides Pretrial Services statewide have been delayed and potentially derailed by issues within the specifications of work to be performed and contract for services payment provisions. Should these issues prevail, it will either be necessary to issue another RFP in order to provide Pretrial Services. Or, as per Act 195, the Department in consultation with the courts and law enforcement would need to provide them in another manner.

Department of Vermont Health Access (DVHA):

Hospital Outpatient Rates

There have been ongoing discussions with the Vermont Association of Hospitals and Health Systems (VAHHS) on this issue, as well as a meeting with hospital CFOs last Thursday. This week DVHA will mail a letter to the hospitals memorializing that discussion and the shared goal of developing a plan to eliminate clinic provider-based billing.

All Payer Model

The RFP scope is under review with DVHA, AHS, and AOA. Release is anticipated for early April.


Blueprint

The Blueprint worked with the YMCA and VDH to develop a press release about the success of Diabetes Prevention Programs in Vermont. Vermont is the only state to offer these workshops statewide. The Obama Administration, on the anniversary of the Affordable Care Act, announced an expansion of Medicare to include coverage for Diabetes Prevention Programs, based on an 8-state pilot that showed participants adopted healthier habits and incurred \$2,650 less in health care costs on average.



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CONFIDENTIAL AND PRIVILEGED MEMORANDUM

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: April 1, 2016

Emerging Issues

Student Member of the State Board

We are pushing out the application for the student member of the state board. You should have applications by May 1, with the goal of seating a board member at the June retreat.

Consolidated Federal Programs Conference

On March 29, nearly 200 educators from school systems across the state met with Agency staff to learn about the new federal Every Student Succeeds Act (ESSA) and to offer feedback on multiple topics including the measures for future accountability, how the state will support continuous improvement in schools, identifying a communication plan, identifying criteria for a statewide leadership development and methods for assuring a smooth transition to ESSA.

ESSA Planning

The AOE launched its ESSA website and is taking feedback on planning from constituent groups. The page can be accessed here: <http://education.vermont.gov/essa>

Education Quality Reviews

Prior to the passage of ESSA, the Agency had been developing the Education Quality Review process. Eight Supervisory Unions completed the process and we are inviting approximately 200 participants to share the experience in a debriefing exercise on May 10. Participants are meeting at the Capitol Plaza in Montpelier from 8:30 to 4:30. **Please let us know if the Governor would like to attend at any point during the day.**

Contracting

Previously, the AOE has had an agreement in place that allowed us to recognize individuals who participate in state level policy discussions by awarding honorariums and covering mileage through "EAs." These Expense Authorizations enabled the administration to process limited payments and process 1099 tax forms for multiple individuals who performed minor consultations- often 1 or 2 days of service. The processing of EAs requires substantial advance planning to execute. For example, in the case of the 200 invited participants for the EQR work described above, the total compensation is approximately \$150 per person and all of these individuals are currently set up as vendors in the state. New processes point to eliminating these EAs in order to create "temporary employees" to

compensate individuals. We will also have to post and process these positions before hiring them as “temps.” By definition, we will need to create a daily rate that will overpay some (less mileage) and underpay others (farther distances). Not compensating people reduces the diversity of participation, particularly for those who travel from outlying areas.

Meetings

3D Vermont Conference at VTC
Project IGNITE Conference at State House
VSA All Members Meeting
HHB Prevention Council

Media Contacts:

Todd Wallack, Boston Globe: Todd emailed asking about reporting requirements for schools in the state, specifically where a student complains he/she has been abused by a teacher, administrator or other school employee. Stephanie sent him information about mandated reporters and licensing actions. He sent a few follow up questions about requirements – whether schools or educators report inappropriate relationships with a student who is 16 or older, if the AOE receives reports about sexual misconduct involving educators, if the AOE takes disciplinary action against educators in public and private schools alike, and whether DCF is required to notify AOE about a report involving a school official. Clare typed up replies to the reporter’s questions and Stephanie sent them via email.

Mike Faher, VT Digger: Mike emailed asking about the Act 46 merger discussions in Windham Southeast Supervisory Union. He became aware that Rep. Mike Hebert, who is also chairman of the Vernon School Board, sent a public-records request for all written and electronic communications among representatives of the AOE, WSESU and the SU’s Act 46 Study Committee. Mike wanted to know if the AOE had a response to the FOIA request. He was told that the AOE had yet to receive a FOIA request from Rep. Hebert and therefore the AOE does not have a response.

Lola Duffort, Rutland Herald: Lola asked about the AOE’s new guidelines for supporting transgender students in schools and wanted to speak to someone on the agency side. She wanted to know why the AOE thought it was important to put this document together, what it aims to achieve, what the AOE believes still needs to be done to help transgender students get a safe/equitable experience at school. She was provided with a copy of the new guidelines and Clare typed up a statement that was sent to Lola to use in her story. The story ran in the Rutland Herald and Times Argus.

Katy Savage, Vermont Standard: Judy Cutler forwarded an email to the communications team that Katy had some questions about bullying, the reporting process, definitions, etc. Katy was sent the recently revised and released model policy on HHB, along with the memo from Secretary Holcombe. That document answered her general questions. Katy then sent more pointed questions about reporting, asked to see a blank bullying document that shows what schools are required to report and wanted to know the AOE’s view on H.830. She also emailed to ask for statewide and local suspension data. Katy’s questions were forwarded to Greg Glennon, who sent them to Mike Bailey. The data questions were sent to Brian Townsend. Katy was provided the statewide suspension data and the

AOE's stance on H.830. The local suspension data was too small to provide. Greg, Brian, Judy and Mike are still discussing how we will respond to Katy's other inquiries. We hope to get back to her Friday or sometime early next week.

Alexei Rubenstein, WCAX: Alexei was looking for information about school cancellations. He was writing a story about financial impacts of a mild winter, including cost savings and lack of revenue. Stephanie informed him that we only collect school closure information on an annual basis through the annual [School Register](#) data collection process. And even then, we do not do a financial analysis of cost savings of fewer school closures. She advised him, as such. He said he'd reach out to individual SUs for anecdotal information.

Alex Rose, Fox 44: Alex was looking for information about transgender students after a press conference with the Governor and the North Carolina state law that was brought up about bathroom use. He wanted to know if Vermont is doing anything at a state level to create an anti-discrimination law. Gov. Shumlin told him the AOE has been talking to schools about this. Stephanie sent Alex the recently released Best Practices for Schools Regarding Transgender and Gender Nonconforming Students document, as well as the statement that Clare typed up. Stephanie also referred Alex to schools that are doing well in supporting transgender students. Alex went to South Burlington High School for his story.

Sally Pollak, Burlington Free Press: Sally is writing about a possible pilot program in the Chittenden East Supervisory Union starting in fall 2017 that would involve half-day language immersion for kindergartners, in which half their day/classes would be in a foreign language. CESU claims to be the only SU in the state to do this. She wants to know if that's true. Her question was forwarded on to Amy Fowler, Kate Rogers and Karin Edwards.

Molly Walsh, Seven Days: Molly is writing a story about S.194, the proposal to make suspension and expulsion from school a last resort. She hoped to talk to Secretary Holcombe about her thoughts on discipline and on the bill. Secretary Holcombe recommended Amy Fowler talk to Molly as she has testified on the topic several times this session. Molly was referred to Amy.

Cat Viglienzoni, WCAX: Scott Coriell mentioned that Cat had asked about the AOE's new transgender guidelines at the Governor's press conference and asked me to send over the Best Practices document. That and the AOE's statement from Clare was forwarded on to Cat. She asked about policy regarding transgender individuals who are not students. Scott answered her questions via email.

Rob Wolfe, Valley News: Rob emailed Michael Hock for a story about a local school district's rollout of SBAC. He wanted to talk to Michael about how this has gone on a statewide level. Michael will speak with Rob on Friday morning.

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, April 1, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Nothing rising to your level this week. Of note, it was anticipated that the State airplane would take a test flight this afternoon and should be back in regular service next week.

NOTES FOR STAFF

Vermont Legislature

- T Bill - H. 876 passed the House 124/19 with 2 minor, expected, amendments. The Senate has been marking up the sections approved by HTC so I anticipate fairly quick action by the Senate. The list of outstanding issues the STC is working on are as follows:
 - Vulnerable Users
 - Rail Trespass
 - Digital Parcel Mapping
 - The Agency will be introducing language to transfer a piece of state property (2.5 ac.) in Bennington to the town for use as a municipal parking lot
 - Senator Westman will be introducing language to direct \$400K of Agency Bike/Ped program funding to the Lamoille Valley Rail Trail in FY17 and another \$1M in FY18, to match VAST private fundraising efforts.
 - S.1 – Senator White bill. Likely to be amended to the T Bill – allows towns to place signs referring to census designated places.
- H. 877 VTrans Fee Bill passes House 104/40, No amendments
- Bills VTrans will continue to follow in the Senate:
 - H. 854 Timber Trespass – no issues
 - H. 552 Endangered Species – no issues
 - H. 571 DLS Bill – to date, Senate Judiciary Committee has not been viewing the bill favorably. Senator Sears does not like the poison pill the House Judiciary added regarding adding points for distracted driving or increasing the fines.
 - H. 560 DUI Bill – no activity yet. I indicated to Senator Sears that while we supported the DUI policy elements of the bill, we wouldn't be able to implement the provisions of the bill without additional DMV staff.
 - H. 249 – RPC Inter-Municipal Service Agreements – no issues

- Bills VTrans will continue to follow in the House:
 - S. 225 DMV Misc. Bill – HTC continues to take testimony – no controversial items to date
 - 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. DMV has no plans at the moment for unmanned aircraft use but we do want to see the current language proceed on the use of Automated License Plate Readers (ALPR) for commercial motor vehicle enforcement and are comfortable with the current language as written.
 - S. 241 - An act relating to the regulation of marijuana

FW Whitcomb

VTrans began receiving complaints from FW Whitcomb subcontractors about timely payments last week. The FW Whitcomb prompt pay situation escalated this week. Lori Valburn, VTrans Civil Rights Chief, sent correspondence to our Construction Director that the situation has reached a tipping point and VTrans needs to act now. I am working with staff to reconcile the value of the subcontractors' claims by comparing the work performed and paid for by VTrans and what the subcontractors are owed. The allegation is that all this work was performed in 2015 so it is well past due and amounts to hundreds of thousands of dollars. The Construction Director directed staff to halt all pay estimates to FWW as we will pay the subs directly from future estimates on the Hancock and Jay/Troy contracts. VTrans will meet with FWW on April 11 to deliver the stern message. The tools at our disposal include federal debarment for repeat prompt pay violations, taking action through VTrans' prequalification process and terminating the contracts. Their management has been struggling for a while now. The outcome of this situation could dramatically impact FWW as one of our contractors and therefore have a major impact to the landscape of potential bidders in the paving world.

South Burlington City Center Update

I attended a meeting with Secretaries Moulton and Markowitz for a presentation by City staff on current plans to develop the City Center between Williston Road, Dorset Street and Hinesburg Road. Momentum is building as the City Center street network project is working its way through the state's project development process (it's in ROW now) and there are a couple of large potential development projects being evaluated. The City is partnering with UVM to evaluate the feasibility of a new arena in City Center on a site adjacent to the University Mall or the Marcotte Central School. University Mall is also considering a major mixed-use redevelopment project. Part of the plan for the arena may include a new pedestrian/bike bridge over I-89 generally between the U-Mall site and East Terrace. The City is seeking funding from the CCRPC to scope the bridge and is interested in potential grants for construction including TIGER, and VTrans bike/ped and transportation alternatives programs. We offered to meet with the City as it evaluates the transportation needs for the arena.

Return of Service to Montreal

Met with Brian Searles and VTrans staff to get any updates and confirm items that will be high priority needs, and who we envision as the responsible party, as we begin to develop a "real" timeline for the return of service to Montreal. Ed Courtemanch, of Amtrak, confirmed that he has been contacted by senior CBP officials about a meeting and walk through in Montreal Central Station and the areas likely to be designated and developed for passenger preclearance facilities. He expects that meeting to happen in the next month. Former Secretary Searles also updated the House and Senate Transportation Committees and the Governor this week.

Break in Limited-access Request for Rutland Town

We are reviewing the Town's traffic study for a right turn lane access from US7 to Farrell Road. The initial study had taken into account the projected volumes of traffic created by the future Rutland Commons development. However, that development is not advancing and has been replaced with a future BJs department store. We will check with the consultant who prepared the traffic report and see what this change does to the original trip volumes that were on the initial report. Once that is complete, we will recommend comments for the Secretary's recommendations to the Transportation Board.

Bennington Airport

Finalized negotiations with Bennington Airport Development Corp. The agreement shall include hiring one more part-time temp so that the airport can be attended 7 days per week and a limited service FBO agreement. This agreement will go for 1 year, 2 maximum, with the goal of increasing business to the point that a full-time FBO will want to propose to operate.

My whereabouts

I will be in Minneapolis attending an AASHTO CEO Peer Exchange from this Sunday, April 3 through Tuesday, April 5. While I'm gone Deputy Secretary Rich Tetreault will be in charge.

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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: Trey Martin, Deputy Secretary, Agency of Natural Resources
Date: April 1, 2016
Subject: ANR Weekly Report

Governor Level Issues:

Drinking Water and Toxins Part I: On Friday March 25, SNRE took testimony regarding the PFOA contamination issues in North Bennington, Bennington and Pownal from Secretary Markowitz and Commissioner Schuren. The committee heard from several groups, including VPIRG, Vermont League of Conservation Voters and VNRC, about possible legislative responses. The committee will take additional testimony on Friday, April 1 and possibly Monday, April 4.

Drinking Water and Toxins Part II: The HFW&WR Committee took testimony on the regulation of drinking water from Commissioner Alyssa Schuren, Division Director Ellen ParrDoering, and Jon Kim of the Vermont Geological Survey. The Committee is interested in developing ideas related to drinking water for the 2017-2018 session.

Morrisville Water & Light Water Quality Certification: ANR's draft decision was put out on notice for public comment on January 7, 2016, and representatives from the ANR Central Office and DEC held a public hearing on February 16, 2016. The public comment deadline closed on February 19, 2016, and DEC is now reviewing the comments and preparing a responsiveness summary.

Following the close of the comment period, the whitewater paddling community requested a meeting with the Secretary to discuss the conditions in the draft decision regarding the Green River Reservoir and downstream flows. The paddling community is unhappy that the conditions do not allow for scheduled releases. The meeting occurred on March 29, 2016, and many stakeholders attended the meeting from various organizations, as well as individual ratepayers. American Whitewater felt the changes made in response to their comments

constituted an entirely new decision, and ANR agreed to extend the comment deadline to April 29, 2016.

The outstanding issues that may not be resolvable are the scheduled releases (for the paddlers) and the economic viability of the project with the proposed conditions (for the utility). Since the meeting, Craig Myotte, General Manager of Morrisville Water & Light, e-mailed the agency seeking to “initiate discussions on other options for state ownership or subsidies to the project.” In addition, George Twigg in Congressman Welch’s office reached out to the Agency for a summary of the process, standards, and permit conditions so he can respond to questions that a Morrisville resident has sent them.

EVERYTHING ELSE:

Legislative Issues/Testimony:

DEC staff testified this week before the House FW&WR regarding the **Interim Tile Drain Report** required under Act 64 of 2015.

H.248 Miscellaneous Air Amendments: The Senate read H.248 for a third time on Wednesday, March 30 and passed the bill with proposal of amendments. The bill will go back to the House for concurrence in the Senate amendments, which were technical in nature. DEC anticipates that the House will concur in short order. Most notably, this bill proposes to revise the air pollution statutes to require disclosure of emission and monitoring data in compliance with the federal Clean Air Act. Vermont’s delegated authority to implement the Clean Air Act would be jeopardized if this bill does not pass.

H.625 Sunset Extension for Title Encumbrances Due to Transition Stormwater Permits: The Senate read H.625 for a third time on Tuesday, March 29 and passed the bill in concurrence. This bill will go to the Governor for signature. This bill gives property owners with pre-2004 stormwater permits two more years to obtain stormwater permits under current rules without a cloud on title. DEC supported passage of this bill.

H.517 Water Classifications: SNRE voted out H.517 with a small amendment proposed by Green Mountain Power this week. DEC did not oppose the amendment. The bill is up for second reading on the Senate Floor. This bill will further the goals of the federal and Vermont Clean Water Acts by allowing the state to identify and protect lakes and river segments that exceed baseline water quality standards. This bill is a high priority for DEC.

H.674 CSO Notification Bill: SNRE took testimony on Wednesday March 30 from various witnesses on this bill, ranging from Jeff Wennberg of Rutland Public Works Department to James Ehlers of Lake Champlain International. The committee will likely amend the bill to reduce the time for posting a public alert of a wastewater discharge from 4 hours to 1 hour, with

an exception for operators who do not have access to phone or internet service. Given SNRE's busy schedule, the committee may wait until next week to take a vote.

Report on Lowering the Stormwater Operating Permit Threshold from One to ½ Acre: SNRE took testimony on Wednesday March 30 from Padraic Monks for DEC, Jeff Nelson for ACEC, Katie Taylor for the Lake Champlain Chamber, Katrina DeLaBruere for Vermont Realtors, Warren Coleman for VELCO/VEC, and Jon Groveman for VNRC. VNRC and DEC testified in support of lowering the stormwater operating permitting threshold for new development in order to distribute the costs of phosphorus reduction more equitably between existing development and new development. VNRC supported the lower threshold. The other witnesses expressed concern over the lower threshold, but did not oppose it. SNRE seemed interested in lowering the threshold and may attach it to H.595, the potable water from surface waters bill.

S.123 DEC Permit Process Improvement: HNRE walked through S.123 with Aaron Adler (Legislative Council) on Tuesday 3/22 and heard testimony from Commissioner Schuren and General Counsel Matt Chapman in a joint hearing with HFW&WR on Thursday, March 31.

Transportation Bills: On Wednesday, March 30, the House read transportation-related bills for the third time and passed the Transportation Bill (124 to 19) and the Transportation Funding Bill (104 to 40). DEC worked on small sections in each of these bills with VTrans to ensure that VTrans receives a 40% credit on stormwater utility fees (So. Burlington, Williston, Colchester); to amend the priorities for the Clean Water Fund to emphasize creation and support of stormwater utilities; and to increase the Air Emission Fee from \$1 to \$2.

Joint Resolution: Mike Fraysier, Director of State Lands Administration will testify before House Corrections and Institutions committee on J.R. 45 (Duxbury).

Firewood Rules: Barbara Schultz, Forest Health Program manager will provide testimony to the Legislative Committee on Administrative Rules (LCAR) on FPR's Rule Governing the Importation of Untreated Firewood in the State of Vermont.

Forestry Bills: Committee discussions and possible votes were on this week's Senate Natural Resources and Energy committee agenda, but the committee did not reach consensus on any of the forestry bills, and action is expected next week.

H.355: Commissioner Snyder provided testimony on the forester licensing bill to the Senate Government Operations committee.

Press Issues/Releases:

Facilities Engineering, Dam Management program staff provided information to a reporter for the Hardwick Gazette writing a news article about the Hazard classification of Hardwick Electric Department (HED) Dams. HED discussed hazard class of their dams at a recent board meeting

and the reporter was following up to get facts on the hazard class of the dams and the methods used to determine the hazard class. Staff explained the breach analysis performed on these dams and the procedure used to determine the hazard class.

F&W Press Releases: Climate Summit Promotes Resilient Schools; VT Fish & Wildlife Urges Vermonters to Remember Nongame Wildlife Fund Tax Check-Off; Be on the Lookout for Frogs, Salamanders along Roads; Hammond Cove Shooting Range Opening April 1, 2016; Turkey Hunting Seminars, April 2 & 3; F&W Grants Available to Improve Shooting Ranges; and Wildlife and Forestry Resources Training.

It's Mud Season in the Mountains! Hikers Are Asked to Avoid Muddy Hiking Trails: On March 30, the Green Mountain Club (GMC), maintainer of Vermont's Long Trail and Vermont's hiking trail advocate, and the Vermont Department of Forests, Parks and Recreation, manager of State Forests and Parks, announced that Mud Season has returned to the Green Mountains a month early. Hikers are asked to stay off muddy trails from now until Memorial Day weekend; the forest has not caught up with our variable climate so the trails will remain wet, muddy, and prone to erosion.

Seven Days Looks at Forestry Bills: Seven Days ran an article last week focusing on the forestry bills currently passing through the legislature. Commissioner Snyder was interviewed for the article.

Vermont Woodlands Association Annual Meeting: Commissioner Michael Snyder and Director of Forests Steven Sinclair are on the agenda for the VWA annual meeting coming up on April 9.

Significant Events/Meetings:

Pownal Meeting: With the ongoing events related to PFOA discovery, this meeting will be detailed elsewhere, and has been covered extensively in the media. A meeting was held Monday, March 28, regarding the PFOA contamination, do not drink recommendation, bottled water and further investigation of potential contamination in the Pownal area. The meeting was lively and emotional, as would be expected.

Keurig/Green Mountain WQ partnership: Watershed Management held a meeting with Keurig/Green Mountain to discuss next steps for the partnership, involving the development of a water quality prioritization tool. Follow-up meeting is being scheduled for next week.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Policy (OPP)

Anbaric Vermont Green Line: Representatives from Anbaric's Green Line transmission project met with OPP Director Billy Coster on Wednesday, March 30, to provide an update on their proposed 400MW HVDC transmission line project. The project plans to file for their New York State Article 7 permit next week. An Article 7 permit is New York's version of a CPG, but the process there is different in that the initial application provides a conceptual overview of the project for the State to consider. If the concept is approved, the project comes back for the state later in the development process to review details. The CPG process before the Vermont PSB calls for a more detailed application up front. Anbaric's timeline in Vermont has slipped a bit, largely due to ongoing discussions with New Haven regarding the siting of the project converter station. Anbaric now plans to file their 45-day notice with the PSB in late May or June, with a full application later in the summer. The majority of their natural resource assessment work is complete, but additional survey will occur this spring for RTE plants and wetlands in areas where the proposed alignment has changed slightly or where ANR staff have indicated they want additional data.

Negotiations between Anbaric and FPR are on track for the use of Kingsland Bay State Park, with a draft license agreement in the final stages of word smith-ing. Anbaric has not been in as regular contact with PSD, so it is unclear where the larger conversation regarding the project's public good to the state stands. The goal of ongoing project support for Vermont Parks Forever as a means to demonstrate public good was reiterated at the meeting, and something that should be taken up again with PSD leadership.

New Applications for the Week of March: OPP received 10 new Act 250 applications and 4 new Section 248 petitions.

Environmental Conservation (DEC)

Pownal: The results for tests done on Fire District 2 were received and PFOA was detected between 26-27 ppt in 3 samples. A press release was issued alerting the public of these results. Residents were requested to not drink the water. Bottled water and water buffalos were provided. A public meeting was held Monday. Additional private well sampling is planned for next week. We will be providing bottled water and water buffaloes for drinking water.

North Bennington: Soil sampling and additional drinking water sampling was completed this week. POET installations continued. A meeting was set up for next week to discuss the details of connecting the residents to the municipal system. 2-1-1 call in number was established to assist with questions and information.

North Bennington PFOA Mapping: AID staff is involved in the PFOA project, coordinating Mapping project component for the North Bennington PFOA Response. We are currently

managing information related to: Wells that have been sampled and their PFOA concentrations, Addresses requesting samples. We will soon be incorporating surface water results, air sampling, soil samples and possibly more. We are sharing GIS data with Agency of Agriculture, Department of Health, Weston and Sampson, and soon Bennington College. We are also working to establish dataset schemas, which provide metadata about datasets (accuracy, methodology, list of fields, etc.). These will, among other things, establish minimum standards for data in these data sets going forward. Once these have been developed we hope to mature the data management by hosting the information with ANRGIS as a mapping web service so that our stakeholders can access the data in real time.

Geology: Staff met with Tim Schroeder and students at Bennington College to coordinate efforts on the PFOA issue in North Bennington. Collection of GPS locations for water wells began last week. Students hope to connect the locations to well driller report data which will then be integrated with geology to provide a better understanding of the hydrogeology.

Inquiry from Senator Sanders Office: On Wednesday, March 23 the Field Services Section was contacted by Senator Bernie Sanders' office, who inquired about historic air related complaints received by the AQCD involving ChemFab in North Bennington, as well as air related enforcement actions taken by the DEC against ChemFab.

Business Transformation Initiative Grant Proposal: Staff drafted an application for the Business Transformation Initiative to be considered for the Harvard Kennedy School's Innovation in Government Award. This award comes with a \$100,000 top prize and \$10,000 for finalists. The Innovations Awards cycle consists of five rounds of review. In this first round, only a simple application form is needed.

Water and Wastewater Tracking System (WWTS) - ANR Online Consultant Training: Staff provided two training opportunities to outside consultants, one in St. Johnsbury and the other in Springfield. Both trainings were very well attended with numbers reaching about fifteen and twenty-five, respectively, and received very positive feedback. Training for consultants will be complete this week, and staff are working to make tutorial videos available on YouTube that will support the use of ANR Online. Although we were navigating some challenges this week the team was successful and now online with ANR Online and the new WWTS! The system is now LIVE for all 5 of our DWGW Regional Offices.

Governor's awards/Green Business Program: The Environmental Assistance Office met with the Small Business Development Center to consider the success, fate, and future of the Division's recognition programs which include the Green Business Program (e.g. Green Hotels, Green Marinas etc.) and the Governor's Award. We've identified the merits of the programs and the need to recreate them to make them more relevant to Vermonters, a project that we will be focusing on in the next few months.

Twenty applications have been received for the Governor's Awards. A panel meets next week to choose among those that are most worthy to recommend for recognition at the April 28 ceremony at the statehouse.

POWNA FD 2: Due to presence of PFOA at 27 ppt, which is above the Department of Health Advisory of 20 ppt, the Division advised the public water system Pownal FD 2, and its consecutive public water systems, Green Mountain Mobile Home Park and Burdick MHP, not to drink the water.

Clean Water State Revolving Fund: The Clean Water State Revolving Fund (CWSRF) Program distributed for public review and comment the FFY [2016 Draft Intended Use Plan](#) (IUP) and SFY [2017 Priority Pollution Control List](#). The IUP details the manner in which the program intends to utilize the SRF fund and the Priority List contains a list of municipalities that have submitted applications for potential funding in the upcoming year. A public hearing will be held on April 28, 2016 at National Life Building, Montpelier, Winooski Room, 10 a.m. until Noon. Final comments on both of these documents will be allowed until the closeout date of June 15, 2016 and will be finalized around mid-July.

Drinking Water State Revolving Fund: The Drinking Water State Revolving Fund (DWSRF) staff met with the DWGWP Division to review and discuss the Development of the FFY16 DWSRF grant application. Two separate meetings were held, the first focused on DWSRF set-aside allocations (grants, contracts, staff) and the draft priority list based on the applications received thus far. The DWSRF plans to distribute a draft Intended Use Plan and Project Priority List early next week for public review and comment. The public hearing and comment period will run parallel to the dates mentioned above.

VT Solid Waste District Managers Meeting: District managers expressed to SW Program staff their dissatisfaction over the failure to pass H.602. The managers expressed strong disappointment in the lack of ANR's and the administration's support to secure funding for Universal Recycling. The managers decided to have a retreat this summer to discuss how Universal Recycling can be implemented without funds or whether they should seek changes to Act 148.

E-Waste Bid Selection: Two bids had been submitted in response to the RFP: one from Casella Resource Solutions and one from National Center for Electronic Recycling (NCER -- who is the current contractor). After review of the bids, the team recommended NCER for the next e-waste contract. Please note there was a significant difference in pricing between the bids. The bidders have been notified of this selection.

River Corridor & Floodplain Protection: Staff have been working with the Plainfield Planning Commission to update their flood hazard bylaws inclusive of River Corridor protection. Unfortunately, discussions have come to a head over the age and poor quality of the FEMA maps and the flood insurance requirements that attach. Recent coverage in the [Times-Argus](#) explains local concerns. Select Board Chair Bram Towbin is very upset. Rob Evans will try to defuse the situation with Mr. Towbin, but if he is still unsatisfied with the facts on the ground he may try to engage leadership.

Fish & Wildlife (FWD)

Act 250 Coordination: Wildlife Diversity Program staff coordinated with NRB enforcement officer Brondike on an Act 250 violation at a quarrying operation in Bristol where we are pursuing an enforcement action. This site has a history of the presence of a threatened snake species.

Burlington Airport: Staff participated in a meeting with BTV airport and Wildlife Services personnel regarding a wildlife management and depredation permit (birds mostly) for airport operations to reduce hazards to planes caused by wildlife.

Aegis Solar: Habitat Program staff worked with OPLA and F&W habitat team to develop a response to the Aegis solar developer who wants to put solar energy development in the Fontaine sand pit in Williston. We are working to ensure the long-term future integrity of this critical habitat.

Bats: After discussions with both VHB and consultants for VT Gas and a review of the landscape conditions, VTF&W gave permission to cut a potential bat roost tree prior to April 1 to accommodate VT Gas construction. It was determined that the tree would not have served as a primary roost tree for Indiana bats. Since then, protestors have climbed the tree to prevent it from being cut down. The protestors claimed one of the “tree-sitters” saw what looked like a bat flying at night. Summer survey season planning to find mist netting sites on USACE, GMNF, and state lands where northern long-eared bats have been captured since 2010 to conduct potential telemetry this year. Acoustic survey and Indiana bat historic roost survey planning.

Marten: Marten camera box survey – the Department is involved in a research effort with Connecticut College to determine the population of marten in southern Vermont on the USFS. Cameras are currently dispersed south of Stratton Mountain and in southern portions of the Glastenbury Wilderness. Marten were detected in the southern portions of Glastenbury, which was an exciting find.

Bald Eagle: Staff met with a private landowner near Little Otter Creek WMA to discuss an eagle’s nest on his property. Staff also agreed to put up signs to educate and warn the public of the increased chance of nest abandonment due to their careless approach to the nest for photos and bird watching.

Forests, Parks and Recreation (FPR)

Land Transactions: We will be closing on two significant land acquisition projects this week. The Trust for Public Lands has served as the Department’s partner on both of these projects. On Monday we closed on the Jim Jeffords State Forest parcels. This landmark acquisition project will create a new 1,346-acre state forest in the Towns of Shrewsbury and Mendon in honor of Senator Jim Jeffords. This property connects Coolidge State Forest to Aitken State Forest and contains important wildlife habitat, recreation values, and water resources (including 2 miles of

the North Branch of the Cold River). A celebration of this new state forest will be held on site later this spring. We will also be closing on the 2,085-acre Dowsville Forest addition to Camel's Hump State Park on Wednesday. This property is located in the Town of Duxbury and is part of the expansive viewshed from Camel's Hump. The parcel contains valuable wildlife habitat and its many roads and trails are extremely popular with hikers, backcountry skiers, and mountain bikers. We will be meeting with the House Corrections and Institutions Committee this week on the Department's proposal to transfer the so-called Father Logue's Camp parcel and adjacent Hospital Block of Camel's Hump State Park to the Town of Duxbury for use as a town forest. Work continues on other priority land acquisition projects including the Davidson and Muckcross donations, multiple Forest Legacy easement projects, sale of Lafreniere homestead parcel, and other transactions.

Enforcement Activity: Brad Greenough, State Lands Forester reports that he is working on three cases involving possible violations of the Acceptable Management Practices for protecting water quality during harvesting.



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: April 1, 2016
Subject: Weekly Report

Priorities:

BGS has chosen a contractor to reinsulate the HVAC piping at DPS headquarters (not Forensic Lab) previously removed due to mold. It is anticipated the expected process will minimize disruption of DPS staff.

DPS signed contract(s) with staff from the Korey Stringer Institute (UCONN) to review awareness of Exhaustive Heat Stroke and create best practices and policy recommendations applied to all special teams within DPS. This initiative was undertaken in the wake of the death of Trooper Kyle Young last September.

VOSHA initiated a "surprise inspection" at the Forensic Lab regarding an employee allegation surrounding retention of medical testing records. DPS fully and willingly complied.

A sole source contract was requested and approved by the AOA between DPS and Carousel Industries for a telephone solution for the Westminster PSAP due to open in May. DPS worked diligently with DII to investigate an alternative VOIP phone solution, however that option was not doable given the timeline and other open issues. DPS will continue to engage with DII to explore a VOIP pilot at a Barrack to determine future applications.

VCIC Director Jeff Wallin will appear on You Can Quote Me Sunday to discuss the Sex Offender Registry.

CJS

Forensic Lab -

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)

Testimony in House Judiciary/Gov Ops regarding S.241.

We have selected a person for the FirstNet project manager position. Currently we are conducting the background checks and I expect to have the results anytime. I do not anticipate we will uncover any issues.

VCIC -

Additional work has been completed on the Tri-State (VT, NH, ME) Automated Fingerprint Identification System (AFIS). Final work is being completed with DI&I this week and should be cleared through the AG's Office in the near future. Maine continues to report receiving political pressure to either move forward with the project or abandon the Tri-State model and New Hampshire now reports the ability to complete contracting requirements by the end of April.

Significant staff effort continues to be expended interacting with Valcour support staff on bringing NIBRS reporting requirements current including renewed discussion to potentially leverage VJISS to support this process. Additional 2014 data is being pulled from the Valcour CAD/RMS and it is hoped this data can be incorporated in the near future. The continued inability of the Valcour governance board to direct necessary technical work and ensure functionality is an ongoing concern.

A meeting was held with staff from DCF relating to their upcoming fingerprint requirements related to child care across the state. A request has been submitted by DCF to push out the implementation date to September 2017 which will create some ability to maneuver work processes. It was reiterated to DCF staff that the anticipated 13,000 fingerprints will require a minimum of 2 FTE to process and depending on the turn-around requirements could be higher. Additional discussions were held on the potential benefits of allowing Vermont to retain applicant fingerprints in the future (which would require technical upgrades but alleviate some of the burden on both staff and the public) but would ultimately require legislative approval.

DEMHS

CI Planner and RERP Planner assisted as the DEMHS Liaison at the DEC Command Post. Southern Exercise Planner attended the Pownal PFOA Public meeting on 3/28. Operations and Logistics staff coordinated the provision of additional water buffaloes and water delivery to Bennington and Pownal.

FEMA R1 granted approval to four more Local Hazard Mitigation Plans, pending adoption: Chester, Pittsford, Weston, and Windsor.

VY Alert training provided to the town of Castleton.

DEMHS PIO reached out to WCAX to ask if they could add the DPS Carbon Monoxide Public Service Announcement to its rotation following CO deaths in Vermont - they said they will make sure it runs with regularity. DEMHS PIO updated DPS.vermont.gov/co (website referenced in CO PSA). Embedded PSA on the page.

Fire Safety

The Division received \$17.7 Million in new plan review construction valuation collecting \$97,500.00 in fees.

Fire Safety is very close to having the web page available to go live. Staff have done a lot of work on this over the past few months.

USAR is still moving forward with monthly training and filling of positions. USAR has been asked to provide a water safety class to the new recruits at the police academy. The Academy has a 4 hour water safety awareness class and since Mike Cannon is a certified instructor he could teach this.

We have been asked by the Associated Press to answer a few questions regarding firefighting foam and its usage in Vermont. A draft response is being circulated

Testifying on H.434 a bill proposal to create a new safety committee at the academy. We testified opposing the Bill and stated the newly created Governance Committee could report injuries as we are mandated to submit an annual report. Appears the language was changed reflecting our proposal.

Vermont State Police

A Troop

FF

15 Total Arrests, 4 DUI

Burlington PD had an officer involved shooting.

Troopers working with BCI have developed Intel on distribution of drugs and burglaries in the area.

This week the St. Albans barracks continued to investigate the large ATV/ tool thefts and burglaries. More items were seized and more cases closed with the identification of the items.

BCI

Follow up on agency assist to Lamoille CTY SD of death in Johnson. Toxicology results came back showing high levels of Fentanyl. Investigation will continue to see where the drugs were purchased from.

Unlikely death investigation of a couple found deceased in their residence. Death ruled to be accidental. Cause of death was Carbon Monoxide poisoning. The vent tube for the furnace was found detached causing the furnace to vent inside the residence. Homeowners accidentally bumped tubing while doing work.

CSST and BCI call out to assist in Agg Assault in New Haven.

CSST call out to assist with Burlington OIS scene processing.
Assigned two assault investigations at CRCF. Inmate on inmate assaults.

Follow up on child drowning in Waterbury. Expert provided timeline of possible amount of time in the water prior workers finding child. Case will be presented to the SA this week.

Sex offence reported from Mount Mansfield high School. Victim reported a student pulling her shirt down to expose her breasts. Male is a repeat offender.

Sex Offence reported by a 23 year old female. Alleging the ex-husband has been raping their 16 year old daughter. Allegation were made the father has been flying to Oregon to have sex with his daughter. CUSI assigned.

Unattended death in Alburgh. Victim was an elderly male found deceased. Death ruled natural.

Jury trial of a female for Aggravated assault. Female stabbed her husband with a large kitchen knife. Jury found suspect guilty of Simple assault and not guilty of aggravated assault.

Arson investigation in Alburgh. Vehicle was found on fire in a sand pit. D/Sgt assigned.

Standoff in the town of Orange. One male threatened children waiting for the bus. Male shot his handgun in the air and pointed the gun at a school bus as it drove off. TSU and CNU responded to the residence where male refused to cooperate. Male was later taken into custody. Search warrant of residence showed numerous firearms with some strategically placed on widows with ammunition nearby. BCI continuing investigation.

D/Sgt instructed Part time class in Crime scene processing.

D/Sgt assisted in teaching OIS shooting investigations at Colchester PD.

Sworn background investigation completed. (Armone Pering)

Assault investigation at Vermont Psychiatric Hospital in Berlin. Investigation showed no criminal complaint.

B Troop

FF

12 Total Arrests, 5 DUI

Responded to Lyndonville, VT, for a report of a motor vehicle striking two pedestrians crossing Center Street. One of the pedestrians was airlifted to DHMC.

Continue to schedule visits to area schools and spent some time in Brighton at the Elementary School this past week.

BCI

Detectives from B troop were called in to assist Major Crimes with Officer Involved shooting in Burlington.

One Background completed on VSP applicant and forwarded up. Two more in the works.

Domestic Abuse allegation involving previous discharge of firearm near victim. Reported by third party.

New Intake involving report of 14 yr old and 17 yr old engaging in sex.

New Intake involving reported Agg. Sex assault. (Defendant was arrested and lodged)

Arrest of Sex offender failing to comply with registry.

Newark, VT 59 yr old male with medical history-Natural.

8 new cases from St. J regarding possession of Drugs by inmates.

C Troop

FF

18 Total Arrests, 4 DUI

Aggravated Disorderly Conduct Arrest by Tpr. in Clarendon involving a female pointing a gun out of a moving car.

Excessive Speed Arrest by Tpr. in Clarendon (119mph in 55 zone)

Monthly radio interview, Ken Hayes Show on WSYB.

Assist to Rutland County Sheriff's Dept. with Easter Egg Hunt at Wilson Castle in Proctor.

Responded to a collision with serious injury and processed the driver for DUI, C&N, and Excessive Speed.

Organized a sobriety checkpoint.

Nightshift Troops also assisted in successfully locating lost overnight hiker.

Dayshift Troops assisted BPD with a Bank Robbery, subject was located and taken into custody that evening.

Public Speaking at the Barracks for 20 Boy Scouts and K9 demo.

Assisted NIU and DEA with a MV stop and the take down of high federal target that was responsible for bringing 80 plus lbs. of heroin into Vermont from Guatemala.

BCI

Jameson shooting discovery submitted to Rutland Co. S/A

Discovery for Poultney sexual assault and kidnapping.

Assist F/F Trooper with burglary investigation regarding Lincoln Elementary School; ATL and interview POI.

Continued case follow up on Hart homicide.

Continued case follow up on Bristol kidnapping.

Sex Offender Registry Compliance Checks (Leicester, Bristol, New Haven)

CSST Activation for OIS in Burlington.

New Case– Agency Assist to DCF for report of possible child abuse.

New Case; Sex Offense – Arlington, 13 year old female disclosed her uncle touched her on several occasions when she was 10 years old.

Follow up on fatal crash investigation and authored affidavit.

Discovery for stabbing case in West Rutland.

Assisted Bennington PD with Bank Robbery Investigation.

Follow up on Schaff missing person case.

Follow-up on Leicester robbery.

CNU activation – Orange – Man with gun.

Assisted Castleton PD with death investigation of a 4 year-old child.

Completed discovery request on jail drug case – Shaw.

Assisted West Rutland School regarding parent with outstanding arrest warrant.

Case Follow-Up: Sex Offense. Town of Mount Holly. It was reported a 6 year old girl may have been sexually abused by her father. Case Completed.

Case Follow-Up: Sex Offense. Town of Clarendon. It was reported a 14 year old boy and a 15 year old girl were engaged in a sexual act under a set of stairs at the Mill River Union High School. Case Completed.

New Case: Sex Offense. Town of Mount Holly. It was reported a mother's ex-boyfriend was taking photographs and videos of her 17 year old daughter while naked. Case Completed.

New Case: Sex Offense. City of Rutland. It was reported a 3 year old girl may have been sexually abused by her mother's boyfriend. Case Completed.

New Case: Sex Offense. Town of West Pawlet. It was reported a 15 year old girl was sexually abused by an unknown male subject. Case Completed.

New Case: Sex Offense. Town of Pittsfield. It was reported a 17 year old female was sexually abused by an 18 year old male while at a party. Case Completed.

New Case: Suspicious Death. Town of Castleton. Assisted Castleton Police Department with the death of a 4 year old girl. Interviews conducted. Autopsy pending. It's believed the child died of a medical event.

Follow up with recent Bennington Fire Investigation.

D Troop

FF

13 Total Arrests, 7 DUI

Request to investigate possible domestic incident reported by hospital personnel, (Brattleboro), due to the victim arriving with her leg broken in two places; incident occurred in Westminster; investigation continues; after review by the SA office, one was arrested for Domestic Assault.

Analysis results back from the lab reference to this burglary investigation; perpetrator was identified as Douglas Sargent; arrested one for burglary.

Sgt. was effecting a motor vehicle stop on I91 in Brattleboro for a subject operating 95 mph as he entered the I91 construction zone; while doing so the vehicle being stopped hit the guardrail; one arrested for DUI #3 and Child Endangerment (3 children in vehicle).

There was a report that a male went into the woods with a rope and was intending to hang himself. Several years ago the male's brother did go up into the woods and died after hanging himself. Troopers responded

and went up into the woods with a family member who was a Constable. Contact was made and the male agreed to come out of the woods and speak with a mental health counselor.

Troopers assisted BCI with the arrest/investigation of a mother who had assaulted her six year old son.

There was a report that a male had gone down to the river to get water to flush his toilet and had not returned. The male had been gone for almost 24 hours when his daughter called VSP. Troopers responded and the Bethel Fire Department was activated. The Bethel Fire Department has a swift water rescue team and they were able to locate the deceased male submerged in the river. He was extricated and BCI responded to investigate the death.

BCI

Follow up on Marlboro double fatal fire.

Follow up on EMS Active Shooter Program.

Deposition on attempted murder case from Putney.

Follow-up on Sex Assault; interview two suspects and set up polygraph – Exit 4 Sunoco

Death Investigation – Randolph – Case write-up for untimely death of 83 year old.

Death Investigation – Granville – Evidence submission to Forensic Lab.

Death Investigation - Untimely death of a 61 year old male in Weathersfield presumably of natural causes.

Death Investigation - Untimely of 56 year old male non-suspicious.

TSU call out in Orange (2 team members in unit)

Death Investigation - 82 yr old male, died in sleep, non-suspicious.

Employment backgrounds being done by 5 investigators.

Mother physically assault her 6 year old son – Arrested and charged with DOMV & Cruelty to Child.

Missing Person/ Dead Body – 46 year old male missing from residence. Last seen fetching water by river. Later located by rescue submerged in water. Accidental suspected drowning.

Forensic Interview for sex offense – disclosure – also follow up with Tampa FL PD. Cellibrite Dump CUSI assist – suspect interview and cellibrite dump.

Bomb Squad assist to Secret Service (1 team member in unit).

TOPS

Traffic Safety w/out Borders detail

CCU:

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

Continuing work on a Homicide.

Current Cases: 9

Pending Cases: 3

New Cases This Week: 2

Polygraph:

4 PE employment polygraph exams

Major Crimes Unit:

Unit called out to kidnapping/assault case in Bristol. Case adopted by USAO, will continue working with FBI.

Unit called out to Officer Involved Shooting Burlington.

Rashed Homicide - SW's for GOOGLE and Witness cell photo provider signed by Judge and served on respective corporations – Discovery from VFL and follow up with DNA Examiner.

Webster Homicide – telephone conversation with Mia Hendricks, advised she had info on the homicide. Formal interview set up for next week.

Follow up on Hart Homicide.

Follow up on Marzilla Homicide.

CSST activation for Bristol assault case and Burlington OIS investigation. Multiple scenes processed.



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Justin Johnson, Secretary

PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: April 1, 2016
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

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

27 Federal Street – 24 or more people are experiencing an illness. BGS custodians are spending more time sanitizing door handles, etc.

Twelve of thirteen AHS – Moves have now been completed. On March 28th 90 DCF/ESD employees moved into the 1st floor of Buildings G & H 1 in the South Historic Core.

Randolph – VAEL New Construction – We are working on plans for the revised heat plant location close to VTC's heat plant in preparation for submitting revised site plan to Randolph DRB for approval. A meeting is scheduled for April 26th, so plans need to be submitted before April 4th. Also pursuing further information/details for the Campus-wide heat plant from VEIC.

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. Under the rule, bill sent to the Appropriations Committee for review and it went well.

FINANCE AND MANAGEMENT

Budget & Finance Analyst Recruiting: We have received roughly 45 applications for the two vacant analyst positions in the budget office. We are beginning the process of reviewing the applications and setting up interviews. Our goal is to hire and have staff begin by mid-May.

“Dear Jane” Letter: We are currently in the process of drafting the annual letter to the Senate Approps Committee regarding our concerns with the House Passed Budget. We are circulating the letter for comment from Secretary Johnson and other Governor Office staff prior to sending. We hope to submit the letter on Tuesday, April 5.

HEALTH CARE REFORM

All Payer Model:

The project team updated the Governor Wednesday. The Governor accepted the team’s recommendation to issue an RFP the week of April 4th that would have DVHA contract with an ACO starting 1/1/17. Moreover, the Governor accepted the team’s recommendation to proceed with the project despite known risks.

SIM/VHCIP:

We are working intensively on several different federal deliverables due at the end of April: Year 3 Operational documents and Quarterly Report. The bigger deliverable is our Year 3 Operational Plan and Year 3 Budget. This is a series of documents that outline the next year of the SIM project and our spending. Developing these documents requires significant extra work by the program and finance teams. The staff is also planning a federal site visit, which is scheduled for May 2nd and 3rd. It will be in Montpelier and 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.

In addition to these significant tasks, the program team is working on the Medicaid Pathway with staff at AHS and in alignment with the APM. The Medicaid Pathway, which is a framework for developing payment and delivery system reforms, has made significant progress over the past few weeks in both communicating what it is to broad audiences, Michael Costa and Selina Hickman are updating numerous stakeholder groups around the State, and also substantive projects. The first two payment and delivery system reform areas being tackled through the Medicaid Pathway are: mental health and substance use services and a subset of Choices for Care services. These reforms are still in the design phase and are a way to make sure that providers and services not included in the APM regulated revenue model start to transition to value-based payment methods.

Finally, the SIM team is starting to lose staff as several positions end in the next year. We are intentionally tapering off our work in anticipation of staff attrition, but staff resources could be a challenge if too many people depart at the same time.

Legislative issues:

H. 620—Contraceptives/LARC—SHW is listening to testimony on this today.

H.761 – Alignment on primary care provider quality measures-- SHW took testimony this week on H. 761. They want to make sure that this bill aligns with S. 255 section 10. We anticipate that it will pass out of committee soon.

H.812—ACO oversight and protections-- SHW took testimony on this yesterday. There was general support among the witnesses. The FQHCs May offer an amendment that tries to reduce the administrative burden on smaller ACOs by limiting the regulation only to those entities accepting downside risk. (H.812 limits regulation to only those entities with more than 10,000 lives.) Working with Health Care Advocate on an amendment.

S. 216— Rulemaking around Prescription Drug Formularies—Devon is going to propose an amendment in HHC today that would allow a stakeholder process and flexibility on the pharmacy maximum out of pocket—the aim is to try to reduce other cost-sharing elements in bronze plans and ensure bronze plans remain in compliance. Cancer Society and Health Care Advocate support. Aids Society and Leukemia Society are likely against it.

S. 243—Opioid Bill-- SHW had an amendment on this yesterday—required DVHA in addition to Dept. of Health to set up regional opioid treatment programs. DVHA is aware of this new amendment. Also, we should try to get the state employee study out in the House. DHR looked into what it could do for the study, and it was not much.

S.245—Notice of Provider Affiliations and Reimbursements to Recently Acquired Hospital Providers. HHC heard about this bill yesterday. They will want GMCB and DVHA to testify. They will also want to hear about how this bill impacts the Dartmouth lawsuit against DVHA.

S. 255—MCO Oversight—Devon testifying in HHC today. General support among stakeholders and basically a technical bill. Should pass out of committee shortly.

S. 256—Home Health Agency CONs—this is a GMCB issue. HHC walked through it yesterday.

Large Group Market Report—HHC is going to want to hear about this from GMCB next week.

Ambulance Provider Tax in Misc. Tax Bill—passed the house last week. SFC walked through on Tuesday.

Employer Assessment in Misc. Tax Bill—Devon met with Tim Ashe and told him that the preference is AoA not do the report on this, since we would have to point out that current employer assessment likely violates ERISA.

Dr. Dynasaur Study & Universal Primary Care Study—SHW asked Devon to submit language with no-cost and lower cost options for doing these studies. Devon provided options to SHW and notified Deb Richter and Peter Sterling re: these suggestions.

1332 Waiver:

Devon and Lawrence participated on a call with the feds on this last week. They are requiring further economic analysis. Devon plans to use data from GMC analysis for this.

HUMAN RESOURCES

Legislative/Policy Update:

Testified in Senate Health and Welfare about H. 74 which charges AHS with developing a workplace violence and prevention and crisis response policy for employees working directly with beneficiaries. We highlighted DHR's Workplace Safety Training and said we would assist AHS with the development of the policy, the vetting process with VSEA, and any training component that followed.

Spoke about H. 261, the ban the box bill, in Senate Economic Development. We support the bill.

Continuing to coordinate with Governor's Office on S. 184 which establishes an ethics commission. DHR is ok with the bill as drafted.

Testified in the Senate Government Operations with Sue Zeller and AG's office regarding H. 530 and changes to bulletin 3.5 regarding contracts and definition of personal services contracts. There is a push by the VSEA to include a provision blocking the privatization of Risk Management.

Working to draft language for possible inclusion in the Big Bill that would require DHR to propose by a date certain the legislative action necessary transition to a new classification system.

Met with BGS regarding the development of a statewide security policy and protocols.

Significant Events/Meetings:

2015 Employee Engagement Survey Results have been compiled and disseminated to appointing authorities this week. HR Managers are working with appointing authorities to address concerns and opportunities raised from the results.

Met with Invest EAP on State's experience this year. Not surprisingly, there was an increase in contact with employees who identified workplace safety concerns as an issue. EAP will provide some longitudinal data, and in the near future meet with the Benefits Advisory Committee.

Provided costing data of State and VSEA Last Best Offer to the Labor Board.

Sick leave for temps, bill is signed H.187 planning will begin for system changes in order to administer the benefit.

Center for Achievement in Public Services (CAPS training center) has been very busy with supervisory trainings, certified public managers course, elective trainings, consulting projects, and we are actively promoting our meeting space for use by State entities. Interestingly, as more supervisors cycle through the mandatory training, we are seeing an uptick on demand for HR fields services. I see this as a good thing!

INFORMATION AND INNOVATION

Evolving Issues:

DII Initiative:

- Anywhere/Anytime computing (Office 365) – Exchange/Office:
We have migrated the email of approximately 7000 users. Our next migration is on May 10th.
Our next group to migrate is AHS – DOC with approximately 1100 users.

Web Updates:

- A meeting of the Web Portal Board to discuss the contract extension and amendment was held on 3/11. A vote on the amendments was postponed so that language could be added addressing what would happen if a service for which fees were prepaid was cancelled before launch. The new language is now with the AGO. Once language is agreed by both parties a vote on the amendment will be held electronically.

Project Updates:

- **SOS Next Generation Licensing Platform** – The Independent Review for this project was held, with the State CIO and Secretary of State. The Independent Reviewer presented information, cautioning the project from moving forward. The State CIO has asked the Secretary of State team to reach back out to the vendor for a fixed price contract, to reduce the risk.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

Miscellaneous Tax Bill: Senate Finance did a walkthrough of the bill, and asked the Commissioner to testify about the AirBnB contract language. Explained that we are exploring contract, but a lot of considerations (and legislative mandate impractical).

Airport Dispute: We met with So. Burlington to discuss their ongoing litigation with Burlington over airport taxes, which up until 2012 had been paid under agreements. They have been unable to come to an agreement. So. Burlington viewed the case mainly as one of disputed valuation, and were caught by surprise when Judge Toor ruled on summary judgment that a 1940s air defense statute actually exempted significant portions of the airport from any tax (unclear how much acreage, that will be litigated at trial). So. Burlington is moving for an order that the State join the case. We will be discussing more internally next week.

Estate Tax: We will be asking Finance to put back in Misc. Tax if Ways & Means does not move a separate bill.

Property Tax Guidance: We are doing the final review of advice on valuation of current use and conservation land, ordered by the legislature. The conservation land advice has been a long time coming, and it appears that most (not all) stakeholders are in consensus.

Operations Update:

Tax Season: Refunds: We continue to push out refunds at high pace, bracing for the April rush. Tax season has taken quite a toll on our customer service staff, and there is concern about other processing that will be delayed as we work through the refund review and phone calls with less staff.

VTax Project: One of the principals from FAST will be in town next week, time for us to start exploring what other functions we might put in VTax that were out of scope originally (including network hosting, scanning, property tax functions)

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: April 1, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: The House General Committee takes up S.250 this week

Press Issues/Releases/Contacts:

Significant Events/Meetings:

We continue to plan for an open house event for Legislators with office and Warehouse tours, as well as question and answer sessions; we have a tentative date of April 22.

Key Department staff met to discuss “loss of value” (CIP) related to the cancelled vendor contract for the POS project.

Meeting with Vermont Information consortium to review break open ticket reporting protocol

Meeting with American Express and A.G. s office to review proposal for accepting American Express cards as a form of payment in Agency stores.

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 1st for the Board Counsel position

Staffing: nothing to report

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 are recruiting for two Liquor Warehouse Workers and hope to have both vacancies filled in April.

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.

Feedback provided to Justin Johnson regarding new DLC fee increases that appear to have been double booked as new revenue in the DLC budget and Senate finance budgets.

Feedback to Justin Johnson regarding questionable fees written into the Senate Finance budget generated from fees levied on manufacturers of tobacco alternative devises.

Requested an opportunity to testify before the Senate Finance Committee regarding DLC enforcement capabilities pertaining to proposed legislation for manufacturers of tobacco alternative devises.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

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TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: April 1, 2016

Legislative Activities and Issues:

Last week, S. 169 Rozo McLaughlin Farm to School Program passed out of the Senate. It was amended from the floor to include gleaning as a purpose of the farm to school program. The VAAFM and several of its partners felt that it was too specific to include gleaning. The pilot Universal Meals program and funding did not survive in the [Senate version of the bill](#). S. 169 was referred to the House Committee on Agriculture and Forest Products and is scheduled for testimony next week.

3/30/16

Randy Quenneville testified for the Agency on H. 860 addressing on-farm slaughter in Senate Agriculture Committee. The discussion consisted of eliminating the sunset, extending sunset or repeal of statute.

- The Agency presented background information/history of the statute and report of actual usage and compliance to the conditions of the on-farm slaughter exemption for 2013 through 2015.
- The exemption was used and the law followed by only 8 different farms for a total of 3 beef, 7 swine, and 133 lamb/sheep.
- The committee considered raising the limit on how many of each species can be slaughtered per calendar year under this exemption.

3/31/16

In Senate Ag-Cameron Wood, Leg Counsel, presented draft 2.1 of H. 778 with recommended changes, including:

- An inclusion of state's standing "farm" definition
- a change to Sec. 851 (b) that simplified VAAFM authority to collaborate with VDH regarding the FSMA rules
- rewording of Sec. 851 (c) to clarify coordination of inspections occurring at or near same time
- discussion of Sec. 852 (a) (1) reference to "during normal business hours".

Abbey Willard of the VAAFM was asked to testify on acceptance of all provisions presented by leg counsel and opinion on the "business hours" piece. She shared the Agency's intent to be reasonable, to work within business hours but also willing to accommodate farmers' schedules- as needed - to conduct inspections and farm visits. The Committee is concerned that industry could be subjected to site visits in the middle of the night and would therefore appreciate some language limiting - to within reason - the hours of allowable inspection visits. The current language does not identify whose business hours the rule is working within (Agency or farmers). Leg Counsel will redraft a few options to share with the Committee. Committee is nearly ready to vote on the bill - possibly Friday or early next week.

AAFM Meat Inspection Program Chief, Director and Assistant director of Food Safety and Consumer Protection visited the Senate Ag committee hearing concerning the extension of the on-farm slaughter statute set to sunset July 1, 2016

Press, Marketing and Communications:

- Meat Inspection Program Chief Randy Quenneville was interviewed about the on-farm slaughter statute by the Barton Chronicle and the Newport Daily News
- Consumer Protection Chief Henry Marckres was interviewed by Tyler Dumont of WCAX on the Island Pond operation and the industry in Vermont.
- Chief Marckres was also interviewed by WCAX at David Palmer's sugarhouse in Shelburne. It will be used this weekend to coincide with maple open house weekend.
- Henry Marckres, Chief, Consumer Protection, was interviewed by the Williston Observer on the maple season in Vermont on Monday.

Significant Events/Meetings:

- Assistant State Veterinarian with the Produce Team attending the FSMA Produce Safety National State Agency Planning Meeting – a concept originally suggested by the Food System Section Chief. The VT Team also coordinated a New England/NY regional collaboration meeting at this same event to initiate relationship building among state agency produce staff and to explore information sharing on FSMA implementation.
- Animal Health Section is working with a local dairy farm and veterinary reproductive specialty staff from Tufts University to ensure compliance with import regulations for out of state clients traveling into Vermont for services at the Ovum Pick Up center located on the farm. This OPU is one of four centers in the US, with the other centers located in NY, IA, and WI.
- Animal Health Section field staff continue to visit poultry producers to complete the voluntary on farm high path avian influenza assessments. One visit to a turkey producer included Dr. Russo from USDA and the Agency's compost specialist to assist with the planning around mortality composting. Two other visits this week have resulted in the need for a return visit as the producers decided they needed to include more of their key staff in the meetings.

Evolving Issues:

The Agriculture and Environment Lab is in the final steps of completing the validation of a method for measuring PFOA in maple syrup samples. Results for maple syrup samples collected in N. Bennington should be available by May 8th.

Summary of Key Agency Department Activity

Administration:

Land Use

Stephanie Smith, VAAFM Chief Policy Enforcement Officer, facilitated a session entitled "Soil to Soil" alongside Tom Gilbert of Black Dirt Farm, at the Northeast Kingdom Food Systems Plan Summit on Saturday, March 26. Participants spent the day getting energized about the strides the region (and the state of Vermont- Ellen Kahler, VSJF, delivered the key note) made since 2011, when the NEK Food Systems Plan was released. The various facilitated discussions were organized around each goal in the plan. Groups weighed in on next steps, measuring success, and responsibility for each step to reach the outlined goals.

The participants in the soil session included farmers, academics, citizens, and service providers. They discussed how to effectively reach and educate farm operators on

- cover cropping to improve soil health, reduce erosion and improve carbon sequestration and water quality;
- alternative crop and farming techniques for pest management (agro-forestry, mustard, winter rye);

- impediments to farming in the region and affordability- including access to locally produced quality feed and hay and farmland;
- scarcity of appropriately sized equipment (bigger is not always better); and
- on-farm energy production, as a way to make farming affordable, and a discussion of new technologies and whether some were appropriate for the region.

Agricultural Development:

Staff members from all divisions in VAAFM (AG-Dev, ARMs and FSCP) met to discuss the Universal Recycling Bill Act 148, the Agency position on diverting “food residuals” to farms- including “pre and post-consumer food scraps,” and ways to partner with the Agency of Natural Resources (ANR) to implement the law. The VAAFM currently does not regulate this waste stream as an animal feed source, unless it is registered and labeled in compliance with the Vermont Commercial Feed Rule. The VAAFM has the authority under this rule to inspect and analyze feed to ensure that users receive a product that meets the nutritional guarantee specified by the labeling. There is also a law that governs what may be fed to swine enforced by the VAAFM. However, if food residuals (not feed) go to farms to feed chickens (not swine), this source should be regulated as a “food residual” as defined in the ANR solid waste rule. The VAAFM is not against managing food residuals in this way, and would like to partner with ANR, and will outline best practices for farmers to consider when accepting food residuals once ANR establishes a regulatory framework.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

The 2016 maple syrup season is winding down. Southern counties are mostly finished, with the northern counties hoping for another week or so of good sap runs. It is looking like the state will have an average to a little better than average crop this year. Quality has been excellent. The bulk price per pound for syrup is lower than last season, attributable to the lower value of the Canadian dollar, which figures significantly in the bulk price.

Meat Inspection:

- Provided assistance to multiple producers concerning water sampling, acceptable facility development, custom processing documentation records, HACCP plan development and other issues.
- Assistant Director FSCP writing the Limited English Proficiency plan due April 30.
- Asst. Director consulted with Maine’s Public Health Vet related to training of their new vet in the meat inspection program.

Dairy:

Dairy Plant Program Supervisor attended a 2 day FSMA training for dairy processors in Swanton on 3/28-29. This meeting was to update the processors on changes in requirements to meet FSMA rules.

There has been a couple more inquiries about on farm and small scale processing.

Two dairy farms in Orwell are planning on resuming production after being out for at least a year.

Agricultural Resource Management:

Vermont Agriculture and Environmental Lab:

Program News:

With the early thaw, the lab has begun to receive water quality samples from three watershed associations through the DEC’s La Rosa Partnership Program.

Outreach:

The lab has been in contact with its counterpart in New York state to discuss and compare analytical methods for detecting PFOA in agricultural commodities. The two labs will be providing each other with weekly updates.

Services:

Wendy Blackman performed a biennial on-site evaluation for antibiotic testing at West River Creamery in Londonderry. The facility passed inspection with minor corrections.

New Lab Facility:

After reviewing lab layout and design with lab staff three weeks ago, CannonDesign has now provided the lab with an updated set of plans. The staff of the DEC and AAFM labs will be doing a final review of these plans in the upcoming week checking casework marking the placement of utilities (distilled water, specialty gases, and vacuum lines).

Lab Information Management:

The Agriculture and Environment Lab's information management system has been fully transferred from ANR to AAFM, under the management of Hunter Thompson, AAFM's IT Manager.

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

- Staff conducted an internal referral investigation on a farm in Rutland County to verify whether or not the farm was spreading manure prior to the end of the winter manure spreading ban. No manure spreading was documented.
- Staff conducted a complaint investigation on a SFO in Chittenden County related to manure spreading and lack of vegetative buffers on annual crop bordering surface water. The investigation report is being drafted and next steps are being discussed.
- Staff conducted a follow-up inspection on a SFO in Caledonia County to evaluate whether or not the farm has implemented any BMPs in regards to a Corrective Action Letter the farm received from the Agency.
- Staff presented revisions to the second draft of the Required Ag. Practices (RAPs) at a Manure Management and Training meeting in Pawlet, VT put on by UVM Extension and the Champlain Valley Farmers Coalition and hosted at a local farm. Attendees included farmers, custom manure applicators and technical service providers.
- Staff attended a meeting with several MFO and LFO farms that manage crop lands in floodplains. The farmers set up the meeting and invited the Agency to discuss how proposed changes in the draft RAPS would impact their land management and cropping.
- Staff finalized review of LFO annual reports to determine whether or not their reports met reporting requirements. This included review of nutrient management plans (NMPs) submitted by LFOs as part of their annual reporting. Evaluations were made to determine whether NMPs meet required standards. We are coordinating with the ARM Division Enforcement Section to develop next steps and appropriate follow-up.
- 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.

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To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: April 1, 2016
Re: Weekly Report

Status of Governor's Priorities: .

none

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

None.

Significant Events/Meetings:

None this week.

Evolving Issues:

none

Summary of Key Agency Department Activity:

We have completed all technical and functional items on our new website punch list. While we will continue to improve and change the site the development and launch project is done.

Following some recent position openings we have begun planning for changing duties among some positions.

These changes recognize strengths of staff members as well as development opportunities.

Executive Director's Commentary:

I have been devoting a lot of time lately to some contracts that took quite a bit of back and forth to reach agreeable terms, and developing a budget for our national organization as chair of the finance comm. I continue to review our plan for getting the language of S.252 passed, which may include attaching it to H.526 regarding the liquor comm. I will be talking with Liq Comm before doing anything to uncover any concerns.

Our results from the recently complete employee survey improved in many areas. We will be evaluating the results and progress over the past two years to help shape what we do next.

To: Honorable Governor Peter Shumlin
From: Annie Noonan, VDOL Commissioner
Re: Weekly Report - week ending April 1, 2016
Date: 4/1/16

Issues of Note:

Layoffs at QBurke (180, combination of permanent & seasonal) Burton (40), Bombardier (11), NECI (7-10), VY (list of next layoff in June received, continuation of downsizing), Tivoly (120+ employees reduced to 32 hours per week until mid-May), JK Adams in Dorset (8-10). VDOL staff set up Rapid Response meetings for these dislocated workers.

VDOL staff and SWDB Chair are discussing a launch of "Vermont-works training", by of using a combination of WIOA Youth, WIOA Dislocated Worker, TAA, WETF, WIOA Reserve and some of our USDOL special grants to fund summer training programs, either statewide or targeted regions, with the marketing to high school and college kids just graduating and to dislocated and trade adjusted workers. It would involve employing/granting funds to existing training providers and career tech educators at all levels, with specific training and an I-R Credential for jobs in IT, Medical Coding, CNC/Machine, CDL, Caseworker, Call Center Operators/Customer Service Rep, and whatever other jobs Mat Barewicz identifies as high-demand (now and 5-year out projection) in Vermont. If the higher education and other agencies want to participate as trainers, I will ask them to also bring some of their USDOL and TAACCCT grant money to the table.

Legislative

Misclassification continues to go round-and-round. The bill is back in Commerce with a whole new round of people coming in to testify. I had a significantly heated exchange with Adam Necrasson on Thursday, suggesting to him that it was pretty difficult to help Labor when the bottom line of what is acceptable to them changes daily and his folks telling people they were going to 'hang the bill on the wall in Tim Ashe's committee'. He said the bill was 'mismanaged at the highest levels', and that's when it got really heated. I have subsequently talked to Mickenberg with Jeff Fannon in tow, and seemed to make headway with Jeff's help to explain to David that they need to settle on their bottom line and be clear with the committee and speaker.

Tristan Toleno came over to talk with me and Jeff Fannon and said that the Speaker wants a vote on this issue and that the "one-independent-contractor only" standard is "old school...not going to be supported by leadership" - which should be very concerning to Labor because that signals to me that the Speaker is willing to have a floor fight, even if it gets nasty between the Dems.

Other than that, our issue with the proposed tiered Employer Assessment / Health Care and 90 day implementation has been put out there as a real problem (thank you, Sue, James and Justin).