

WEEKLY REPORTS

Checklist
4/17/15

Elizabeth Miller/Alyson Richards

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

TBD

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

Sue Allen

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

Sarah London

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

Susan Spaulding

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

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: April 17, 2015
Re: Weekly Report

LEGISLATIVE ACTIVITY

- **Economic Development Bill:** The bill is now in the House Commerce Committee, where it has grown to more than 157 pages and counting. In addition to the changes sent over from the Senate, it now includes the housing credit, a relocation credit, Facilitating Disaster Response, Uniform Commercial Code revisions, and more. The Committee will likely include the expanded Rent to Own bill and is taking testimony on a number of other bills they may also insert. Lucy is monitoring. Both House Commerce and Ways and Means committees started taking testimony. The wage threshold change and value-added are going to be big fights in Ways and Means. Commerce seems ready to support and wants data to help defend. They seem to be a little backwards on understanding the wage threshold as an eligibility threshold, not something that drives wages.
CONFIDENTIAL: Lucy and Megan testified on the Tourism and Marketing funding formula proposal. They discussed the Marketing Strategy being prepared by Lisa Gosselin and offered to have her in to do a presentation. Heidi and others began to lobby for a "grass roots, full court press" from the administration to the entire legislature to sell the proposal. They asked us to come and do a marketing pitch to all members. Megan explained that coming up with a creative marketing campaign and pitching it to the legislature in just a few short weeks before adjournment would not be possible as the department is just now launching a new website and about to launch their summer marketing campaign so they are straight out. Some members were more understanding than others.
- **CONFIDENTIAL:** Lucy spoke with Shap yesterday about his charge to the House Commerce Committee to come up with a Relocation Tax Credit. He told them he had 500-750k to spend on the idea. He told Lucy it was the GlobalFoundries' money. Lucy let him know that the money was about to be committed and that we are working on a number of different ideas. She also let him know that if money did become available, that we had other priorities we'd prefer him to consider. The conversation was cut short but Lucy will follow up later.
- **Wood Manufacturer's Tax Credit:** Lucy accompanied Jared as he presented his Wood Manufacturer Report to the House Ways and Means Committee, and the House Commerce Committee. The members appreciated the report and were supportive of our proposal to extend the sunset on the incentive payment for another year. Lucy explained that we intend to return with policy recommendations informed by the WLEB-funded Wood Systems Analysis being done by Yellow Wood Consulting of Saint Albans. Lucy explained that because of the timing of returns, there would be no 2016 budgetary impact. Rep. Young is point on the W&M Committee for this item and he will work with Leg. Council to ensure the provision is included in the Senate Tax Expenditure bill, or other appropriate vehicle.
- **Vermont Strong Scholars (VSS):** Jane pulled Lucy into her Committee room to discuss the VSS Program. She is very concerned about meeting the goals of a sustainable budget and expressed strong opposition to creating new programs without the funding. Lucy reminded her that the legislature passed VSS last year, and that there is no 2016 budget impact, and that the amount of funding is modest in the first few years. Jane was clearly concerned about the future sustainability of the budget. Lucy had a subsequent conversation with Steve Klein who reiterated Jane's concern. After consulting with Aly, Lucy proposed that we could hold off on accepting applications until next summer, after the legislature has the opportunity to allocate funds for the program. Lucy will monitor.
- **CONFIDENTIAL - Rent to Own:** Lucy testified in House Commerce in support of this bill. Erhardt Manke approached Lucy to say that they may want more help from the administration, though wasn't able to tell her of what nature. He was going to get more information and get back to her.
- **Misc Tax Bill:** Currently Section 20 that contains changes to the Downtown Tax Credits for increasing the amount and cap that a project can seek for Limited Use, Limited Access (LULA's) –or as I've heard them called half elevators or baby elevators – has been reviewed in Senate Finance as no issues noted to date.

- **H.272 Current Use and Technical Tax Bill:** Jen monitored deliberations in Senate Finance. The Vermont Housing Finance Agency offered substitute language for Section 16 – Qualified Rental Housing. Jen confirmed with Tax that admin will support (as it had in Ways and Means) and relayed to Senator Ashe. It is not yet clear if the committee will adopt the language. As mentioned in Commissioner MacKay's report, the changes sought by the Department to downtown tax credits remain intact. The committee has, however, discussed changes to the tax increment financing district sections.
- **S.105 Home Improvement Contracts:** Jen finalized and sent to the Governor's office a bill review prepared by Dale and Shaun. S.105 would require all agreements for home improvements over \$5,000 to be in writing, etc. Approved by the Senate Economic Development, Housing and General Affairs Committee in March, the bill ran into many objections on the Senate floor. It was sent back to committee and its fate remains uncertain. In the meantime, a related bill has been passed by the House and was approved by the Senate Judiciary Committee this week. It is on the April 16 Notice Calendar. H.483 details when the failure to perform under a written or oral home improvement agreement is fraud.

PATRICIA MOULTON, SECRETARY:

Windham County Economic Development Program: The roll out of the new program on Wednesday seemed to go well except people are pretty fired up that the Governor correctly indicated we're not going to fund pure research that does not lead to jobs. The Rich Earth Institute and Sustainable Energy Outreach Network (SEON) both are pushing for research dollars. SEON was just awarded a \$1.9 grant on Wednesday from the VY money at the CEDF. There appears to be some support among some members of the Windham County delegation for pure research. They were planning a caucus Friday morning which got canceled because Tristan Toleno was unavailable. I spoke with Jeanette White and will continue to follow up with she and Becca Balian. Becca totally gets it, but it's an uphill climb with the rest of the delegation.

GS Precision: We made a good presentation, very tempting, to GS Precision on Wednesday. We will know in a week whether it is enough to turn them back from their expansion plans in Chesterfield New Hampshire.

Historic Preservation: We seemed to have turned Senator Campbell away from his plan to eliminate the division for his stork preservation and contracted out to you VM. Essentially we called his bluff.

Economic Development Commissioner: Joan Goldstein starts on Monday. We will get her up to speed on legislation quickly so she can be another voice in the Statehouse.

KEN JONES, ECONOMIC RESEARCH ANALYST

- Ken participated in a workshop developed by a new organization intending to establish a network of creatives in Vermont. This effort is consistent with a strategy in the Comprehensive Economic Development Strategy that highlighted the Arts as a target sector. One of the activities that the target sectors benefit from is a stronger network. Ken is working on an economic assessment of the visual arts community in Vermont. He has already identified more than 2,000 businesses that provide arts for sale.
- Ken and Jared participated in a meeting of the Energy Finance Initiative sponsored by the Energy Action Network. This meeting reviewed some preliminary proposals for strengthening the financing opportunities for clean energy development. The necessary linkage between expanding the market for clean energy services and financing is a key to which the meeting participants will continue to strategize. From one perspective, financial opportunities grow when investors see evidence of a growing market. From another perspective, potential customers are slow to enter the market if the financing opportunities are not abundant.

DEPARTMENT OF ECONOMIC DEVELOPMENT

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **Butternut Mtn. Farm:** Beth Demers spoke with Andrew Crank, Business Systems Analyst, for the Morrisville based maple syrup producer. The company is looking to implement a new ERP system and get some financial help for the considerable employee training that would go along with the effort. Andrew will be compiling quotes from vendors and drafting an application for Beth to review.
- **BioTek:** Beth Demers met with Amit Lodha, Director of Manufacturing, and Mark Boutin, Facilities Manager, at the company's Winooski facility. The company is struggling with an employee retirement rate

of approximately 30%. The company has identified a number of training solutions and discussed which they would like to pursue as part of a Vermont Training Program application. Beth will be keeping in touch with Amit as he drafts the application.

- **Northern Power:** Beth Demers and Sam Anderson (CVEDC) met with Kathy Brouillette, Environmental/Health/Safety/Facilities Manager, to discuss the Vermont Training Program. The company is launching a new product to be produced in VT and would like assistance with employee training. Beth will keep in touch with Kathy as she identifies the scope and drafts the application.
- **Von Bargaen's:** Beth Demers met with Phillip Bosen to discuss employee training needs due to growth within the company. Phillip will work on identifying a scope for the application and be back in touch with Beth. Phillip also spoke about the need for education classes in the area for gemology and bench jewelers. The two discussed possible partnerships with UVM, Generator, GIA, and Rhino. Beth will do some research and the two will connect when Phillip is back from a conference the first week in May.
- **Vermont Timber Works:** Beth Demers spoke with Thomas Cutler, President of Vermont Timber Works in Springfield. The company is starting to see consistent growth after the recession and is looking to add a few employees. Beth discussed the VTP eligibility and how to define a scope for the application. Thomas will review the information with his managers and arrange a time for Beth to visit in person.
- **Vermont Training Program Seeks Temporary Employee:** Looking for someone who: has experience with large Excel spreadsheets (or is willing to dig in and learn), is positive and looks for solutions, can communicate to a variety of people (business owners and internal staff), and will take ownership over their tasks. Please forward any inquiries to Beth Demers.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Deputy Commissioner Hollar

- **Fair Housing Month and Bill Signing:** This year's signing by Governor Shumlin of a proclamation declaring April Fair Housing Month was expanded to include the signing of the mobile home park bill (H.123) and tenant property/fair housing bill (H.256). With a great deal of help from Shaun, worked with the Governor's office and legislators to pull the event together in the Governor's Ceremonial Office.
- **Waterbury Municipal Office Complex:** The sun was bright and spirits were high at the ground-breaking ceremony early this week at site of the new municipal office complex in Waterbury. Governor Shumlin, Congressman Peter Welch and Secretaries Moulton and Minter headlined the event. Cheered them on with Jamie Duggan and Ann Kroll, both of whom were acknowledged for their work in support of the project. ACCD has granted more than \$1.25 million in CDBG, Disaster Recovery, Downtown Transportation and Electric Vehicle Charging Station grants. The town is delighted and grateful for ACCD's help.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **VTrans, State Bike Plan:** John attended the 3rd stakeholder meeting concerning the statewide bike plan. VTrans and their team of consultants presented the bicycle corridor categorization framework and collected feedback on the indicators chosen for prioritization. Over 2,000 users provided feedback on the wikimap created, surpassing all expectations of how many responses the state would receive: <http://wikimapping.com/wikimap/VT-State-Highway-On-Road-Bicycle-Facilities-Plan.html>. VTrans has also agreed to share Strava data (an app that collects data where people ride and run) with ACCD, which John will review for applicability towards CP+R's activities.

Downtown and Village Report

- **Enosburgh:** Wendy attended a "coffee talk" meeting sponsored by the Enosburgh Business Association and Northwest Regional Planning Commission that aimed to gather input and raise awareness about the upcoming VERI community forum. At the forum the team will share the draft report that identifies policies and projects to reduce the impact of future floods, answer questions and identify local project preferences.
- **St. Johnsbury:** Caitlin and Devin met with Jay Ancel of Black River Design and a group of prospective buyers of the Ide building (a former industrial/commercial complex) to discuss its eligibility for the National Register and the potential of using federal tax credits to support redevelopment.
- **Good Press on Downtowns in the Rutland Herald:**
<http://www.rutlandherald.com/article/20150412/NEWS01/704129927>

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Fuller Farmhouse:** Laura traveled over the mountains and along muddy roads to Hubbardton, meeting with the local historical society and the Select Board about the Fuller Farmhouse on the Hubbardton Battlefield. The historical society, with support in many forms from the town, is seeking to lease the building from the Division for Historic Preservation. Not a contributing resource to the 1777 battlefield, the farmhouse is in need of repairs and mechanical updating after many years of mothballing. The open discussion among all possible partners will address the building's future, upgrading, and continued maintenance. The offer of also leasing the historic barn, also a non-contributing resource to the battlefield, brought smiles to the faces of many Hubbardton residents. Laura learned the historical society is presenting using a part of the barn for storage.
- **VTrans:** Laura has been meeting regularly with Judith Ehrlich, the Historic Preservation Officer for VTrans, about select projects. The replacement of the Highgate Bridge and the West Haven Bridge were reviewed, with agreement that no historic sites were affected by these projects. Judith also provided the rehabilitation drawings for the Shoreham Covered Bridge, which is owned by the Division but maintained by VTrans. Work on our bridge, which has been closed to the public for several years, was to begin in September 2014 but was delayed due to funding. Bids should be going out this spring for work in the fall of 2015. Laura has updated members of the community of the schedule. Laura and Dale have made the final suggested changes to the Programmatic Agreement with the Federal Highway Administration and VTrans; the document will now be forwarded to VTrans for review and an internal meeting set up to iron out the details before meeting with Fed Highway and the federal Advisory Council on Historic Preservation. Thank you all for assisting with this significant agreement.

State Architectural Historian

- **West Castleton Slate Historic District:** Following a call from an interested property owner, Devin is looking into the feasibility of preparing a National Register nomination for a historic district documenting resources related to the West Castleton Railroad and Slate Quarry. The majority of the resources are within Bomoseen State Park, and include rare stacked-slate houses, a rail bed, dams, mill ruins, and slate quarries. A draft nomination, prepared in 1995 but never completed, provides a good starting point for the project. The resulting NR nomination will provide good information for the Stone Trail, which is currently being developed by the Department of Tourism & Marketing.
- **Jones & Lamson Plant One, Springfield:** Devin, Jamie and Laura attended a meeting to discuss the redevelopment of the former Jones & Lamson Plant One site. The Division has been involved in discussions about this site since at least 1995 and has extensive knowledge of the challenges involved with its redevelopment. Bob Flint, Executive Director of the Springfield Regional Development Corporation, gave an overview of the deteriorated condition of the factory complex and contamination levels on the site, and requested permission to demolish the complex. He will send Jamie the Corrective Action Plan for site cleanup and cost estimates for demolition and debris disposal, and Division staff will work collaboratively with all of the stakeholders throughout our review process. The project is subject to review under Criterion 8 of Act 250 and Section 106 of the National Historic Preservation Act.

Project Review

- **Brattleboro:** Jamie conducted a site visit to the Brattleboro Retreat Farm, to discuss a current and upcoming permit amendments under Act 250. The farm, now owned by the Windham Foundation, is looking to rehabilitate the entire complex into a place-based education center that interprets Vermont's agricultural and working landscape. In addition, they will lease out portions of the complex to create a tasting center/café, music school, as well as provide public meeting and gathering spaces, both indoor and out. Jamie is working with Buzz Schmidt, first on the current plan to rehabilitate the extant farmhouse into office space that will become the center of operations. Later this year, the team will focus on the larger complex and overall rehabilitation activities. This is a massive and comprehensive project that will create a unique destination for a broad range of people from students, tourists and Vermonters interested in our working landscape and the culture and traditions surrounding it.
- **VTel Middlebury:** Laura, Dale and Jamie participated in a teleconference with the FCC and USDA Rural Utilities Service to discuss the VTel installation proposed for the Middlebury Congregational Church. VTel is seeking approval to install telecommunications antennae in the steeple and are proposing to replace existing windows with radio-frequency transparent replicas in the lantern stage of the steeple. The team does not support this design for a number of reasons. As part of the Section 106 review process, local interested parties have been invited to participate and Vermont Advisory Council for Historic Preservation member Glenn Andres and Historic Preservation Architect Tom Keefe participated in this call.

The Division for Historic Preservation has requested VTel conduct additional visual analysis, both during the day and night, to determine the visual effects of the proposed alterations. The report and images provided were not sufficient to understand the changes, and a new test is scheduled that all the interested parties will attend to view in person. VTel has a looming deadline to spend the RUS funds by June, and as a result, the group will continue consultation with bi-weekly calls until the matter is resolved.

- **VTel Calais:** VTel is proposing a new telecommunications tower in Calais which is seeing strong local opposition. The Division for Historic Preservation has looked at the proposed site and made a preliminary assessment that according to the criteria we use to evaluate these types of projects, this particular one does not pose any concerns for our team. The proposed site is not considered archaeologically sensitive, and there does not seem to be any historic resources that would be indirectly effected in a negative way. Although there are valid aesthetic concerns, the presence of the tower in this location does not diminish the qualities of historic resources, and the Division has advised the town of our position. VTel is scheduled to present this proposed project to the Select Board, along with a representative from Dept. of Public Service, at this weeks scheduled meeting.
- **UVM Central Campus:** Laura met with representatives of UVM and their architects to review the designs for the Central Campus Heating Plant addition and wall. The Division's comments and concerns were clearly heard and understood, as the proposed designs respect the historic building and central campus. The evaluation for the First-Year Student Housing and Dining project were received this week and will be reviewed by the Project Review team under Act 250.

State-Owned Historic Sites

- **Bennington Battle Monument:** The Monument and gift shop will be opening on Saturday the 18th regardless of the construction setbacks; the first concrete pour on the front porch was not good so it needed to be removed and redone, hoping all goes well, weather cooperates, and visitors can walk on it by Saturday. The elevator housing has been painted and looks clean and bright and ready for visitors. An Otis inspection of the elevator is due on Thursday and the snow has finally disappeared. The gift shop will be ready for opening with lots of new merchandise. The Monument is heading into its 124th season.
- **Chester Arthur at Coolidge Site:** The afternoon on April 13, brought the successful conclusion of a long process – the delivery of President Chester A. Arthur's desk and writing box. Donated by Catherine Trau of Springfield, Missouri, these items will be displayed at the Coolidge Site, along with the Arthur family book that was recently accepted on our behalf by Senator Sanders. Together, they will make a fine display of rare President Arthur memorabilia, giving us an opportunity to direct visitors to the other state-owned presidential site!

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

- One of the Department's important but lesser known roles is administering the Charitable Housing Investment Tax Credit. This includes determining the "charitable threshold rate" for the upcoming year beginning in July, based on the March average Bank Prime Loan Rate. As the Bank Prime Loan Rate has remained at 3.25% for several years, the charitable threshold rate will also remain at 1.25%.
- We were notified this week of a serious problem at the Evergreen MHP in Pownal, where a mobile home actually tipped over, apparently because of the lot underneath the home suddenly collapsing for unknown reasons. In addition to the home now being uninhabitable, the oil tank also was knocked over and spilled. The residents received help from the Red Cross and sought out a lawyer, who referred them to the Department. On Wednesday, Arthur and Dale Azaria discussed the situation with the residents' lawyer who was hoping there might be a State agency with authority to investigate. Unfortunately, this is one of those situations where the Department does not have enforcement authority, although that may change if H.123 become law. We agreed to keep working on this, but for now were only able to refer him to the Rutland Regional Office of DEC in case there are any State permits that might come into play.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Work

- **Town of Roxbury:** The Community Development Board recommended and Secretary Moulton approved the Town's \$202,741 Implementation Grant application to upgrade the Cram and Thurston Road culverts that were damaged during Tropical Storm Irene.
- **Town of Waitsfield:** The Community Development Board recommended and Secretary Moulton approved the Town's \$179,976 Implementation Grant application that came out of the V-DAT planning process to fund final design and construction of a public pocket park within the Bridge Street business district in historic Waitsfield Village.

- **City of Barre:** The Community Development Board recommended and Secretary Moulton approved the City's request for a \$300,000 enhancement to its \$1 million Implementation Grant to redevelop a 1.2 acre area near Enterprise Aly in the center of downtown by cleaning up the highly contaminated former Howe Dry Cleaners site and doing flood remediation work. The project had a \$1.4 million funding shortfall and the City was able to reduce the overall cost and also committed another \$250,000 in City funds to the project. An additional \$62,000 was obtained from the VTrans Downtown transportation Fund, but the \$300,000 enhancement is being requested to fill the remaining gap. If the enhancement is approved, the Agency needs to request approval by HUD of an amendment to the Disaster Recovery Action Plan to allow the City to receive an award above the current \$1 million maximum.
- **Town of Springfield:** The Community Development Board recommended and Secretary Moulton approved the Town's \$88,000 enhancement to its \$300,000 grant to provide stormwater improvements and erosion control measures in the Meadow Drive neighborhood.

Technical Assistance to potential applicants

- **Town of Hinesburg:** Staff explained the Revolving Loan Fund to Melissa Levy, the Chair of the Hinesburg Economic Development Commission. This included information about what the fund can be used for, when it must be used by, and requirements for funding future projects.
- **Town of Northfield:** Staff (Josh, Carl and Kate) had a conference call with Jeff Schulz, Town Administrator and Brent Blevins of Cabot Hosiery to see if the VCDP might be able to assist in the company's \$48 million expansion to build an addition (\$20 million) and purchase equipment (\$28 million). Sam Anderson of Central Vermont Economic Development Corporation (CVEDC) also participated. She has been encouraging them to think about VCDP funding for more than 6 months, and contacting us in April with a planned construction start of August 1 is presenting major issues. From Sam's initial conversation, the project is happening regardless of whether VCDP participates, and the primary hurdle is the need to meet the environmental review and release requirements and still be able to order the steel in May to meet the expansion schedule. The company has to weigh the advantage of potential low cost financing with the disadvantage of the project getting off the ground later than the plan. Names of consultants to assist with the environmental review and application writing were sent to the Town and Cabot Hosiery. It will be "Darn Tough" for VCDP to assist if the timeline cannot be pushed back.
- **Town of Fairlee:** Representatives from GMEDC and Britton Lumber reached out to VCDP and others in ACCD seeking assistance in re-building after a fire that destroyed the mill and lumber yard. A meeting to coordinate assistance and review VCDP funding options has been scheduled. The company has concerns about keeping key staff employed and re-building requirements.

Other

- **Con Plan:** The draft is available on the DHCD Housing website for public comment. Comments are accepted through April 27, 2015.
http://accd.vermont.gov/strong_communities/housing/planning/consolidated_plan

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Kingdom Career Connect:** Megan participated in the Kingdom Career Connect at Lyndon State College. This was a program for all 8th graders in the NEK to explore several career options. With over 300 students and 12 local businesses presenting workshops, the day was full and very well done. This seems like a much better age to reach kids than the sophomore year, which is what Rutland County currently does at Castleton every year. A member of the Brattleboro community was there to observe and possibly duplicate this in Southern Vermont.
- **InclusiveVermont.com:** We are putting the finishing touches on inclusivevermont.com, celebrating the 25th anniversary of the American Disabilities Act by showcasing all the outdoor opportunities in Vermont for people with disabilities. The partners were Vermont State Parks, Vermont Adaptive Ski and Sport and the Vermont Center for Independent Living. We will begin our PR campaign soon.
- **Honors:** Megan was honored at the Rutland County Democratic Women's brunch as a "Woman Making a Difference." The event was held at The Mountaintop Inn and Resort and was a very special day.

Steve Cook, Deputy Commissioner


- **Summer Marketing:** Cook is finalizing the summer media plan for 2015. This year's plan includes advertising in the digital travel space with focus on driving direct bookings and tracking of those bookings. After a successful winter media campaign with minimum test advertising in this space, we found valuable track-able data that showed direct consumer spending. These networks include Adara, Tripadvisor,

Expedia, Orbitz, Priceline and Booking.com. Media will focus on distant domestic markets in order to increase visitor's length of stay.

- **Early summer broadcast marketing:** VDTM has an early start in summer cable television advertising in the Boston market. Spots will run for a one week schedule starting on 4/20. [CLICK HERE](#) to view VDTM's television spot.

COMMUNICATIONS ♦ Laura Peterson, Director of Communications

- **Africa American Heritage Trail:** A January fam trip focusing on the African American Heritage Trail resulted in this article on Ebony.com: <http://www.ebony.com/life/discover-black-vermont-the-african-american-heritage-trail-323#axzz3XNpQgbxk>
- **Social Media:** "Likes" for our Vermont Tourism Facebook page were up 65% week over week. Weekly total reach for our Vermont Tourism Industry Facebook page was up 20%. This week's most popular post was one on Vermont being the best state to eat local food. It reached 4284 people and was shared 120 times.

**Vermont Tourism**
Posted by Laura Peterson [?] · April 13 at 10:54am · 🌐

We're number one!

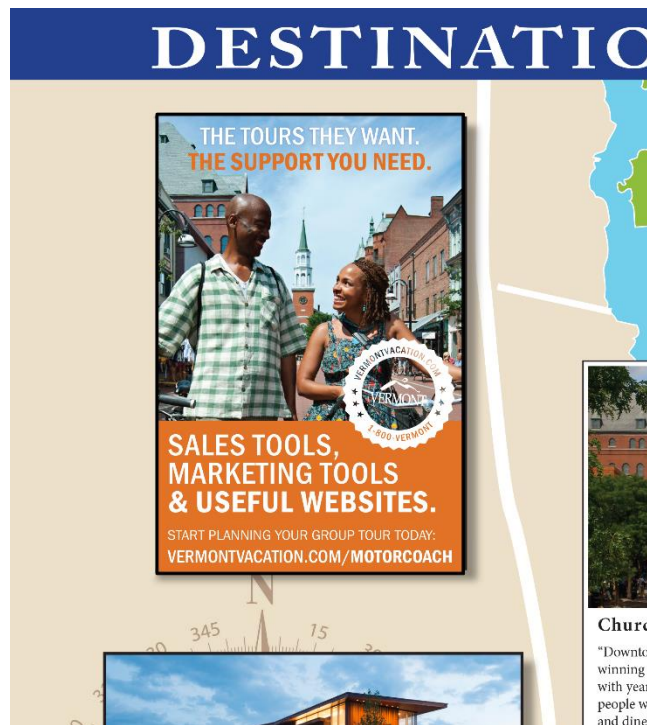


The 10 Best and Worst States for Eating Local Food
Everyone loves a list, but how well does the annual Locavore Index reflect how we eat in the United States?
TAKEPART.COM

4,284 people reached [Boost Post](#)

MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator

- **Destination Champlain Valley Mailer | VDTM Ad Placement:** David updated the ad below to be placed into this year's Destination Champlain Valley Mailer. The mailer is targeted at tour operators, enticing them to choose Champlain Valley as a group tour destination.



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

- **General:** We had a very successful booth at Made in Vermont. Huge thanks to Paul, Mary, and the ad sales team for working all weekend at this event. We anticipate healthy ad sales to come from this. Approximately 200 people dropped their business card in for a chance to win a free subscription to VL. We generated new advertising contacts and it was a great networking event for the ad reps.
- **Advertising:** Autumn: \$46K booked so far (55% of last year).

CHIEF MARKETING OFFICE ♦ Heather Pelham, Marketing Manager

- **Websites:** Consulting and technical support on the new CMS web template was provided this week to the Agency of Administration (web content strategy, new site template mockup); Speaker Shap Smith (imagery and training support); Dept. of Environmental Conservation (technical support on new features); and the Agency of Education (technical support on new features).
- **Creative Services:** Design projects this week included work for the Div. of Historic Preservation (new print ad design for Justin Morrill State Historic Site, plus update of slides and widgets for Historic Sites website); and the Dept. of Forest, Parks and Recreation (design and production of stickers for Town Forests Act Centennial Celebration awareness, plus production of updated pocket guide for invasive species outreach).
- **Marketing:** Provided strategic planning support to Dept. of Environmental Conservation, Universal Recycling program (contract support, campaign budgeting); Div. of Historic Preservation (distribution research and budgeting for Historic Sites marketing plan); and the Public Service Department (review of proposed outreach plan and materials for Heat Savers rebate program).

To: Honorable Governor Peter Shumlin
From: Commissioner Annie Noonan
Re: Weekly Report – Weeks Ending April 3 and 10, 2015

Legislative

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Testified in House General on H.187/Paid Sick Leave twice this week, including responding to the fiscal note by JFO.

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Testified in House Commerce on economic development bill (H.124/S.138), primarily on statutory changes to the internship program and proposed changes to WETF language.

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VDOL staff (Tracy Phillips, Steve Monahan) testified today in House Commerce on H.312 – “rapid response” to disaster situations from out of state companies;

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David Mickenberg testified in Senate Institutions on Wednesday on Prevailing Wage bill. Senator Campbell continues to comment to me every chance he gets that he doesn’t want to deal with the bill.

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VDOL’s UI bill (H.306) is seeing no movement in Senate Finance. I presume that Sen. Ashe is holding it hostage to put other labor issues on it at the end of the session. As usual, he won’t even discuss the status of the bill – just continues to say he’s dealing with ‘other things’. FYI: there’s nothing in the bill that is a must-pass issue for VDOL.

•

Misclassification bills are all over the place, but nothing will move this year. Legislators are being hit up hard because of the Home Builders’ flyer.

Legal

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The FairPoint UI Appeal decision will be issued next week.

The lawsuit filed by Wallace Nolen was dismissed this week.

We had to call the police this week when an employee in WC was threatened (he called the employee a very bad word and said "check out my criminal record and then try to sleep at night"

Workforce Meetings: We are working with VTC and Hitec on the apprenticeship grant due at the end of this month.

Upcoming Hiring Events: IBM hiring event will be at the end of the month or early May.

Anne M. Noonan
Commissioner
Vermont Department of Labor
802-828-4301

Please excuse typographical errors - Sent from my iPad



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 17, 2015
Re: Weekly Report

A handwritten signature in cursive script, reading "Susan L. Donegan", written over a diagonal line.

Captive Insurance Division:

Med Choice Risk Retention Group was licensed this week as Vermont's captive insurance company number 1035. It is sponsored by Physicians Mutual Insurance Co. of Omaha, Neb., which was founded in 1902 and has \$1.9 billion in assets. Med Choice will provide special underwriting and management services, and give PMI members an opportunity to participate in alternative insurance markets. Med Choice will also write medical malpractice insurance policies for its members.





219 North Main Street, Suite 402, Barre, VT 05641
(p) 802-479-1030 | (f) 802-479-1835

CONFIDENTIAL AND PRIVILEGED MEMORANDUM

TO: Governor Peter Shumlin
FROM: John Fischer, Deputy Secretary, Agency of Education
Amy Fowler, Deputy Secretary, Agency of Education
Greg Glennon, General Counsel, Agency of Education
Bill Talbott, Deputy Secretary, Agency of Education
COPY: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: April 17, 2015

Media Contacts:

- Josh O’Gorman, Vermont Press Bureau, sought an interview on the history of education changes in the 1890s and today.
- Josh O’Gorman, Vermont Press Bureau, sought comment on ESEA passing out of the Senate HELP committee.
- Josh O’Gorman, Vermont Press Bureau, sought comment on the VTDigger article stating the AOE had changed its position on H.361.
- Alex Apple, WCAX, set up an interview with Jill Remick on our School Climate Pilot Survey in the context of supporting transgender youth.
- Amy Nixon, VTDigger, asked if an internal planning meeting was public. It isn’t and she was fine.
- Amy Nixon, VTDigger, asked about a tip they received that an AOE staffer had filed a workplace retaliation suit. We responded: “We are unaware of any papers being served on the State of Vermont regarding any matter related to the AOE.”
- Amy Nixon, VTDigger, requested comment on a legislative report on paraprofessionals by the UMass Institute for JFO.
- Haley Dover, Burlington Free Press, will be interviewing Rebecca on Harassment and Bullying policies.
- Amy Nixon, VTDigger, requested comment on the letter from Senator Baruth on H.361. She also requested comments on the AOE memo from 4/10 responding to H.361.
- Bruce Parker, VT Watchdog, sought information about a school climate pilot survey.
- Leslie Engle, Fox 44, sought information on the number of school budgets up for a revote.
- Amy Nixon, VTDigger, sought comment on how many districts are non-operating.

- Howard Weiss-Tisman, Brattleboro Reformer, sought data on the number of students in homestudy and independent schools over the past several years compared to the public school student enrollment.
- Caitlin Emma, Politico, asked if ESEA is not reauthorized, how many of our schools would be identified (essentially all).
- Meral Agish, ProPublica, interviewed Deb Quackenbush regarding residential treatment facilities.

Public Presentations/Speeches/Meetings:

Consolidated Federal Programs

On Wednesday, April 8th over 120 education administrators gathered at Killington for the annual consolidated federal program's spring conference. The conference focus is aligning local and state education initiatives with the use of their Elementary & Secondary Education Act funds.

The day began with a warm and inspiring welcome from Amy Fowler, Deputy Secretary. The opening presentation on the Proficiency Based Learning initiative included a national speaker, David Ruff from the Great Schools Partnership organization. He was joined by Tom Alderman from the Vermont Agency of Education speaking from the State's perspective and then Mike Martin from the Montpelier School District describing their local implementation of Proficiency Based Learning. Participants then had a selection of workshops to choose from in both the morning and afternoon sessions. Workshops included a variety of current topics in education as well as technical training in how to access the federal funds. Anecdotal comments from participants during the day were positive and a more formal evaluation process is underway.

Emerging news:

Legislative Update

Agency staff has been working closely with your office, Legislative Council, and the Senate Education Committee to continue to draft a bill that reflects your legislative priorities for the session, and ensures we are moving districts toward more efficient use of resources. We also continue to provide testimony on the economic development bill, the fee bill and educator licensing, and Education Quality Standards. We are also working with the House Education and the House Commerce committees to address workforce, economic development and education priorities through the expansion of secondary education CTE programs aligned to the CEDS priority pathways project.

ESEA in Senate HELP Committee

As noted in our press release earlier this week, the Senate HELP committee passed the "Every Child Achieves Act of 2015." This is a significant "next step" towards the long overdue reauthorization of the Elementary and Secondary Act (No Child Left Behind). Within this new bill, Vermont would be provided greater flexibility to determine accountability and supports for achievement for all students. The Committee also received over 60 amendments and addressed all of these within 48 hours. In addition to flexibility to States, the bill and amendments will provide for approximately \$1.3M in rural funds for Vermont and continued funding for afterschool programs. There is also a

possibility for education technology competitive grants. The bill will now move to a floor vote which may occur by late May.

SBAC Assessments

The SBAC statewide assessments are well underway. Monday we will host lawmakers, policy leaders and members of the press as they take an actual Math section of the SBAC assessment. We hope this will provide an understanding of the level of rigor we are asking of our students, but also to demonstrate that the adults taking it are successful and respected members of their profession, regardless of how they may perform on the assessment.

Education Quality Reviews (EQRs)

Next week we will host the first of the Educator Summit Meetings for the Education Quality Reviews. These summits will provide the Agency of Education with input from the forty-five parents, teachers, principals, SU/SD staff, superintendents, SBE members and community activists. The central purpose of these reviews is to assess the degree to which the Education Quality Standards are being addressed in Vermont schools, identify best practices, and to support the continuous improvement of our schools. There were seventy-nine applicants for these spaces; we are thrilled to see the level of community interest in the EQR process. Meetings will be April 23 and May 29 from 9 a.m. to 4:00 p.m. at the AOE in Barre, conference room 304. The Governor, and/or his staff is welcome to attend any portion of the day which his/their schedule accommodates. The agenda for the April 23 meeting is as follows:

Agenda:

- Orientation and objective setting
- Input Session 1: Visioning the future state of Vermont Education
- Input Session 2: Describing what we want to measure
- Lunch- provided
- Input Session 3: Preferences regarding data presentation
- Input Session 4: Preferences regarding site visits

Other:

Kudos for AoA and DII

The Education Quality Team and The General Supervision and Monitoring Team are especially grateful for the turn around on two contracts related to technology contracts that were recently approved by AoA and DII.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: April 17, 2015
Re: Weekly Report

Status of Governor's Priorities: .

none

Legislative Issues/Contacts:

No legis contact this week

Press Issues/Releases/Contacts:

Joint press release issued with Agency of Ed for Tech Award Program to winning school – Charleston Elem School. Lottery buys ipads and films award event instead of paying to produce an ad that shows we contribute to education fund. We will do this on 6 month intervals.

Significant Events/Meetings:

none

Evolving Issues:

The Hot Lotto jackpot story continues to pop up but not in VT.

Summary of Key Agency Department Activity:

Final Commission meeting for Virginia Barry who served VLC since 2001. We are editing many of our lottery operating rules with assistance from AAG. I expect to review with VLC in May and then begin the rules process. Last time this was done was the 1990's. We are testing our COOP procedures in two weeks by going offsite and setting up critical functions.

Executive Director's Commentary:

I will be out of state at a conference Monday – Wed next week.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, April 17, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Legislature

The Transportation Bill was voted favorably out of Senate Transportation on Tuesday sent to the Finance Committee where it may be voted out today, before heading to Senate Appropriations. We expect the Senate will vote it out either Wed. or Thurs. of next week. There are no sections in the Senate TBill we oppose and no significant differences between the House bill that should warrant a long conference committee. At this point a TIB Floor adjustment is not in the cards for this year. We will also testify before Senate Finance on H.117, the Telecom Bill, and in Senate NR on the energy bill.

Construction Update

- We have 21 active work zones; 14 bridge, 2 reclaim, 1 paving, 4 safety. We anticipate a total of 105 projects in 2015. 20% of the program has an active work zones.
- The bi-weekly estimates paid to the contractors this week amounts to \$584,519.41.
- There were no serious accidents or motor vehicle crashes within active work zones.
- Waterbury & Brattleboro bridge details below. Both work zones flowing freely at this time.

TIGER Grant

VTrans is preparing its TIGER grant application for the Western Corridor. At the suggestion of the Congressional delegation we will be requesting approximately \$11 million in federal funds (to be matched by approximately \$2.5 million in state funds). If VTrans were to receive this award, we would still need approximately \$13 million to complete the passenger-service related element to bring service to Burlington (including crossing upgrades, station platforms, a siding for OMYA and the construction of two wyes to turn around the train in Rutland and Burlington).

Our last TIGER application was not successful and we are trying to make this round more competitive by including the passenger rail components. The key difference between this application and the last unsuccessful application is that this approach will commit

the state to building the remaining infrastructure which is associated with passenger rail. Last year's application was a freight only application. We could consider bonding for this \$13 mill. investment, or build it into our next 3-4 years of annual rail budgets. Note that we can utilize some federal funds within our state rail budget (which we would otherwise use for paving, bridges, etc.) **We want to make sure you agree to include a commitment to the \$ 13 mill. passenger rail elements in this year's application. This is a new commitment to future state funding, but will make our application for these federal TIGER funds more competitive.** We have discussed more details with Liz, and I am available to answer questions.

Outreach Efforts

I have initiated a variety of efforts to expand our external communications, especially during construction season. In addition to extensive Facebook/twitter, etc., and having public outreach/involvement incorporated into most of our large construction projects, we are soon launching a quarterly newsletter and I will be writing occasional Op-Ed's. I am also trying to get out and on the road, meetings with VTrans District staff as well as elected officials/leaders from different parts of the state beginning with the 8 Mayors. I have met with Mayor's Louras, Gamache this week, and will be meeting with Hollar & Weinberger next week. I am focusing on what some of their key transportation challenges are, but also to better understand their vision for the future, and how we can better utilize transportation investments to stimulate private sector economic investments, particularly in downtowns. My visit to St. Albans this week with the House Transportation Committee was a great example of how public infrastructure seeds private investments and stimulates revitalization in our downtowns.

NOTES FOR STAFF

Construction Season Details (Continued)

- **Brattleboro IM 091-1(65)** Traffic flowed smoothly the weekend of 4/11 and 12 without closing Exit 3 ramps; recorded traffic volumes were low. The "Routine/Fracture Critical Inspection" of I-91 Bridge 9S inspection is scheduled for Tuesday, April 21, 2015. All Interstate traffic will be diverted onto Route 5 with the Sheriff Department's assistance. This full closure will expedite the bridge inspection and allow repairs to the bridge deck. The next major milestone for the project is the completion of the pier table scheduled for April 30th. The contractor's progress will be measured at this time.
- **I-89 Bridges Project – Waterbury** Despite the lingering snow and rain showers, the I-89 Bridges Project is moving along pretty much on schedule so far. The weather has caused problems with adherence of some of the line tape, particularly in the northbound lanes and at Exit 10 northbound. The contractor is working on a solution to this issue as it is important for safe motorist travel. The southbound crossover opened this week and demolition of the southbound

bridge decking began on Tuesday. Given the nature of the project, it is anticipated that traffic will slow down and short delays may be experienced by travelers in the immediate area of the construction as two lanes merge into one.

Extensive outreach occurred in the print, radio, television, and social media venues, as well as with the local neighborhood near the construction site. Given the significance of the changing traffic patterns both on Route 100 and on I-89, the changes have gone relatively smoothly. Tuesday was the first day of the 3 – 6 p.m. southbound on-ramp closures and traffic counters and monitors are in place at key intersections to observe and report on any significant issues so that they may be addressed in a timely fashion. Additionally, a tow truck has been contracted to remain on standby to swiftly remove any disabled vehicle. The construction and outreach team are meeting for a situational briefing every day, Mon-Fri, to review any potential issues and to heighten communication.

- Sparks from a cutting saw used to remove guardrail ignited a brush fire (Rt 78 in Alburg) . This time of year we are vulnerable to these events. Crews responded and immediately extinguished the fire.
- We are having quality issues with products supplied by JP Carrera (Middlebury), a pre-cast supplier. JPC is the supplier for many of the bridge elements for accelerated bridge projects already under contract. Currently this does not pose a problem for the schedules but the potential exists. Several units are headed for rejection and this could further be impacted by what JPC has identified as a shortage of the steel used in these units. We are working through the process.

Circ ROW: VTrans has received several inquiries from private developers, land owners and the Towns of Colchester and Essex to use the Circ ROW for various development projects. We are developing an internal plan for use of the Circ ROW, potential disposal of some or all of the ROW and will then meet with FHWA to gain their insights into our plan which will have at the forefront avoidance of any pay back of federal funds. We will continue to keep you informed as this investigation on the potential uses of the ROW unfolds.

Williston & Stormwater: Impervious surface invoices for state roads: The Town of Williston has sent VTrans an invoice of \$50,000 as a fee for our impervious surface of state highways that are in the Town of Williston. The Agency has engaged in a legal back & forth relative to municipal authority to impose a fee on state government.

This dispute illustrates an important emerging policy challenge for this area that we need to address. VTrans is required under the Clean Water Act, as administered by DEC, to acquire stormwater permits for each of our highway projects. Further, under the Clean Water Bill, DEC will regulate stormwater on state highways through a “TS4 general permit” which makes VTrans a regulated entity under the Clean Water Act. While the details of the future TS4 permit are uncertain, **VTrans anticipates expending \$7-10**

million annually in the future to retrofit highway projects with stormwater treatments, BMP's and green infrastructure. We have worked with DEC to craft language for the Senate version of the Clean Water Bill that addresses this issue in the impervious surface study contained in the bill. VTrans position is it can't have 254 invoices or agreements with municipalities for payments to them for work we are doing anyway. There needs to be a broad policy solution to this issue and defining roles and responsibilities for stormwater as a result of state highway infrastructure.

TIGER Application (Continued) Another element to the TIGER application that needs consideration is whether the state is going to construct the high-level passenger platforms required under the ADA or will Vermont apply for a waiver from the FRA, as Massachusetts did citing incompatibility with the character of our historic rail stations. The TIGER application will require the State to either identify the platform costs the state is willing to pay for or identify that the State will be applying for a waiver from the ADA requirements. The delegation will also need to be brought into this conversation prior to the submission of the TIGER application to see if they support our moving forward with Vermont applying for the waiver. We are recommending applying for the waiver for two reasons: 1) it reduces the project costs to Vermont by approximately \$5 million of state funds and 2) the high-level platforms need to have a cantilever to swing over the distance between the main floor of the train and the station. This high-level platform needs to run five train cars long and provide access points to each car. For a train station like Burlington, it would absolutely destroy the historic character of our train station. If the Governor agrees that we should seek a waiver, the next conversations would be with our historic preservation officer and then the delegation.

The Rock Train returns: The Washington County Railroad (WACR) bridges are being repaired to 263,000 lbs load capacity and **Rock trains will begin moving on May 1, 2015** through Montpelier and Barre. We have notified Montpelier and Barre officials and will include more substantial outreach in the weeks ahead.

Maintenance Update Key activities: Patching potholes, fixing guardrails, picking litter, culvert/ drainage work, signage and traffic control fixes. **Winter costs update:**

- FY 15 Winter costs = \$30,080,168 FY 14 Winter costs = \$28,188,252
- FY 15 Salt = 132,084 Tons: FY 14 Salt = 130,357 Tons

Workforce Development:

We are progressively with our staff trainings and recruitments for summer temp and internships.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: April 17, 2015

Highlights:

AHS Central Office:

Partnership with the Center for the Study of Social Policy	pg. 2
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Community Conversations About Homelessness in Brattleboro	pg. 2
Case Management Teaming Pilot in St. Johnsbury	pg. 2

VDH:

Young Adult Opiate Research	pg. 3
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DMH:

Vermont Psychiatric Care Hospital (VPCH)	pg. 4
House Appropriations	pg. 4
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DAIL:

Probe of Unspent Funds in Designated Agencies Continues	pg. 5
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Update on Inmate's Training dogs for Disabled Veterans: 5 dogs are ready to begin their training	pg. 6
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DCF:

VT's Child Care Apprenticeship Program	pg. 7
KidSafe Collaborative Recognizes DCF Family Services Social Worker	pg. 7

DVHA:

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Vermont Health Connect	pg. 8
<i>Major Issues and Risks</i>	pg. 9
VHC Outreach and Education Update	pg. 10

Secretary's Message

This week, I met with Dr. Mike Hogan, former Commissioner of Mental Health for New York State, and Department of Mental Health staff to discuss an initial proposal for implementation of the Zero

Suicide Platform. This platform is aimed at using the connection between clinicians and primary care providers to reduce and eliminate the rate of suicide among those individuals that reach out to providers. Overall, it is the first step in a larger scale effort to address the high suicide rate in the State of Vermont. Each year, on average, over a hundred Vermonters died by suicide (6 to 10 are usually teens) - one of the highest per capita rates in the nation. The "Zero Suicide Platform" has proven to significantly cut the rate of suicide in States where it has been implemented and my plan is to do it in Vermont.

My staff continues to coordinate cross-departmental efforts related to legislative monitoring and testimony, specifically addressing coordination around two specific bills this week: H. 333, Medicaid for Working People with Disabilities and S. 107, Creation of an Agency of Health Care Administration.

Agency of Human Services Central Office (AHS CO)

Partnership with the Center for the Study of Social Policy

Secretary Cohen and several staff members from the Secretary's Office met with Scott Johnson (Lamoille Family Center) to discuss partnering with the Center for the Study of Social Policy in an initiative to demonstrate the change of "indicators of well-being" over multiple decades in Vermont, monitored by former Secretary Con Hogan.

Applying RBA to the Reduction of Residential Placements for Youth

The AHS Secretary's office met with DMH and DCF to plan a "turn the curve" exercise to reduce the number of residential placements for youth in and out of state.

Agency of Human Services Supervisory Training

Staff in the AHS central office have established a workgroup with representation across the Agency to develop a proposal for a supervisory training plan that is specific to the needs of our supervisory workforce. This training will supplement the newly launched Department of Human Resources supervisory training. A series of meetings has been convened with the intent to submit a proposal to Agency leadership by July 1, 2015.

Community Conversations About Homelessness in Brattleboro

AHS Field Services is working with community providers and the United Way of Windham County to link a local community conversation about homelessness in Brattleboro to the work of the Continuum of Care in order to move some of the items forward and connect them to existing work. The conversations were sparked by a local business owner, Richard French, of The Works Bakery, and have been covered by the local media. At the recent conversation, approximately 75 people attended. Those present split into small groups to discuss specific concerns, including food, housing, day shelter/space needs, etc.

Case Management Teaming Pilot in St. Johnsbury

The St. Johnsbury DCF Divisions of Economic Services and Family Services are developing a *Teaming Pilot* to focus on integration of case management services. The intent is to identify Reach Up families who also have a custody case or open family case with Family Services. It is anticipated that this will markedly improve coordination of case planning and case plan activities.

Vermont Council of Rural Development in St. Johnsbury

St. Johnsbury was the focus of a Vermont Council on Rural Development site visit last week. A team of visitors descended on St. Johnsbury and hosted 9 separate discussions examining what makes St. Johnsbury a good place to live and do business and what are the challenges. The discussions covered a wide array of topics including education, housing, tourism, culture, food and energy and senior issues. The results of those discussions will be brought back to the community at the end of May for some long range planning.

Dedicated Children's Integrated Services Coordinators in Newport and St. Johnsbury

Since its inception, the Children's Integrated Services (CIS) initiative for both St. Johnsbury and Newport has been managed by a single individual. The Steering Committee decided several months ago to revisit that approach, and this past month has moved forward with hiring an additional coordinator. There is now a dedicated coordinator in both Newport and St. Johnsbury.

Vermont Department of Health (VDH)

Young Adult Opiate Research

VDH has contracted with Rescue Social Change Group, marketing specialists in behavior change, to conduct research related to opiate use and Vermont young adults. The research objective is to understand the path of addiction from the young adult perspective. Scheduled for late spring, the project will include a series of in-depth interviews with young adults from several regions around the state. A report summarizing research findings will be available in the summer, and will support future planning and evaluation.

Newport Recovery Center Development Activities

The Recovery Center steering committee continues to work toward the creation of a center through fundraising and advocacy. The committee is looking at one more property to determine the right location for the community, and received a small AARP grant to send 1-2 people to peer recovery training in April.

Hub/Spoke and Reach Up Collaboration

Recently all of the Hub Directors met with all of the Reach Up Workers and some of the Designated Agency Directors. Actions for improving care and collaboration were developed regionally.

Help Me Grow

This week, several Vermonters are joining leaders from 25 other states at the 6th Annual Help Me Grow National forum in Orange County, California. Help Me Grow Vermont is a statewide system that helps identify at-risk children and link those children and their families to existing community-based services and supports.

New Yorker Cartoonist Partners with Health Department to Promote Children's Health

Harry Bliss, award-winning cartoonist for the New Yorker and a children's book illustrator for works that include the popular *Bailey* series, is partnering with the Health Department to promote children's health. Working with schools across the state, original Bliss drawings will be turned into coloring pages that convey important health messages aimed at kids and their parents, such as the importance of exercise and the regular use of sunscreen. Children will be encouraged to share their completed coloring pages with the Health Department for a chance to win a signed set of Bliss' books, as well as a visit to their school by the acclaimed artist.

Emergency Preparedness Funding

- VDH is applying for CDC funding (\$4M over 5 years) for a stroke recognition and treatment program. Funding decision is due by the fall.
- VDH received \$1.14M in public health emergency preparedness ebola supplemental funding. This will be used for monitoring individuals that have returned from one of the affected countries, increasing the lab capacity, equipment, and training to handle highly pathogenic organisms, and provide training and exercises to AHS departments and their affiliated community organizations.

OnCall for Vermont

www.OnCallforVT.org has been launched along with a media campaign. This program aims to recruit volunteers in the Emergency Medical Services (EMS) agencies of Vermont and the Medical Reserve Corps (MRC). Most Vermont EMS agencies use volunteers for their workforce. Each EMS agency received a recruitment and retention toolkit including media talking points.

Association of State and Territorial Health Officials (ASTHO) Recognizes the Vermont Chronic Disease Program

The Department of Health will be featured in the upcoming ASTHO Million Hearts Newsletter for their exemplary work developing guidelines for distributing home blood pressure monitoring devices to consumers.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH)

The hospital hosted Dr. Kevin Huckshorn for 1.5 days this week. She is the former Commissioner of Delaware Mental Health and Substance Abuse Services, the previous CEO of two state psychiatric hospitals, and the primary author of the nationwide adopted, Six Core Strategies to Reduce Seclusion and Restraint. Dr. Huckshorn reviewed policies and procedures, read charts, met with staff, and offered consultation on a specific individual. Her feedback was very positive, including:

“beautiful building, impressive leadership and middle management teams, thoughtful approach to clinical care and policies and procedures, and an energetic team in the face of exhausting work”. She outlined some opportunities to improve our care, and concluded by stressing how well she thought the hospital was doing, especially given transferring patients from one location to a new facility, with so many staff and so many traveling nurses.

The hospital is experiencing issues with one of the patient’s shower. It is being looked at, but has reduced maximum census at the hospital to 24. The hospital has had 6 discharges in the last two weeks, and will be at 24 patients later today, after admitting another individual.

House Institutions and Corrections

House Institutions and Corrections asked DMH and BGS to give an update on the VPCH. There were many questions related to things they had heard about the hospital, DMH and BGS. They appeared satisfied with the responses received from both departments.

House Appropriations

House Appropriations asked DMH and DAIL to give a tutorial on designated agencies grants and contracts. Issues with regard to Pathways NY, the scandal involving money and individuals losing housing were discussed. Apparently Pathways NY is leaving that area. DMH reviewed Pathways

VT's progress in its designation and it is felt that we have a better handle on the organization because of the designation process.

H.241

H.241 was taken up by Senate Health & Welfare. It appears that the bill will be similar to the House Human Services version and will be acceptable to DMH.

Patients Stuck in Level 1 Beds As Well As Other Psychiatric Beds.

1. The length of time a psychiatric patient remains in a hospital bed after being assessed as needing long term nursing care is a problem. DMH is working with DAIL to address this issue.

Criminal cases: The length of time to have a court hearing on a case when the patient has been found competent, can take months. Even patients who are ready for discharge, who are from the court system, can take a long period of time before the court gives its consent. Some of this will have to be addressed by changes in Title 13. DMH is working with Judge Grearson on this. The other is how to set court dates in a timelier manner.

Department of Disabilities, Aging and Independent Living (DAIL)

Health Oversight Committee to Take Testimony on Choices for Care System Report, Nursing Homes Complaints

Commissioner Wehry testifies today on the recently submitted Choices for Care report. Senator Lyons has also asked the Commissioner to be prepared to answer questions about nursing home oversight in light of a constituent's complaint about Birchwood Nursing home (reported last week). I anticipate questions may also arise about the auditor's report released yesterday.

Mental Health Oversight Committee to Take Additional Testimony

DVHA, VDH, DMH, DCF and DAIL met to insure communication about adverse events is timely, clear and responses are coordinated. All five Commissioners are expected to testify before Mental Health Oversight Committee on Friday.

Parents Charged with Homicide in Death of Teen, Isaac R.

The death of Isaac R. remains in the news with today's story's highlighting the recent DCF involvement. Our internal investigation has not turned up any new discoveries with respect to DS services.

Probe of Unspent Funds in Designated Agencies Continues

DAIL has completed its review of underutilized respite funds and other self-directed expenditures in Developmental Services. We have uncovered significant problems with monitoring by the agencies and are identifying solutions to improve this going forward. We will have a full report available by the end of the month. Our results mirror those of the state auditor's report.

State Auditor report released yesterday

Despite VT Digger Morgan True's blog entry ***Auditor slams state's failure to track social service contracts***, the reports title: *Designated Agencies: State Oversight of Services Could Be Improved, But Duplicate Payments Not Widespread* actually better reflects its content. Overall, we found the report to be accurate and the recommendations sound and have created a work plan and timeline to begin

making improvements. Additional resources will be required to fully implement the auditor's recommendations and these will be reflected in our budget request.

Department of Corrections (DOC)

Piping project at SSCF

Mike Touchette from DOC attended the Senate Institutions to provide an overview on the piping projects about to get underway at the Springfield Facility. The Committee was concerned about the effect on the population; however, this project should have a minimal disruption.

House Corrections and Institutions

The DOC has been invited in to testify on Thursday, 4/16 on the work force study, public record exemptions and the potential closing of Windsor. We have not been given much detail on their questions and will update AHS and The Governor's Office after our testimony.

DOC still receiving calls regarding Laws release and new charge

Several media outlets have followed up with the DOC this week concerned Mr. Laws charge over the weekend of Driving with License Suspended and about sex offender releases in general.

Update on Inmate's Training dogs for Disabled Veterans: 5 dogs are ready to begin their training

Currently there are 2 inmates in the Newport who have trained more than 50 dogs each while they were in KY. There is a technical inmate who is set up to record the dogs in training. He will keep a training log for each dog and make a DVD to show the voice and hand commands that the dog learns, and can be shared with the Veteran so that he or she will be able to work with the dog. Duke is scheduled to arrive at NECF on May 4th and Maize will follow 2-3 weeks later, Thursday the 16th, 2 professional trainers will go to CRCF to go over things with staff and the 1 inmate trainer there. Currently Diego is schedule to arrive at CRCF on Thursday. Currently only 1 dog for CRCF and the hope is with Diego's arrival, this will spark more interest at CRCF.

Scooter is going to be arriving at SSCF soon. They are having trouble keeping qualified inmates at SSCF and are hoping to get another inmate trainer soon, so another dog can be placed there. There are currently 12 Veteran requests for these dogs; hopefully we can fulfill all some of these requests. Terri Sabens, program coordinator would like to do some news interviews for this "Pawsome" program.

DUI Death - Nathan Dearing on Supervision out of Middlebury District Office

Nathan Dearing was lodged at the CRCF on 4/14/15 after being involved in a motor vehicle accident where he allegedly hit and killed a bicyclist in Weybridge. Dearing was allegedly intoxicated at the time of the accident and his driver's license was suspended. Dearing has a history of motor vehicle charges and being under supervision. He had been compliant with supervision until the incident.

Pre-Trial Services

Pretrial Monitor interviewing/hiring is underway and at various points of completion across the state. 4 Pre-trial monitors have been hired in the following counties: Bennington, Chittenden, Lamoille and Caledonia/Essex. The Caledonia/Essex hire has started the training. Interviews for the remaining 7 positions are schedule for the following counties: Rutland, Addison, Franklin, Washington, Windsor, Windam and 1 more position in Chittenden.

Additionally, community level meetings with SA's Judges and public defenders are also taking place. Judges and treatment providers are also developing standing assessment and treatment slots for court ordered clinical assessments as a condition of release. Deputy Commissioner Cimaglio has agreed to Pretrial language in the FY '16 provider contracts in which providers shall develop plans with the judiciary to accommodate court ordered assessments as a condition of release.

Population

The department's incarcerated population averaged 1,927 for the previous week. The male population averaged 1,768 with 326 being presentenced inmates. The female population averaged 159 with 38 presentenced inmates.

Department for Children and Families (DCF)

VT's Child Care Apprenticeship Program

Vermont's Registered Child Care Apprenticeship Program was featured in the Administration for Children and Families, Office of Early Childhood Development April newsletter.

The Child Development Division (CDD), in partnership with the Department of Labor (DOL), higher education, and representatives from the field of early care and education worked together to establish the Vermont Child Care Apprenticeship Program. As a result of this work, three critical events have occurred:

- CDD was awarded an apprenticeship implementation grant in 2001 through the U.S. Department of Labor;
- The not-for-profit organization Vermont Child Care Industry and Careers Council, Inc. (VCCICC) was established to support apprenticeship; and
- A Vermont DOL Workforce Education Training grant was obtained to support the first round of courses for apprentices and mentors.

VCCICC has continued to work with CDD, DOL and many other partners and funders to maintain all aspects of this high quality apprenticeship program. The program requires 4,000 hours of supervised work experience and related instruction which is primarily six college courses.

Thanks to Vermont's Early Learning Challenge Grant, access to the tuition-free college courses has expanded to include four regions of the state in 2014-2015. These courses are currently being offered at Community College of Vermont (CCV) sites in Winooski, Montpelier, Springfield and Bennington. Courses will start in Rutland this fall and at two more, to be determined, CCV sites in January 2016. There are currently 44 active apprentice and mentor teams at licensed child care programs across the state, and 24 more teams are starting the process. The goal is for anyone working with children in Vermont to have access to mentoring and higher education.

KidSafe Collaborative Recognizes DCF Family Services Social Worker

The mission of the KidSafe Collaborative is to engage agencies, community groups and individuals to work together to improve the prevention of and response to child abuse and neglect in Chittenden County. The Collaborative strengthens services and fosters cross-system collaboration among community-based human services agencies and the child welfare and criminal justice systems, to improve results for child victims of abuse and neglect and their families.

Each year KidSafe holds their Collaborative Annual Awards Luncheon to honor outstanding individuals and partnerships who significantly improve the safety and wellbeing of children and families in Chittenden County. This year's event is scheduled for Thursday, 4/16 and will include recognition of Steve McLaughlin, a social worker from the Burlington District office, for the Outstanding Professional Award.

Steve has worked for the Family Services for over 15 years, beginning as a social worker in Franklin County and moving to Chittenden County nine years ago. He has a reputation as a selfless and enthusiastic co-worker and teammate.

His co-workers appreciate his willingness to be called out at all hours of the night to help families that are in crisis, judges have stated that their willingness to give youth a chance was contingent upon Steve being the social worker. Steve has also recently received the Community Collaboration Award from the Bellcate School.

Department of Vermont Health Access (DVHA)

Blueprint

Clinical Data Warehouse Data Migration update: this week's progress on migrating Docsite, the clinical data warehouse, from Covisint to VITL included a visit of the Blueprint's technical team to Detroit, where they consulted with Covisint staff on technical requirements and project planning.

Vermont Health Connect

VHC Project Update

VHC is working towards the delivery of functionality to support Changes of Circumstance (COC), Changes of Information (COI) and Reconciliation between VHC, Benaissance and the Carriers as part of Release 1. VHC is also planning for work to be completed related to Release 2 which includes Medicaid and QHP Renewals, Notices functionality, Additional Financial Reconciliation and Billing enhancements, and CMS Integration. Additional project updates can be found below:

Project Schedule

Renewal functionality must be completed by 10/1/15 to be functional for 2016 open enrollment. If the Amendment 7 contract is executed within the next couple of months, that delivery timeline is considered feasible. **Currently Amendment 7 is still under review with the SoV. If CMS is not provided 60 days to review and approve contracts they may not provide authorization for the full amount of funding according to the rebaselined grants submitted. In addition, for Amendment 7, the contract cannot be executed with Optum without CMS approval and any slip in that timeline affects the Renewals timeline.**

The Release 1 implementation timeline is dependent on carrier development and testing execution. BCBS has provided feedback and are committed but concerned with the tight schedule. MVP has provided feedback stating that they could comply with the VHC schedule even through their development schedule does not line up with the proposed plan they will be done development on 5/4. This puts the testing schedule and milestones are risk.

The Release 1 implementation timeline is dependent on VHC's operational readiness to accept the implementation of the auto-CoC code. Optum delivered further analysis Friday providing the SoV options and a recommendation concerning backlog and reconciliation activity needed prior to R1. The SoV team reviewed this analysis and negotiated a one week (no-cost) pilot program with Optum for

2015 reconciliation. Once this pilot is complete Optum will come back with more detailed analysis of what technically needs to be done.

If our current manual processes are not supported once we deploy a system upgrade, we need to determine how we would be able to process related backlogs or delay the release. The activities that need to be inspected are the following: 2015 Renewals, 2014 CoC process, 2015 CoCs, Date flips, and In-progress Lion's Den work that may not be fully processed by the carriers. The SoV BA team is also completing their review of all current non-COC processes in 3.3.2.10 to determine if they need to be readjusted. Currently out of over 200+ current processes reviewed less than 10 will need to be adjusted.

Major Accomplishments for the Week/Project Updates

Project Highlights:

Release 1:

- Scope document submitted for approval on 4/8
- Final Solution Architecture Documents submitted and reviewed by SoV on 4/10
 - Reconciliation
 - ACCESS Integration
 - Notice of Decision
- Final Technical Design Documents submitted and reviewed by SoV on 4/10
- Reconciliation
 - ACCESS Integration
 - Notice of Decision

Release 2:

- Initial Draft of Amendment 7 contract sent to CMS Wednesday April 8th, with a cover sheet explanation of final draft being expected to be sent by April 15th

Major Issues and Risks

- Release 1 implementation timeline is dependent on carrier development and testing execution. Optum, the State and the 3 carriers must agree to the proposed implementation schedule. Currently the SoV is focused on North East Delta Dental and their agreement on the implementation plan. Once an agreement is reached, then the release 1 schedule can be baselined. This dependency, along with other input from the SoV has pushed out the project's ability to provide a baselined schedule.
- Release 1 implementation timeline is also dependent on the completion of all backlog 2015 renewal applications and reconciliation between VHC, their premium processor (Benaissance), the three carriers (BCBS, MVP & Delta Dental), and Medicaid. VHC Operations is currently sizing the effort and will need to reprioritize their work to accomplish this dependency. VHC cannot implement the automated CoC solution until the work is complete.
- Lack of a contract with Optum for the completion of work required for Release 2 (Amendment 7) puts the timeline for Renewals functionality at risk. The scope of work for Release 2 has been defined by the SOV. CMS has stated they need 60 days to review and approve any contracts submitted by the State of Vermont. To meet the CMS timeline and ensure the State has a contract for Renewals work to begin, the draft contract needs to be submitted to CMS by April 15, 2015 to meet a contract execution date of July 1, 2015.
- Timing of the upcoming data center migration as part of the transition from CGI to Optum for Hosting poses a risk to the VHC Development timelines for CoC and Renewals. Consideration should be given to timing of data center migration of VHC application hardware and how it may impact other implementation delivery dates (i.e., delivery of CoC). The VHC project team

and the Hosting team need to remain closely aligned on schedule and upcoming activities to avoid any negative impacts. The Project Manager assigned to the Hosting contract by the HSE PMO is being included in VHC project planning activities to ensure this alignment occurs.

- Timeline for small business (SHOP): The State needs to decide if it plans to implement a SHOP program for 2016 open enrollment. CMS has agreed verbally to allow for direct enrollment to continue for 2016.

These open items, if not resolved, will put the overall VHC project schedule at a significant risk.

VHC Operations Update

General Renewals Progress

VHC is ~77% through renewals. There are fewer than 50 no change renewals for the State to complete, and approximately 1692 full change renewals for Optum to complete. Current models suggest that this work will be finished by May 15th, although that date is slipping as continued challenges with Lion's Den throughput remain. It ranges on a daily basis from 50 cases to 280 and finding clear root cases has been difficult. The carriers are approximately a week behind in processing ICP files. Operations is working aggressively to streamline processes and increase output, which requesting that Optum to have their staff on site for the entire week for the next month.

Pre-Deployment Change of Circumstance

We cannot have half completed CoCs in the system when we deploy. As a result, we are restricting the new CoCs that we will be pushing through the pipeline prior to deployment. Sean Sheehan will be sending talking points to leadership on 4/15 for approval before distributing to resolver groups.

Call Volumes & 1095As:

1095A work is winding down. However we did find 150 1095As that were subject to a defect that resulted in the wrong Second Lowest Cost Silver Plan being sent to consumers. Corrections are being run this week and corrected 1095s generated for these households. Call volumes are up slightly this week with tax filing season coming to an end, however most questions we're fielding do not result in corrections

VHC Outreach and Education Update

University of Massachusetts Survey

Vermont Health Connect has engaged the University of Massachusetts to survey customers across the state about their renewal and enrollment experiences. The survey will go into the field at the end of this week, focusing on a sample of 4,000 QHP customers and 2,000 Medicaid enrollees. Customers will initially be contacted by letter and email, then non-respondents will receive phone calls in May. The survey will provide Vermont Health Connect with feedback to help improve the customer experience, while also guiding the Outreach and Education team to develop the resources, information, and decision tools that can best support Vermonters in comparing and choosing the health plans that best meets their needs. Survey results will be compiled by mid-August and presented to Vermont Health Connect leadership.

Vermont Health Connect Assister Summit

Last week, as part of a multi-pronged evaluation of its Assister program, Vermont Health Connect facilitated a gathering of 24 Navigators and Certified Application Counselors (CAC) from across the state. The goal of the Summit was to provide a vehicle to exchange information between Vermont Health Connect and the Assister community as well as provide a platform for constructive feedback on key units with whom Assisters interact (e.g. Maximus Customer Support Center, HAEU, Portal,

Outreach & Education team). While the upcoming loss of federal funding for the Navigator program was clearly at the front of many participants' minds, the day was broadly recognized as a success. Programmatic improvements were identified and key items were identified for follow up. Data gathered from the Summit is also being fed into the Assister Evaluation which will be presented to Vermont Health Connect leadership in the coming weeks.

House Appropriations

On Friday, 4/10, Craig Jones, MD spoke with the House Appropriations Committee about the financial impact of the Blueprint, highlighting how the program is actually a net financial benefit for the state – the reduced expenditures more than offset program spending. Craig also explained the necessity of increasing PCMH payments if program participation is to be maintained at current levels. (Some practices have formally indicated that they will not continue Blueprint participation if payments are not increased.)

House Health Care

Craig Jones, MD testified in House Health Care on Thursday on H.481 – An act relating to support health care initiatives and Health Care Delivery Systems.

Meeting with Senator Ayers, Ashe and Kitchel

Steven Costantino, Bob Skowronski, and Lawrence Miller met with Senators Ayers, Ashe and Kitchel on Thursday to discuss the current design and costs of Vermont Health Connect.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: April 17, 2015

Secretary's Top Issues

Preparation for Highly Pathogenic Avian Influenza (HPAI)

State veterinarians Haas and Mehlenbacher met with a VT turkey producer and with the USDA APHIS Assistant District Director for New England this week regarding the Highly Pathogenic Avian Influenza (HPAI) outbreak occurring in the Midwest. It is possible that VT will experience cases of HPAI in domestic poultry during the coming year as migrating wild birds move through the area. The animal health section is currently taking steps to prepare for that possibility and is disseminating educational material to targeted audiences. The VAAFM website has also been updated to include pertinent information for producers. Animal Health Field staff are taking over some of the USDA field duties as all of the Vermont and NH's field staff have been deployed to MN to assist with the control and eradication of worsening HPAI. AHS collected samples from a deceased whether in Windsor, VT, for Scrapie testing.

Illegal importation of cattle

Animal Health staff met with NY and VT parties involved in illegal importations of cattle from NY to VT. The NY dealer will be licensing in VT and one of the VT farms will be received a letter of warning and a notice about future administrative penalties if the activity repeats itself.

Meeting about 2015 Farmers Market inspections

A Food Safety Consumer Protection Division meeting was held on 4/15 to review the proposed plan for farmers market inspections planned for the summer of 2015. Productive feedback was received from the subject matter experts in the Division, and some of the guideline documents are currently being revised as a result. Given that many markets occur in the evenings and on the weekends, there will likely be a budgetary impact as a result of this implementation, but steps are being taken to minimize that impact.

Clean Water Bill

Senate Natural Resources committee voted out the Clean Water Bill, S.49, this week.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: April 17, 2015

Status of Governor's Priorities:

Legislative Activities and Issues

- Assistant State Veterinarian with Local Foods Administrator and Produce Safety Coordinator testified before the House Agriculture and Forest Products Committee on the Food Safety Modernization Act, its proposed rules, and the Agency activity around FSMA preparation and engagement with stakeholders.

April 15, 2015

House Agriculture Food Safety and Modernization Act (FSMA)

Food Safety Modernization Act (FSMA) and VT Produce Safety Program

Committee members were provided handouts that summarize FSMA and offered critical -both federal and Vermont - milestones since 2013.

Shelley provided an overview of FSMA, the four rules of key concern to Vermont producers, and why it is important to VAAFM and our produce industry.

Shelley also reviewed the timeline of accomplishments since FDA published the proposed rules in 2013.

Abbey offered additional details on the FSMA survey flow chart, FMSA compliance timeline, and our future program development and partnership objectives.

Abbey highlighted VAAFM's desire to develop a Produce Safety Program in 2016, our national and state-level partnerships, and future state needs:

- resources,
- clarity of roles with FDA,
- education and training support, and
- an ability to reach the impacted industry- being historically unregulated.

Abbey also shared beginning vision for a produce safety program (building off our existing authority for adulterated food to build a state program that compliments the UVM Extension/VVBGA PSA program) and how our budget determination will begin to be established based on pending:

- FDA's federal budget ask of Congress to support state-level programs,
- final FSMA rule requirements and timeline, and
- survey determination of # of VT impacted farm operations/businesses

Kristina was able to clarify definitions of 'small' and 'very small' farms and businesses, offer explanation of the Qualified Exemption, and knowledge of the FSMA survey.

Committee members asked the following questions:

- More info on Intentional Adulteration Rule & Feed Rule
- Inquired on our approach for registration of farms and how we can best set up a database to be able to contact all relevant farms

- Significance of the 275 mile distribution radius in the Qualified Exemption
- Questions about relevance of FDA rules for small operations
- Clarification of definition of “small” and “very small” farms
- FSMA survey was developed in-house or by outside consultant?
- Representative Partridge asked for an update on FDA’s willingness to commit resources to states and reference to Mike Taylor’s “political” response
- Rep. Partridge commented that the final rule decision tree would be best displayed in a flow chart (similar to 'red meat slaughter process')
- How will we reach out to producers- directly or via networks?
- Rep. Eastman concerned that without a properly populated database, we struggle to do outreach and promotion to the industry. VAAFM relies on association listservs and other networks for outreach.

Senate Ag Committee on April 15, 2015

Hemp Policy testimony by Emily Peyton

- Emily giving an anecdotal story about how cows like to hang out under hemp because the “dust” from the hemp keeps the bugs away. And putting some hemp seed in feed gives them more protein (but too much gives them diarrhea).
- Emily is here to explain that she is not able to do the research that she is allowed by law to do.
- Going over the Farm Bill language from 2014
- Pointing to 1. B2 – that the sites have to be certified and registered by State Depts. Of Ag, and #3 is important because it gives the State Depts. Of Ag authority to promulgate research.
- Explaining that the DEA didn’t have an understanding of the difference between agricultural hemp and marijuana. DEA is going to want to come on site, make sure seed is in locked container, that everybody who touches it has background checks.
- Says she met with Sec. Ross before Christmas (she presented a timeline). Adam Watson from department of Ag in Kentucky – very helpful.
- She says the frustration with the DEA is no private citizens have been given a schedule 1 import license.
- If we have a hemp manufacturing facility here in VT, will we be growing enough hemp to provide for that or will we need to import seed from elsewhere?
- Sen. Starr asks, “is there any reason why AAFM cannot apply for the license?”
- Emily says, “No, the Agency says they don’t have enough resources”. She doesn’t understand what resources AAFM is lacking. Sec. Ross says they need \$100,000 to \$150,000 to get this program running.
- Emily passed around many photos of hemp products and plants, explaining it’s “the highest yield of return (pounds per acre) of plants”. She implores that the Agency needs to make a certified pilot program under which programs/farms can apply.
- Emily anticipates it would be 12 hours of resource time per farm (she broke down 2 hours per this, 2 hours per that, etc).
- Sen. Starr wonders if some of the new water quality inspectors could spend some time on this since we have “so much new staff”. Emily asks if we’re going to pay our new inspectors a livable wage.
- Emily feels that she is going into a regulatory forest of nettles and she is armed with a Swiss Army knife with small scissors.
- She wants to make eco-villages with ~100 people, and 150-200 acres.
- Emily also suggests the committee talks with Adam Watson of Kentucky.
- Emily extolled some of the health benefits of various tinctures... Sen Starr suggests that such a tincture might make the committee more productive.

Senate Ag Committee April 15, 2015

S. 49 with Brian Kemp of the Champlain Valley Farmer’s Coalition

- Concern that with funding mechanisms in place they need to float the bill with taxes/fees on properties (parcel fee).
- Feels the Agency should have more authority to act on non-compliances so their hands are not tied by court process etc. Gave the example of a manure pit in December that overflowed into a ditch into the Neshobe River for 40 days.

Senate Ag Committee April 15, 2015

S. 49 with the Farmer’s Watershed Alliance

- FWA has been around since 2006
- They will be regulatory re. Small Farms and they have already received a lot of heat, even though most farmers haven't even started spreading.
- What FWA would like to do is get some funding because many have been pushed through to third tier for NRCS. Many are not eligible for any extra funds. They are concerned about "all the new staff" looking at farms and pointing out problems when there is no money to fix the problems.
- They want to complete projects with farmers, 20% farmer cost, 80% FWA.
- Heather Darby told FWA that they need an 8 year contract with NRCS to get funding.
- Darlene explained all the types of things that the FWA could help with.
- FWA expressing concern that you now need to get a "certified" nutrient management plan, and otherwise might not get funding.
- Dick Longway says that he and his sons want to make all kinds of improvements, and that a "state employee" is telling them *not* to make improvements this year because there will be funding for projects (like drag lines, etc) next year.
- 21 new state employees, and only 1 of them is an engineer. FWA thinks that's problematic because engineering is one of the biggest hold-ups.
- Explanation that bunker water, leachate, and other stuff adding to volume of manure pit and making manure more liquid and increasing spreading costs and frequency.
- Pointing out problem of 500 seagulls sitting on a roof leading to high phosphorous loads.
- Darlene pointing out that FWA has worked quite a bit with gov't agencies.
- Dick Longway said that there is resistance to inspectors visiting farms because they don't want to always roll out the welcome mat, and every time it takes up 2 hours of their time.
- Ask: Committee wants to hear from VAAFM to respond to some of these questions.
- Discussion has devolved into general discussion of how cumbersome all the obstacles are for farmers.
- Wayne Fisk has a small farm on the Rock River. They have done a lot of projects and haven't seen much improvement. Wayne suggests that Small Farmers be required to take a course before to get educated about what is required and responsible.
- Senator Zuckerman points out that there are lots of laws out there, nobody knows all the laws, but everybody is required to be in compliance with those laws. He points out that general mindfulness and education will bring people 90% of the way.
- FWA is also very aware of the negative press regarding farmers. They say that the other day Bill Rowell wrote an article about the water commitments that farmers have made and all the money they spend to improve these problems. However, that same day on the front page there was an article about Greg Finch's violations that dwarfed the positive press in the middle of the paper.
- Larry Gervais says how frustrating it is when AAFM shows up because of anonymous complaints when there really is nothing they did wrong. People call in a truck rolling by because they think it's a violation.

House Ag Committee

April 16, 2015

Raw Milk

Chair Partridge: reminding committee that before 2009 raw milk was being sold all the time when there was no regulation. It was informal and there was zero process. When the first bill was passed in 2009, they started trying to regulate this and make it safe for consumers. Since then the Committee has been trying to balance farmers rights and food safety.

Feels that we have set up a system so if somebody gets sick this is really traceable.

Dan Connor: In 2009 there was a complete disconnect between the small farmers who were selling milk and AAFM. Now we have connected those dots and made it somewhat governed and supported by the Agency – this is safer.

Chair Partridge: are people in general in favor of increasing the cap to 350, as opposed to unlimited?

Committee generally agrees with it as a compromise.

Chair Partridge: how about the CSA?

TZ: If we use all the rules of the farmer's market, then the rules are the same and the committee should strongly consider adding CSAs.

Chair Partridge: for CSA farmer goes with the milk. Makes sure it stays at 40 degrees. The farmer personally oversees the passage of chain of custody. General agreement within the committee that nobody really cares about the actual passage of money.

Teo Zagar: reminder of what CSA stands for. Those farmers understand that they are “community supported” and if they get somebody sick and screw up, they could literally lose the farm. TZ also points out that if there is an outbreak AAFM would NOT be shouting this from the rooftops. Also, the media spin would probably make a big differentiation between raw and pasteurized milk. TZ is not convinced

Allison Eastman: wondering if there should be a requirement for Tier 1 also. Either require it from both tiers, or don't require it from either tier.

Looks like committee will get Roy Fulsom on the phone to answer questions about costs of insurance.

Chair Partridge: yesterday at the end of the day Frank Huard was in here and saying that he shouldn't have to pay to have testing done because the cheese makers are only required to pay \$50 per year. This is a little bit off-putting to have Frank mention this now.

Allison Eastman: confirms that she got an e-mail from Dan Scruton with the statute that explains the sliding scale of inspection costs – Allison Eastman: explained this to Frank Huard.

Press

State Veterinarian, Kristin Haas, responded to three public records requests pertaining to a Notice of Violation issued by the Animal Health section. In two instances, the media outlets that made the requests were disgruntled with the concept of paying for records in accordance with the applicable statutes and the Uniform Fee Schedule published by the Secretary of State's office, and offered multiple illegal or inefficient proposals to avoid paying for the requested records. One media organization has requested a meeting with the Attorney General's office to discuss the matter further. The Governor's office has been kept apprised of these situations and has concurred with the Agency's approach to date.

Significant Events/Meetings:

- Animal Health staff met with NY and VT parties involved in illegal importations of cattle from NY to VT. The NY dealer will be licensing in VT and one of the VT farms will be received a letter of warning and a notice about future administrative penalties if the activity repeats itself.
- Animal Health Section provided the quarterly animal health newsletter to VT veterinarians. A link to the newsletter can be found on the [VAAFM website](#).
- In anticipation of fair season, the Animal Health Section has updated their annual fair regulations and recommendations for fair managers regarding livestock and poultry at Vermont fairs. Hard copies to each fair will be mailed out this week and a link can be found on the [VAAFM website](#).
- A meeting of the Livestock Care Standards Advisory Council was held on 4/15. The Council finalized and submitted a position statement to the committees on Agriculture regarding S.22 / bovine tail docking, and selected a contractor to create bilingual educational/outreach materials pertaining to best management practices for humane transport of calves and adult cattle.
- State veterinarians Haas and Mehlenbacher met with a VT turkey producer and with the USDA APHIS Assistant District Director for New England this week regarding the Highly Pathogenic Avian Influenza (HPAI) outbreak occurring in the Midwest. It is possible that VT will experience cases of HPAI in domestic poultry during the coming year as migrating wild birds move through the area. The animal health section is currently taking steps to prepare for that possibility and is disseminating educational material to targeted audiences. The VAAFM website has also been updated to include pertinent information for producers.
- A Food Safety Consumer Protection Division meeting was held on 4/15 to review the proposed plan for farmers market inspections planned for the summer of 2015. Productive feedback was received from the subject matter experts in the Division, and some of the guideline documents are currently being revised as a result. Given that many markets occur in the evenings and on the weekends, there will likely be a budgetary impact as a result of this implementation, but steps are being taken to minimize that impact.

Evolving Issues:

Animal Health Field staff are taking over some of the USDA field duties as all of the Vermont and NH's field staff have been deployed to MN to assist with the control and eradication of worsening highly pathogenic avian influenza. AHS collected samples from a deceased whether in Windsor, VT, for Scrapie testing.

Summary of Key agency Department Activity

Administration:

Vermont Dairy Promotion Council met this week for bi-yearly update on activities and information from Agency of AG staff and New England Dairy Promotion Staff. New England Dairy Promotion will be hiring a person to work on dairy

industry relations in Vermont – especially water quality, animal wellbeing and dairy product promotion. Expect this person to be on board in June and to work on telling positive stories of dairy farmer work on issues and to train dairy farmers to represent themselves on these issues.

Deputy Secretary Bothfeld met with representatives from UVM, VTC and the VT State Colleges to discuss the 2+2 Scholarship program. The 2+2 Scholarship program provides full scholarships for students to have two years of technical training at VTC and 2 year at UVM in dairy science to provide students that are highly skilled leaders for VT dairy industry. This program is supported for general fund dollars and was started over 20 years ago. This year general fund support was reduced due to low enrollment and the existing base general fund allocation with carry forward funds require choices from VTC and UVM. There are sufficient funds to graduate all currently enrolled students – then the program could be ended (not supported by legislators) or enrollment is limited to only use the funds available. UVM and VTC would like to make adjustments to the program and come back in FY 17 with a different proposal complete with funding and present to legislators. The choice for FY16 needs some further calculations and Deputy Secretary Bothfeld will finalize early next week. Once completed and agreed upon by VTC and UVM – legislators will be informed (especially House and Senate Ag committees).

Ag Advisory Council for VHCB met this week and approved 17 pre-applications for farmland conservation. 6 of these farms are in the targeted area for the RCPP water quality grant funds to be used for conservation. VHCB will need to match the federal funds invested from USDA at 50%. There are concerns that none of the federal funds can be sued for project development (appraisals, surveys, etc) and that the costs for projects continue to rise. There will be VHCB board level discussion on these costs and changes at the USDA level.

VHCB Ag issues committee met this week to discuss solar projects on conserved land. There is a policy for renewable energy on conserved farms but it does not appear adequate for ever larger solar arrays – 500KW taking up 5 – 7 acres or more. Concerns around aesthetics, loss of use of farm land for 20 years, leasing agreements with farmers – ability to transfer to new owner, and concerns from individuals that donate conservation easement on the use of the land. The full board will begin a discussion this summer.

Agricultural Development:

- 1.) Lincoln Renewable Energy plans to file for a Certificate of Public Good on 4/16/2015, for an innovative digester project at the Goodrich Farm in (Lincoln?). In discussions with the project leader, AAFM understands this project to be third-party-owned, and designed to send refined biogas to Middlebury College via pipeline. The digester would process manure from two other farms, and is not slated to take any other inputs. Such a project is likely to cost more than \$5 million. Another aspect of the project is to operate a composting facility, for which the developers have obtained an Act 250 permit and a solid waste facility permit. This digester/composting project, if it proceeds, would be an unusual example nationally and even internationally, of injecting refined biogas (sometimes called “RNG” – renewable natural gas) into a natural gas pipeline.
- 2.) Energy legislation affecting agriculture:
 - a. (H.372) + (H.412) = potential opportunity for farmers to capture and sequester carbon and get paid for it. The former contemplates carbon offsets from state lands. The latter contemplates a carbon tax. If there is to be a tax on emitting carbon, there could also be a credit for sequestering it. And if there is to be sequestration offsets from state lands, there could also be offsets from lands the state paid to conserve, via VHCB.
 - b. House NR & Energy counsel has drafted an energy siting bill. It does several potentially helpful things for agriculture, namely:
 - i. decommissioning requirements
 - ii. Provisions that encourage more planning for and clustering of solar facilities, and potentially more rooftop solar, via three newly defined categories.

VAAFM Business Development Administrator and Senior Market Development Specialist joined other agricultural export specialists from across the Northeast, and the Director and staff of Food Export-Northeast for a two-day Program Committee meeting in Burlington. Secretary Chuck Ross welcomed attendees to Vermont and spoke to the significant economic impact that Food Export programs and activities have on Vermont businesses. Deputy Secretary Jolinda LaClair

provided some closing comments that highlighted the importance of regional partnership. In 2014, 45 Vermont companies participated in the program, achieving over \$8.6 million in actual sales, and \$22 million in projected sales. 22 companies made a first time sale to a new market.

Eastern States Expo:

Reg Godin, Senior Market Development Specialist attended the Eastern States Exposition (ESE) Avenue of the States Building Manager Meeting on April 16th at the in West Springfield, MA. Building Manager Sheila Masterson was also in attendance with other state Building Managers and ESE management. Items discussed included entertainment plans for the fair, marketing opportunities, fair agricultural events, parking, special police, review of building guidelines, Harvest New England Day and alcohol policy. Eastern States Director of Sales Greg Chiecko mentioned that Eastern States would be attending the next West Springfield Liquor Commission meeting in May to see if the Commission had any interest in providing the state buildings beer consumption licenses. Managers that were also present at the alcohol policy meeting held on 3/11 stated that this was in direct conflict with the outcome of that meeting and the buildings did not desire Eastern States to request this on our behalf. The building managers plan to attend the Liquor Commission meeting to support their desire to obtain their own licensure.

After the meeting, Sheila and Reg met with new vendors Rockville Market Farm and Gringo Jacks to discuss outside vending. The West Springfield Health Department was also present to go over specific operating guidelines. BGS was onsite and discussed some items related to building rehab projects. Vermont Soap Company and Ben & Jerry's also visited the building to see their vending spaces and make construction plans.

Local Foods:

EBT at Farmers Market grants

- Committee that supports EBT at farmers market reviewed applications from 4 new markets to accept EBT (SNAP benefits) at markets this year.
- Four new farmers markets, Lyndon, Townshend, Mt Tom, and Northfield, will be added to the list of over 40 VT Farmers Markets that accept EBT
- Each market will be supported to purchase a wireless EBT/Debit machine, create wooden currency coins, pay monthly usage and transactional fees
- This compliments the announcement that NOFA-VT received \$277,661 in a USDA Federal Insecurity Nutrition Incentive (FINI) grant to incentivize SNAP recipients purchasing fresh fruits and vegetables at farmers markets

Testimony in House Agriculture Committee about Food Safety Modernization Act (FSMA) and a state Produce Safety Program

- VAAFM staff from Ag Development Division and Food Safety and Consumer Protection provided the House Ag Committee with an overview of FSMA, the four rules of key concern to Vermont producers, and why it is important to VAAFM and our produce industry.
 - Shelley Mehlenbacher reviewed the timeline of accomplishments since FDA published the proposed rules in 2013.
 - Abbey Willard offered additional details on the FSMA survey flow chart, FSMA compliance timeline, future program development vision, and national and state-level partnership objectives.
 - Kristina Sweet clarified definitions of 'small' and 'very small' farms and businesses, offered explanation of the Qualified Exemption, and knowledge of the FSMA survey.
- VAAFM shared future state need to develop a Produce Safety Program in 2016:
 - Clarity of roles with FDA,
 - Education and training support,
 - Ability to reach the impacted industry- being historically unregulated,
 - Statutory authority building off our existing authority for adulterated food budget,
 - Resources, that are still to be determined by
 - FDA's federal budget ask of Congress to support state-level programs,
 - Final FSMA rule requirements and timeline, and
 - Survey determination of # of VT impacted farm operations/businesses

Conference call with FDA about VAAFM involvement in FSMA Implementation Kick Off meeting April 23-24, Washington DC

- FDA is hosting a 1.5 day public meeting focused on FSMA implementation strategy for prevention-oriented food safety standards
- Secretary Ross has been asked to represent NASDA and states on a partnership panel on the morning of April 23
- Abbey Willard will be attend the 1.5 day meeting along with two prior days with the Pre-Assessment Work Team, collaborating with FDA and MASDA representatives to agree upon a non-regulatory pre assessment process for outreach and education to the produce industry
- Over 450 stakeholders are registered to attend and another 600 by webcast (including 2 additional VAAFM staff)

Farm to Plate Strategic Plan Fruit & Vegetable Subsection Development Meeting

Local Foods Administrator Abbey Willard & Produce Safety Coordinator Kristina Sweet met with produce industry stakeholders and Vermont Sustainable Jobs Fund staff to develop the Fruit and Vegetable subsection of the Farm to Plate Strategic Plan.

- Subsection will be included under Chapter 3: Analysis of Vermont's Food System, Section 3.3: Food Production. Section 3.3 includes fully developed subsections on dairy, livestock, maple, eggs, honey, and other agriculture industries.
- Will provide an important "snapshot in time" of the produce industry in Vermont and identify challenges to and opportunities for growth.
- Will serve as a resource to producers, service providers, and policy makers working with the produce industry.

Vermont Produce Safety Survey & Interactive FSMA Resource Shared as a Transferable Resource with National Partners

Local Foods Administrator Abbey Willard shared the survey—launched last week by Produce Safety Coordinator Kristina Sweet—as a transferable resource with partners at the National Association of State Departments of Agriculture (NASDA) and the Association of Food & Drug Officials (AFDO).

- The 2015 Vermont Produce Safety Survey & Interactive FSMA Resource is a survey designed to inventory which, and to what extent, producers may be impacted by FSMA.
- The survey follows a decision tree format to determine if a particular producer will be impacted by FDA's Produce Safety Rule, provide basic understanding of their requirements under the rule, and learn about compliance timelines.
- Information collected through this survey will also help VAAFM understand how farms in Vermont will be impacted by the Produce Safety Rule (determine workload) and better assist farmers in preparing for implementation of the rule (education prior to regulation).
- Kristina has received inquiries from Rutgers University Extension and the Maine Department of Agriculture about using the survey as a tool to develop resources for their respective states.
- All Vermont farmers who grow, harvest, pack, or hold fresh produce—even if primarily engaged in another type of farming—are encouraged to take this survey.
- The survey may be completed online at <https://www.surveymonkey.com/s/vtproduce> or over the phone by contacting Kristina Sweet at (802) 522-7811.

Vermont Specialty Crop Block Grant Program Review Committee Considers High-Quality Proposals

The Vermont Specialty Crop Block Grant Program (SCBGP) Review Committee of Vermont specialty crop industry stakeholders and producers met to consider 13 high-quality proposals for funding.

- Proposed projects would benefit fruit, herbs, honey, hops, maple, mushroom, and vegetable industries.
- Approximately \$200,000 in funding will be granted in 2015.
- More information on the Vermont SCBGP is available at <http://bit.ly/VTSCBGP>.

Local Food Tracking at Farmers' Markets Pilot Testing

- VAAFM Local Food Tracking Administrative Coordinator, Hailee May, tests new tool at Montpelier Farmers' Market on April 11th.
- May worked with Market Manager, Carolyn Grodinsky to test the recently developed data collection sheets.
- Vendors at the market provided feedback that they are looking forward to the implementation of these surveys during the 2015 market season. The results of the survey will allow for useful data to be analyzed, giving consumers and producers a better indication of what fair prices are.
- VAAFM is working on a communications plan to raise awareness about the program, using marketing techniques often used in similar campaigns.

VAAFM at VDH on Local Food for State Employees

- VAAFM Senior Agriculture Development Coordinator, Ali Zipparo, presented on different ways State of Vermont employees can access local food, on April 10th, at Vermont Department of Health Public Health Week Event in the McFarlan Building
- Several VDH staff members were in attendance, including those who work in the field with low-income families, lending to a fruitful discussion about overcoming barriers to purchasing local food through federal and state programs like Harvest Health and 3Squares VT, which allow lower-income families purchase food at farmers markets through SNAP, doubling the value of their benefits.
- The group included several participants of the SOV Workplace CSA program, who were happy to hear that CSA farms will still be allowed to deliver shares at work sites, despite the recent transformation of the program.
- The discussion was very informative, and allowed for a new connection between VDH and VAAFM, which could lead to possible future partnerships.

VAAFM Local Food Team Staff Member in Barre, Through Central Vermont Food Council

- VAAFM Senior Agriculture Development Coordinator, Ali Zipparo, participated in a panel of local food system experts, discussing direct-to-consumer market channels for local food at the Barre's Aldrich Free Library on April 11th.
- The event was hosted by the Central Vermont Food Systems Council, and featured several farmers and staff from VDH and Capstone Community Action, in addition to the VAAFM staff.
- The panel was moderated by a staff member from NOFA-VT, which is the organization that oversees all farmers' markets in the state, through the Vermont Farmers' Market Association.

VAAFM Farm to School Grant Program Planning, With Grant Review Team

- VAAFM Farm to School Coordinator, Ali Zipparo, hosts meeting of 2015 Farm to School Grant Program reviewer committee, to discuss changes and updates to the 2016 Farm to School Grant Program RFP on April 15th.
- Reviewers convened at VAAFM and on the phone, to discuss innovations to the application, RFP process, and grant review process. Those on the committee consists of farmers, farm to school coordinator, food service director, Agency of Education child nutrition and procurement specialist, farm to school technical service provider, academic research who specializes in farm to school and a principal.
- Suggested changes to the RFP and scoring rubric include more clarifying language, more comprehensive preparation for applicants, and additional sections that address the increased need for educational, health and economic impact measures.
- The group was also introduced to the new Farm to School Network goal, which was produced during the Farm to School Systems Mapping process, during the fall and winter of 2015.

Farm to School and Food Waste Management Discussed with Statewide Solid Waste District Professionals

- VAAFM Farm to School Coordinator, Ali Zipparo, presents about the Farm to School Grant Program as a resource for organics recyclers, as Universal Recycling approaches, at a meeting of statewide solid waste management professionals who work in the area of recycling.
- The meeting is part of a regular series of meetings that take place around the state, every other month. The group practices a community of practice, sharing resources, ideas and information wherever possible.
- Farm to school programs are usually the first on the scene at schools, when it comes to adopting compost or food scrap management programs, which in many cases, has been part of a Farm to School Program grant. The Farm to School Coordinator regularly communicates with ANR for resources for schools.
- Students make up roughly 1/6 of the population of Vermont, and are a significant producer of organics in the waste stream. Incorporating food waste management programs in schools is an excellent learning opportunity for students, especially in the STEM subjects.
- The group also expressed interest in locating more poultry farms, for the purpose of feeding food scraps, as a way to manage waste.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

- Weights and Measures Specialist Marc Paquette was interviewed by VT Public Radio reporter Steve Zind for an upcoming segment about the Agency's Weights and Measures (W&M) program. The interview included a tour of the W&M metrology lab and the reporter accompanied the specialist on a gas station inspection in Montpelier.

- This week the W&M metrology lab calibrated 143 test weights (15,400 lbs.) used in asphalt plants throughout the state. These weights are required to be kept on plant site by Department of Transportation regulations to ensure that the scales used to sell asphalt on State contract are accurate. The asphalt from the plants are used to pave roads throughout the state.
- W&M metrology lab staff participated in a regional Proficiency Test (PT) coordinated by the National Institute of Standards and Technology. This is a mandatory function required for lab certification. Twelve northeast labs and over twenty members are participating. Early results for VT look promising.
- The W&M metrology lab received an additional 247 maple hydrometers for testing. The lab has tested over 6,000 hydrometers this season. This latest shipment will likely be the last for the season.

Meat Inspection:

- Program representatives are visiting several sites this week to assist state inspected meat and poultry producers and ascertain suitability of new locations to expand current operations.
- Meeting held to correlate expectations for audit of all Vermont farmers' markets for the upcoming season.
- Program is continuing to provide extra help to USDA through the cross-utilization program.
- Finalizing quarterly issuances for federal reference and maintenance of program.

Animal Health:

Animal Health Field Staff

- Inspected a livestock dealer in Danville who is supplying a large number of pigs to a regional slaughter facility.
- Participated in the Food Safety and Consumer Protection Division meeting to review Farmers Market inspection protocols and procedures for the upcoming season.
- Completed mycoplasma testing at a hatching egg facility for export requirements.
- Reviewed records for a livestock dealer that has a drop off station in Bradford to ensure that cattle coming from out of state meet VT import requirements. There was a complaint that calves from NH were being dropped off without requisite papers/identification.

Agricultural Resource Management:

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

- Staff held a public information meeting (PIM) for a LFO that is proposing to construct new animal housing. The proposed construction requires the farm to hold a discretionary PIM to discuss the project. Only AAFM representatives, the farmer and the farm's technical service provider attended the meeting. The public comment period ends
- Staff conducted site visits to three LFOs in Addison County to discuss waste storage facility locations, LFO permitting and permit amendments, and buffers along field ditches.
- Staff conducted a site visit on a MFO in Addison County that is transitioning to LFO to evaluate the location of a proposed waste storage facility.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff attended a VHCB (Vermont Housing & Conservation Board) Water Quality Cross training meeting held in St. Albans. The meeting was set up to discuss water quality regulations, outreach strategies and other related components related to the complexities of assisting farms in achieving compliance. Attendees included: NRCS, FSA, UVM Farm Viability, VHCB, ANR-DEC, AAFM, AgriMark, DFA, VLT and VEDA.
- Staff are processing and reviewing LFO annual reports for compliance.
- Staff are continuing to review LFO nutrient management plans (NMPs) and met with NRCS to discuss the quality of NMPs we have received as part of LFO annual reporting. NRCS certifies the technical service providers (TSPs) that are able to provide NMP services to farms in VT and has the ability to work with TSPs to improve their planning services. Our discussions will allow both agencies to have a consistent message regarding NMPs.
- Staff are continuing to process LFO permit applications and permit amendments. There are several farms that have submitted permit applications for building, expansion and general operation.
- Staff sent out applications and processed grants for several grants for the Farm Agronomic Practices (FAP) Program.
- Staff are processing USAHerds livestock data, preparing farm surveys and making maps in preparation for the Franklin County Initiative.
- Staff are working on preparing farm data as part of the water quality (WQ) section's efforts in the development of the new WQ database. The vendor recently released an updated version of the WQ database into the staging environment so that we can start testing the database again.

Conservation Reserve Enhancement Program (CREP):

- Staff attended and presented at 2 VHCB (Vermont Housing & Conservation Board) Water Quality Cross trainings held in St. Albans and White River Junction.
- Staff flagged out CREP buffer boundaries prior to planting on a SFO in Chittenden County.
- Staff worked with the Franklin Watershed Committee's subcontractor to perform field work and brainstorm livestock exclusion ideas and efficacy of exclusion fencing on marginal pasture rented by a MFO in Franklin County.
- Staff assisted DEC River Management with editing/improving VLT (Vermont Land Trust) applications to DEC's Ecosystem Restoration Program to fund River Corridor Easement projects where CREP will be part of overall plan.
- Staff prepared for upcoming field visits to farms with potential CREP projects.
- Staff processed field data gathered for planning CREP projects in ArcMap.
- Staff provided VACD (VT Association of Conservation Districts) staff with CREP planning guidance.

Plant Industry:

- Eastern Plant Board, Portsmouth NH. Tim Schmalz and Emile Inoue traveled to Portsmouth NH to represent Vermont at the 90th Annual Meeting of the Eastern Plant Board and the concurrent meeting of the Eastern Region Cooperative Agricultural Pest Survey (CAPS) group from April 6-9. Agenda topics included review of the status of the newly discovered Spotted Lanternfly in eastern Pennsylvania (an invasive exotic leafhopper from Asia that attacks a variety of nursery and orchard plants), the role of plant protection agencies as part of emergency response (ESF 11), diagnosis and treatment of Thousand Cankers Disease of black walnut, firewood and firewood rules across the northeast, and the status of emerald ash borer research and mitigation funding.
- Cooperative Agricultural Pest Survey (CAPS) Farm Bill Section 10007 Funding. Four plant industry/CAPS survey proposals have been awarded funding through the 2014 Farm Bill Section 10007. The funded projects are to focus on Plant Pest and Disease Management issues. The funded projects include: Forest Pest Outreach, Grape Commodity Survey, Apple Commodity Survey, and Exotic Woodborer and Bark Beetle Survey. The combined total of the four projects is approximately \$96,000, and work on the surveys will take place through the summer 2015 field season and into early winter 2016.
- Industrial Hemp. Interest in industrial hemp cultivation remains strong. Obtaining certified hemp seed remains a primary hurdle for those wishing to cultivate hemp in 2015, state law and the Farm Act language notwithstanding. A number of individuals, working alone or in collaboration with Vermont Universities have initiated the Drug Enforcement Administration Schedule 1 importation permitting and registration process, in an effort to legally obtain viable hemp seed from foreign sources. Although the Agency of Agriculture does not have the resources available to obtain seed and manage an import program on our own, we have been providing assistance to parties navigating the DEA and importation process, including sharing contacts within USDA and Customs and Border Protection, in an effort to facilitate the process.
- On Friday, April 10th, Alan Graham joined project architect, Sandra Vitzthum, and 4 other representatives from ANR to visit the collection storage facilities at the University of Connecticut in Storrs. The collection manager, Dr. Jane O'Donnel, guided us through the various collection rooms where wet collections and dry collections are stored. Each shelf system is on tracks to compact the collection into a smaller space. One exciting part of the new lab facility in Randolph will be collections room where combined state plant and insect collections from different agencies will be permanently stored. Sandra Vitzthum has been integral in designing this space so climate and work areas will be optimal.
- Alan Graham, Patti Casey, Linda Boccuzzo, and Jeff Comstock made presentations at the 2015 Community Mosquito Control meeting in Middlebury Vermont, on April 15. The Vermont Agency of Agriculture organizes this meeting and the number of attendees has been growing each year. The meeting has been an annual event for over 12 years.
- Patti Casey, Vector Management Coordinator, has been spending half her time in the field, setting up new wetland sites for mosquito trapping. This season mosquito arbovirus surveillance will extend to all 14 counties in Vermont. Tick disease surveillance will begin on May 1st. Alan Graham and Patti Casey will be sampling in Bennington County. Spring ticks will be tested for 3 tick-borne diseases at the VAAFM lab in Burlington, under the direction of Kristen Needham.

Amendment

Language from ARMs director Jim Leland re. S.49

As you are all probably aware S49 passed out of the Senate Natural Resources Committee on Wednesday. Rather than sum up everything that is in the bill I thought I would provide a brief on the provisions of the bill that we think need further work, change or consideration.

- Small Farm Certification: There are concerns that the definition of small farm and the rulemaking authority for the Agency to define the process for certification need some refinement. The definition is clear as to who is in but not clear on how much authority the Agency has to further refine what farm operation may be allowed to be exempt from the certification process. The bill is clear that the Secretary can reduce or waive fees for farms. We would like a clearer link to rulemaking for the authority to broadly exempt types of operations that pose little or no water quality threat. The concern is that if the number of farms requiring certification and consequent inspection is too large we will not be able to meet the once in 5 year inspection requirement in the bill. The option to having the authority to refine the universe of the regulated is to eliminate the once in 5 year inspection requirement. Also, the bill requires rulemaking on the SFO process to be complete by 1/1/16 as part of the AAP revisions. The AAP revisions are required by 7/1/16. The dates need to be aligned at the 7/1/16 date at the earliest.

- Dates in General need to be aligned:

Small Farm Certification Rules 1/1/16 (as part of the AAP rule revisions process)

Effective date of SFO Certification 7/1/17 (18 months after rules required?)

AAP revisions 7/1/16 (includes SFO Certification, Custom applicator certification, water quality training programs)
MOU revision 7/1/16.

3 performance measures to be reported to the legislature as part of the MOU due 1/1/16

Schedule for WQ training 1/1/17

Tile drain study interim report due 1/15/16.

Final tile drain study 1/15/16

Revise AAPs (now Required Agricultural Practices) to address tile drain management 1/15/2018

The bill is silent on Best Management Practices rules; they will have to be revised as well based on BMP changes being made to the law (7/1/16).

- S49 sends all fees to the Clean Water Fund. The preference is for fees to go directly to the Agency.
- Soil monitoring/innovative manure management language should be changed from being eligible for cost share under the BMP program to being eligible for CWF grants.
- Other concerns more generally; impact of anti-degradation language and the audit provisions of the bill.

These are the major points in the bill that still need some work

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**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 17, 2015
Subject: ANR Weekly Report

Governor Level Issues:

Forest Fragmentation Legislative Report: Commissioner Snyder presented the FPR report on forest resources and the impacts of forest fragmentation on Thursday this week at a joint meeting of the Committees on House and Senate Natural Resources and Energy; House Fish, Wildlife and Water Resources; Senate Agriculture; and House Agriculture and Forest Products. The report was very well received, and many members expressed gratitude to Commissioner Snyder for tackling this difficult issue in such a balanced manner.

Burlington Lakefront Development: Commissioner Mears met with City officials last week to discuss three major projects: Extension and rebuilding of the bike path along the lake; a new proposed development at 453 Pine Street under our Brownfields Economic Revitalization Alliance; and two new major marina proposals. We agreed to work together to ensure that all of these projects are realized and that the regulatory approval process goes smoothly.

Meeting with Town of Colchester: Commissioner Mears met with Town officials and Senator Mazza last week to discuss the Town's plan to build a sewer line to serve homes and businesses along Mallet's Bay. The sewer line would connect to the Burlington North wastewater treatment plant. Approval and funding of this sewer line will involve significant issues relating to funding, water quality and land development. DEC will coordinate with ACCD as discussions with the Town move forward.

Hermitage Club: The Attorney General's Office on behalf of NRB and ANR reached a settlement agreement with Hermitage Ski Club for permitting violations of both programs. The Hermitage has agreed to a settlement of \$205,000 including costs. The agreement has yet to be issued by the Court as a consent order.

The Alchemist: The NRB issued a demand letter to the Alchemist for violations of its Act 250 permit in Waterbury. NRB Chair Groveman called Jen Kimmich of the Alchemist to let her know that the demand letter would be issued and to explain the enforcement process. The Alchemist has until the end of April to request the opportunity to discuss the violation with the NRB. If the Alchemist does not contact the NRB before the end of April, the NRB will issue an AOD setting forth the specifics of the violation in detail.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Clean Water Bill (H.35): Agency of Natural Resources staff and leadership are continuing to work with the Agencies of Agriculture and Transportation as the bill moves through the Senate. The Senate Agriculture Committee has provided recommendations to the Natural Resources and Energy Committee including a proposal for a parcel fee (\$25 per parcel plus \$1 per acre). The Senate Natural Resources and Energy Committee voted 4-1 in favor of the bill on Wednesday, with only Senator MacDonald opposed. Senate Finance began took up the bill on Thursday afternoon, and Commissioner Mears provided initial testimony on behalf of ANR.

Executive Fee Bill: DEC, FWD and OPLA provided testimony last week and this week before Senate Finance in support of the Agency's fee proposals for all fees except those in the Clean Water Bill (H.35). No significant issues were raised by Committee members during the presentations, and OPLA worked closely with stakeholders concerned about new Section 248 fees to make sure that utilities and merchant generators would support the fee proposal.

Dam Safety (H.37): The House Fish, Wildlife and Water Resources Committee is holding hearings on a bill to increase the state's jurisdiction over and responsibility to inspect dams to include approximately 1,200 new dams that fall below the current jurisdictional threshold of dams that impound more than 500,000 cubic feet. DEC has expressed concerns about the workload associated with the proposed legislation since we do not have sufficient capacity to inspect all of the dams currently under state jurisdiction. This bill has generated a VTDigger article which can be found at <http://vtdigger.org/2015/04/12/state-says-dam-safety-too-often-unchecked/>.

Lean Presentation before House Corrections & Institutions: At the invitation of the committee, DEC staff provided information last week about the department's Business Transformation Initiative and Lean efforts. The Committee indicated that they are considering ways to help the Department of Corrections use similar methods to improve operations.

H.355: Commissioner Snyder continues to provide testimony to the House Committee on Government Operations regarding the forester licensing bill.

Energy Siting: OPLA testified this week on energy siting in the House Committee on Natural Resources and Energy, presenting specific recommendations to improve, clarify and increase the efficiency of the PSB process of permitting large-scale net metering facilities greater than 150kW. NNRE is drafting a committee bill on energy siting this week.

Press Issues/Releases:

Winooski Fish Lift Opens: The fish lift at the Winooski One hydroelectric facility on the Winooski River is now operating for the spring season, and that means expanded fishing opportunities for anglers. Springtime operation of the fish lift on the Winooski River, which begins in March and extends through mid-May, is a collaborative initiative that focuses on moving steelhead rainbow trout above the Winooski Dam and into the next section of the river.

Hunt Safely This Turkey Season: Hunting safely during turkey season is easy if you follow tips issued by the VTFWD. In Vermont, May 1 is the beginning of spring turkey season, a day almost as important as the opening of deer season. While Vermont's spring turkey seasons are safe (Vermont has not had any incidents in the last five years) precautions are needed to ensure they stay that way. Camouflage or drab colored clothing is almost mandatory to outwit a keen-sighted gobbler. Unfortunately, camouflage often makes it just as hard for hunters to spot one and other as it does for turkeys.

Significant Events/Meetings:

VLCT Clean Water Advisory Committee: Commissioner Mears met with the group of municipal officials to discuss the status of the Clean Water Bill and to explain the department's plans with regard to implementing the Clean Water Initiative and Lake Champlain Phosphorus TMDL Phase One Implementation Plan.

Conservation Law Foundation Petition to AAFM: DEC is participating in negotiations over the petition filed by CLF relating to increasing the oversight of farm pollution in the Missisquoi Bay watershed.

Britton Lumber: ANR leadership and staff are working with the owners of Britton Lumber in Fairlee regarding the permitting needs associated with rebuilding. The mill will need regulatory approvals related to stormwater and flood risks. There do not appear to be any major issues and ANR will work with sister agencies, the mill owners and their consultants to help them rebuild as soon as possible.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs (OPLA)

TDI New England – Stakeholder Engagement: OPLA continues to coordinate ANR’s review of TDI’s CPG petition. ANR will submit a second round of discovery requests to TDI late this month. As the formal process moves forward before the Board, OPLA has been contacted by several stakeholders interested in discussing the Agency’s’ position and opportunities to leverage addition resource protection. Specifically The Nature Conservancy and CLF have requested a meeting with OPLA to discuss opportunities to protect water quality and improve wildlife connectivity as a result of the project.

VHCB Renewable Energy Policy: OPLA represented ANR this week at a Vermont Housing and Conservation Board board meeting. The focus of the meeting was the implementation of VHCB’s interim guidelines for renewable energy production on conserved lands. VHCB and its land trust partners are facing a high volume of requests to site group net metered solar facilities on conserved farms, facilities that typically generate more energy than is required by the farm business and is sold off to other customers.

Wind Power: OPLA continues to manage ANR’s pre-file engagement with several medium to large scale wind energy projects. Iberdrola’s Styles Brook project, a 90MW windfarm in Grafton/Windham, Kidder Hill, a 5MW project in Irasburg, and Swanton Wind, a 5-10MW project in Swanton, are all conducting avian and bat studies this spring and plan begin their suite of comprehensive natural resource studies this summer and fall. It’s likely the smaller projects, Kidder Hill and Swanton, may move into permitting this year.

Environmental Conservation (DEC)

Moretown Landfill: DEC Waste Management Division staff are working to develop interim odor emission control measures prior to final closure of the Moretown Landfill and are also developing long-term landfill gas collection and control measure conditions to be incorporated into the final Post Closure Solid Waste Certification.

Electric Vehicle Tracking: The Air Quality and Climate division analyzed DMV vehicle registration data through the first quarter of 2015 to track the growth of plug-in hybrid and full electric vehicles registered in Vermont as part of the Drive Electric Vermont effort. Result have been provided to VEIC, where they will be posted on the Drive Electric Vermont website (<http://driveelectricvt.com/buying-guide/why-go-electric>). As of the end of March, Vermont had 891 plug-in passenger cars registered, an increase of 2.6% (23 vehicles) from the previous quarter. This is the lowest rate of growth since tracking began in 2012. It is interesting to note that the effects of normal fleet turnover are now being observed among plug-in vehicles as these vehicles age. While the net increase of plug-in vehicles was 23 as noted above, there were 47 newly registered plug-ins and 24 plug-ins that left the VT fleet.

Preparations for 2015 Blue Green Algae Sampling at Water Systems: DEC staff are collaborating with the Department of Health to finalize the Blue Green Algae Practice and Monitoring Program for water systems that use Lake Champlain for their water source. This

program sets forth the expectations for this summer's blue green algae sampling process as well as the anticipated responses should toxins be found in a water system's raw or finished water.

Streamlining of Water Supply Operator Certification Process: We have developed a new process to sign these Operator Certificates electronically. This will save staff time by eliminating the need to scan the signed certificates prior to filing them electronically.

Seismic Risks: Geology staff met with DEMHS to begin planning for the ROVER (Rapid Observation of Vulnerability and Estimation of Risk) analyses of selected critical facilities in Vermont this summer. The work, conducted in coordination with Northeast States Emergency Consortium and FEMA, is focused on an evaluation of buildings and their potential response to seismic events. We hope to employ ROVER at National Guard facilities, the DEMHS building in Waterbury, and are considering the Vermont Statehouse. A trained group of volunteers, the FEMA Volunteer Corps, will conduct the facility evaluations.

Ward Marsh Wildlife Management Area (West Haven): DEC is coordinating with Fish & Wildlife to address the illegal dumping and burn piles on land they manage. We will hire a spill contractor to develop work plan and cost estimate to characterize piles and determine appropriate mitigation measures. The piles are located in close proximity to the Poultney River off of Galick Road. Preliminary data collected by Castleton State College indicates the possibility of high levels of select metals.

Former Clerkin Property (Hartford): EPA will take the lead on addressing this site which is a former dry cleaner converted to an apartment building. Though the limited initial data does not indicate an imminent risk, the site investigation is incomplete and the current owner lacks sufficient resources to do the needed work. Potential receptors of concern include indoor air, surficial soils, groundwater and surface water.

Solid Waste Service Fee Evaluation: DEC is contracting with DSM Environmental Services, Inc. to perform a brief economic analysis of the benefits and challenges of moving from a franchise fee revenue system to a service fee revenue system. Their analysis will consider how programs in Minnesota and Washington State work and assess the revenue that may be generated from a service fee on the three material streams (trash, recycling and organics). The research will inform ANR's next steps in determining the logistics of proposing divergence from a landfill disposal based fee which is anticipated to decline significantly with implementation of the Universal Recycling law.

Derby Walmart: The operational stormwater permit for this project has been issued.

Stormwater/Ag Water Quality: We are coordinating with AAFM, VT Housing and Conservation Board, VT Land Trust, and Conservation Districts to host meetings in Rutland, White River Junction and St. Albans for organizations engaged in agriculture and water quality. The goal of the meetings is to facilitate coordination among the various partners to improve efforts to manage polluted stormwater runoff from farms.

Fish & Wildlife (FWD)

Northern Long-Eared Bat: Staff discussed mapping and display of Northern Long-Eared Bat data. Staff will display a quarter mile buffer around known hibernacula sites for this species to correspond with new federal protection guidelines. This species becomes Federally Threatened effective May 4, 2015.

Wildhill Captive Hunt Facility: This captive hunt facility permit has expired. The owners want to convert to an agricultural facility and are in violation of the permit, as well as both FWD and Agency of Agriculture rules. We have a meeting with the Agency of Agriculture next week to discuss next steps.

Bald Eagle Nest: Staff checked the nesting status of a pair of Bald eagles that have had a nest for 5 years in the town of Windsor. We found the new nest located nearby on the bank of the CT River but very close to a seasonal residence.

Fishing: Ice and shore fishermen are being checked throughout the state, and some nice fish were even caught during the trout opener. Some fisherman were fishing closed waters prior to the opener... Oops. There are baitfish violations and license issues still occurring.

Baitfish Dealer Violation: District staff accompanied Warden Kelly Price in serving Cold Brook Bait Shop a letter revoking of his commercial bait dealer's permit. Violations included having wild caught bait fish on the premises, using an unauthorized water source, and other issues with issuance of transportation permits to customers. As part of this action all bait fish on the premises were confiscated and destroyed. Used and unused transportation permit (receipt) booklets were taken into possession.

Forest, Parks and Recreation (FPR)

Forest Legacy: Sweet Tree has asked the Department to fast-track the development of a new MOA to allow for the expansion of their industrial sugaring into Avery's Gore on land conserved under a Forest Legacy easement. We recently approved a similar MOA with Sweet Tree for this use on an adjacent Forest Legacy tract in Warren's Gore. The Forest Legacy easement specifically allows for sugaring, but includes dispersed public recreation as a purpose of the easement. Sugaring at the scale proposed by Sweet Tree (200,000+ taps across several thousand acres) could present challenges to outdoor recreation access. We are working closely with Sweet Tree to accommodate this use in a manner that minimizes impacts on outdoor recreation.

State Parks Fee Adjustments: Revised rules that include modest fee adjustments for state parks are moving through the approval process. The Intergovernmental Committee on Administrative Rules (ICAR) approved the proposal this week.

Wilgus to Open Soon: The earliest opening state park, Wilgus, begins operation on April 24. WCAX will be visiting the park to prepare an article about park opening.

Natural Resources Board (NRB)

Vermont College of Fine Arts: The NRB has inquired about several activities at the Vermont College of Fine Arts (VCFA), which have been conducted prior to Act 250 approval. The Board reviewed the College's response and intends on issuing a Notice of Alleged Violation. The NOAV will include failure to obtain a permit prior to constructing a sign on the campus green and replacing windows on Alumni Hall. The District Commission is separately processing the VCFA application for renovations of the campus. The sign is not part of the application that is currently before the Commission.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: April 17, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VY: Waiting for approval to send initial term sheet for settlement to Entergy for their response. This is becoming time-sensitive as we have additional filings to make with NRC next week on EPZ issues. Please let me know if I can help on this to move it along. We've coordinated with ANR, DOH, VDEMHS, the AGO and Governor's staff (Sarah and Liz), and just waiting to hear final signoff or comments from Liz. Thank you!

TDI: We received an initial MOU proposal from TDI last week and are in discussions with ANR on it. Both ANR and PSD are reviewing and will be getting together in the next couple of weeks to compare notes and work on a response.

Regional Coordination: I'm meeting today in MA with state counterparts to discuss next week's Governor's Summit and the proposed Statement of Agreement. I will report back on this with any outcomes separately later today or over the weekend.

VTA Transition to PSD: Staff has completed its review of VTA's financial statements and accounting processes in preparation for transitioning VTA operations to the department. To date we have found no material discrepancies related to the financial records but have observed there may be substantial operational risks and contractual commitments where the funding sources are not clear. We are in the process of suggesting awards for our first effort at expanding broadband to census blocks that are underserved to get them up to speeds of up to 100 Mbps symmetrical, but a minimum of 10:1. We are coordinating with your office on a press release or conference on this award. We will have more details as to how many addresses we'll be able to serve next week, but expect the number to be about 170 addresses.

Legislative:

H.40 – Darren and Asa testified in Senate Finance and Senate Natural Resources on the bill, and both hearings went well. Senate Natural will be taking additional testimony through end of next week, and hopes to vote the bill out on Friday April 24. They may look at removing the Efficiency Vermont budget cap, which we support removing. Senate Finance will continue hearings sporadically until they receive the bill. It is possible now that Tony's (reviewed yet), it could be merged with H. 40 at the end of the process. We will review thoroughly in the next few days.

H.117 – I anticipate the telecom bill being voted out of Senate Finance this afternoon, we believe relatively clean. It sounds like E911 will have the option of going to Public Safety or keeping the existing structure with the need to cut about \$650,000 from their budget.

Meetings this Week:

Apr 14 – PSD/VGS cost/benefit conference call; Darren/Asa testify on H.40 in Senate Finance
Apr 15 – Darren/Asa testify on H.40 in SNRE
Apr 16 – Darren/Asa testify on H.40 in SNRE
Apr 17 – Chris NESCOE meeting; PSD/VEIC meeting re RUS loan

Meetings next Week:

Apr 20 – Chris/Jim Volz; Cabinet meeting
Apr 23 – Chris at NEG meeting in CT; Chris NECPUC dinner in Boston
Apr 24 – Chris/ISO-NE meeting Boston; Darren presentation at VEC

Media: Darren spoke with AP on siting and wind development; Susan Smallheer called re: a story about lack of rules at the NRC governing decommissioning. Chris called back, but not connected yet. Channel 3 calling about Calais VTel tower.

Everything Else:

PERD

Legislative Updates

- Reviewed and sent feedback to ANR on their energy siting fee proposal. ANR proposed a flat fee for projects > 151 kW, capped at \$15K. REV countered with a scaled fee for projects 150 kW-5 MW, capped at \$15K. ANR would modify the lower limit to 140 kW so people didn't marginally downsize their projects to avoid paying the fee. One concern is how this would affect nonprofit/municipal/school projects, which are often 150 kW; perhaps these could be exempted from the fee.

Residential and Commercial Building Energy Standards (RBES & CBES)

Energy Efficiency Utility Activities

- Staff continued to coordinate with VEIC to assess needs related to USDA's Rural Utility Service (RUS) Energy Efficiency and Conservation Loan Program (EECLP). VEIC has received preliminary guidance from RUS that allows VEIC to begin the application process to participate in the RUS initiative. VEIC is focused on the following activities.
 1. Engage the Public Service Board for the approvals necessary to move forward
 2. Completing the overall Application for accessing the EECLP which includes
 - Developing a work plan of how VEIC will loan out the funds in Vermont
 - Completing a detailed financial analysis of VEIC's ability to repay the loan
 - Modifying federal loan documentation to reflect a revenue guarantee as security rather than what would traditionally be a mortgage of utility poles and wires

Staff expect to receive a draft petition and schedule from VEIC for moving this initiative forward with the Department and Board. RUS security requirements need to be addressed (a loan loss reserve sufficient for the loan size and a form of collateral for the size of the loan). VEIC's suggested potential options for internal discussion include (alone or in combination):

1. Energy efficiency charge future funds as a source of collateral
 2. VEIC to secure interests in assets
 3. Irrevocable Letter of Credit (the point spread limitation of 1.5% imposed by RUS makes a letter of credit untenable in costs)
 4. Pledge of third party assets
- Staff met with VEIC to discuss the semi-annual cash flow for the EEC and a VEIC proposal to increase the thermal MMBtu savings QPI due to an increase in FCM and RGGI funds. Staff worked with BED to identify BED's unspent TEPF funds. Staff estimate BED may have as much as \$400k in unspent funds and staff may recommend these funds be set aside for development of the Thermal Efficiency Clearinghouse.

Thermal Energy Finance Pilot (Heat Saver Loan)

- Received approval for establishing the Opportunities Credit Union Loan Loss Reserve and Interest Rate Buy-Down fund mechanisms and guidance on how to create the

required reserves from Office of Treasurer. Continued developing procedures with Finance Dept.

- Met with OCU and contractor re: marketing efforts on behalf of the entire HSL program. They presented a method to market HSLs a bit more extensive than originally envisioned with some specific branding through “Heat Saver” cartoon characters. Forwarded draft materials for review to the Deputy Commissioner and Commissioner as well as the State Marketing Division. Began coordinating with EVT.
- Continued with revisions to the OCU budget to accommodate the new marketing activities. PSD is planning to issue a new grant to EFG to continue its role in marketing on behalf of all the program participants rather than having OCU manage this on behalf of the state.
- Reviewed draft marketing messages to promote HSLs, which will be sent to members of VFDA to advertise the availability of the loan product this month. Additional outreach to fuel dealers and eligible equipment vendors began this week as well.

Clean Energy Finance Initiative

- Reviewed policy & program recommendations from EAN's contractor - the Coalition for Green Capital regarding on-bill financing, whole home energy retrofit financing and marketing development, and PACE financing.
 - The whole home energy retrofit financing proposal includes a recommendation to designate Vermont’s Neighborworks organizations as an authorized third-party Energy Transformation service providers under the proposed Vermont RESET Program (H.40).
 - The PACE financing proposal recommends: eliminate the requirement that the borrower pay an upfront fee; expanding the existing PACE administration authority to create a streamlined delivery process; and expand PACE to commercial buildings.
- Due to concerns about the content and tone of the draft recommendations, staff spoke with EAN. Also contacted VEDA, the Treasurer's Office and staff at ACCD to see if they had similar concerns.
- Drafted and sent a response (in coordination with other PSD staff) on the recommendations to staff at ACCD, who had sent us their preliminary reactions to the recommendations.

Renewable Energy Items

- Met with ANR and SHPO to discuss Middlebury Upper and Swanton Lower hydro projects and requests for assistance. Working on responses to both entities for review by these fellow agencies under the auspices of the Act 165 MOU.
- Asked Bennington RPC to send mapping meeting invitation to Dept. of Health, ACCD, VCGI, and VELCO.
- Responded to another question from a developer about the landfill net metering projects. This one concerned whether a school or school district met the definition of “municipality” for the purposes of the offtaker’s identity.

- Received update from GMP regarding Stafford Hill storage project, in advance of CEDF meeting. It looks like the commissioning is now scheduled to occur in early June.
- Attended CESA webinar on DOE solicitation for Upgrading Distribution Resilience, which consisted of a DOE project manager reading from the FOA. Under this FOA, local governments can apply to implement commercial/pre-commercial/DOE lab smart grid distribution and customer-side technologies/tools for climate impact resilience. Awards of \$300K-\$1M for 4-8 projects will be made. Applications are due by May 4.

Comprehensive Energy Plan

- Staff continue to draft a CEP kick-off document for release in late April. This document will focus on a number of questions on which public, expert, and stakeholder feedback would be helpful to compose the CEP text. The document will also serve as a way to signal the approach we are taking on the development of the plan.

Net Metering

- The Board has posted an electronic, fillable form on their web site. Staff distributed copies to installers with the highest volume.

<u>Net Metering Activity 4/4/15 – 4/10/15</u>				
	Registrations	Applications	45 Day Notice	CPGs Granted
Count	34	0	2	19
kWAC	200.00	0	1000	137.00
Ave Size kW	5.873	0	500	7.2001
Cumulative Capacity of ALL Formal Notices Submitted**				
Year Total to Date		Total Since 1999		
2014 kW	2015 kW	1999 – 2015 kW		% of 15% Cap
3,784.44	14,223.66	90508.97		~ 60.3

****NOTE:** This table includes all systems over 150 kW that go through the full 248 process. It also includes systems for which 45 day notices have been filed, in addition to those for which formal 248 applications have been filed.

Docket 7970 VGS Expansion

- Staff convened to discuss significance of Department's cost-benefit analysis finding of significant risk that ratepayer benefits will be far less than VGS has estimated.
- Staff has written an appendix to be submitted with testimony by May 6th describing Department's cost benefit analysis and methodology.
- Preliminary REMI simulations show minimal economic impact outside of construction spending i.e. from customer conversion to NG and expected customer fuel bill savings.

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool integrity continued during the reporting period (most notably, several quarterly Service Water System surveillances). No notifications were received during this reporting period regarding any issue that would adversely impact Spent Fuel Pool integrity. No significant demolition of now-non-essential structures was completed during this reporting period. Although the NRC's lead Decommissioning Inspector for VY, Steve Hammann, is onsite this week, there are no plans for him to complete a final radiological survey of the debris from the former on-site low level radiological waste storage facility, which remains on-site, untouched since 3/19.

NRC Conducts Biennial Dry Cask Storage Inspection

On 4/14 and 4/15, the NRC's lead Decommissioning Inspector for VY, Steve Hammann, and Acting Senior Resident Inspector, Sarah Rich, conducted a required, biennial inspection of the spent fuel Dry Cask Storage canisters and their spent fuel storage pad. Since no additional spent fuel to dry cask storage transfers occurred since the last such inspection (conducted in 2013), the current inspection focused on documentation that demonstrates that the conditions specified in the Certificate of Compliance (i.e. the NRC design licensing basis) for the specific dry casks used at VY are being met. This documentation inspection includes a review of the special nuclear material handling procedures used by VY, as well as a review of the daily temperature and surface dose rate readings that are provided to the State Nuclear Engineer on a monthly basis. A brief visual examination of the Dry Casks themselves and the concrete pad on which they are stored was completed. No significant findings are expected from the Dry Cask Storage inspections; but any such findings will be included in future weekly reports.

Last of VY Control Rod Drive Mechanisms Shipped Offsite

As reported previously, contractors from General Electric-Hitachi (GEH, the original manufacturer of the VY reactor) have been onsite for the past several weeks dismantling the Control Rod Drive Mechanisms (CRDMs) for refurbishment and eventual resale to another Boiling Water Reactor facility. This dismantling was completed during the reporting period. The last of the CRDMs were shipped offsite (to a GEH facility) on 4/14. The last CRDM shipment was inspected by the NRC's Steve Hammann prior to its removal from the VY Protected Area. The State Nuclear Engineer observed this inspection.

NRC Acting Senior Resident Inspector to Leave VY Site in Late June

Acting Senior NRC Resident Inspector Sarah Rich will continue primarily full-time at VY through June 26. Sarah will complete most, if not all, of the "transition to decommissioning" inspections by this date. Subsequent to June 26, the NRC's lead Decommissioning Inspector for VY, Steve Hammann, will have primary responsibility for NRC inspections at VY. However, he will only be onsite when these inspections are actively being conducted. One of the first VY inspections that Steve will conduct is the NRC's review of the second on-site spent fuel dry cask storage pad.

2015 Vermont Gas Systems Addison Transmission Pipeline Project Activity suspended

VGS has halted all construction activities related to Phase I of the Addison transmission project, including current pipeline installation by horizontal drilling in Williston. The company has informed the Department Gas Engineer that it is reorganizing its technical personnel and has entered an agreement with an established engineering firm to assume construction management following the suspension. The Gas Engineer will be meeting with VGS representatives later this week to discuss these topics further.

Gas pipeline inspection activity

Propane pipeline systems operated by Suburban Propane and Bourne's Energy were inspected in Waitsfield and Warren VT during this report period. No immediate safety hazards were observed. The Gas Engineer will follow-up these inspections with a review of each company's records required by State and Federal gas safety code(s) which are applicable to the pipeline systems.

Underground Facility Damage Protection Seminars, Rutland, Fairlee

The Department Gas Engineer participated in seminar presentations in Rutland and Fairlee VT on 4/8 and 4/9. These seminars were administrated by MUST (Managing Underground Safety Training), a Vermont consortium of stakeholders promoting underground facility protection. The Gas Engineer and representatives from VOSHA, Dig Safe System Inc., VGS, Burlington Electric Dept., Comcast, Propane Gas Association of New England and others made presentations to inform the attendees of the "Dig Safe" law and best practices. Approximately 60 individuals from Vermont municipalities, energy and communication facility operating companies and excavation companies attended each seminar.

State DOE Distributed Generation Grant

The Vermont Joint Fiscal Committee has given its approval to the \$249,966 grant from the U.S. Department of Energy (DOE) to the Vermont Department of Public Service. The grant funds will be used to help modernize and streamline the process for interconnecting distributed renewable generation resources to Vermont's electric grid. Green Mountain Power will be supplying a required match through in-kind staff time. The work on this project is currently underway which includes a two day seminar on the mapping efforts of GMP and their vendor to create a map of where solar projects can be installed from the perspective of system capabilities to handle the addition of generation.

Regional Policy

Distributed Generation Forecast Working Group

- On April 14 ISO-NE held a DGFWD meeting at which it presented the final 2015 PV forecast, and described four categories of DG resources.
- The forecast involves identifying policies in each state that provide incentives for solar PV, and estimating the amount of PV to be commissioned each year for the forecast

horizon (10 years out) as a result of those policies. ISO-NE then applied a discount factor to reflect uncertainty in full program implementation, and then adjusted the nameplate capacity of the PV installed to reflect coincidence of PV output with peak load (which equates to 40% of nameplate). The full forecast is presented below.

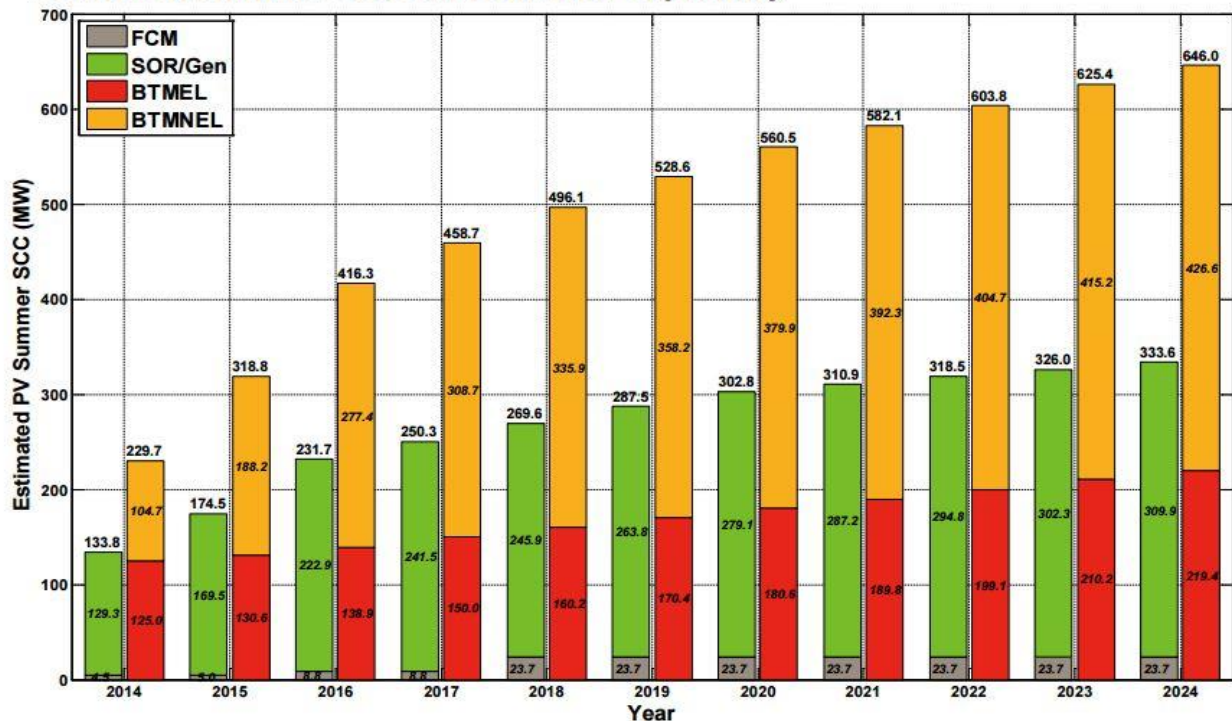
States	Estimated Summer SCC (MW)											Totals
	Thru 2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	
CT	47.5	28.3	35.9	18.3	17.2	16.2	16.2	10.8	10.8	10.8	10.8	222.7
MA	266.7	78.8	91.9	20.6	19.4	18.1	18.1	12.1	12.1	12.1	12.1	562.0
ME	4.2	0.9	0.9	0.8	0.7	0.7	0.7	0.7	0.7	0.7	0.7	11.6
NH	5.1	1.7	1.7	1.5	1.4	1.4	1.4	0.9	0.9	0.9	0.9	17.8
RI	7.3	3.9	8.2	10.9	12.4	11.6	8.2	2.8	2.2	2.2	2.2	71.7
VT	32.7	16.1	16.1	8.9	5.5	2.5	2.5	2.5	2.5	2.5	1.7	93.9
Regional - Annual Summer SCC (MW)	363.5	129.7	154.7	61.0	56.7	50.5	47.1	29.8	29.1	29.1	28.3	979.6
Regional - Cumulative Summer SCC (MW)	363.5	493.3	648.0	709.0	765.6	816.1	863.2	893.0	922.2	951.3	979.6	979.6

- The estimate for the amount of PV in Vermont includes PV to be developed through net metering, the standard offer program, and those PV projects with signed power purchase agreements with Green Mountain Power and Burlington Electric Department.
- For the 2015 PV forecast, the amount of PV developed within Vermont represents slightly less than 10% of the total amount of PV developed in New England (for comparison, Vermont represents 4% of load). The only other state that has an amount of PV forecast greater than its load share is Massachusetts, which is forecasted to host 57% of PV in New England, and has a load share of about 46%.
- In addition to the PV forecast, ISO-NE also classified PV DG into four categories: (1) PV that has received a capacity supply obligation through the Forward Capacity Market; (2) Settlement Only Resources, which are generators that receive payments in the ISO-NE energy market but do not participate in the Forward Capacity Market; (3) behind-the-meter PV embedded in load (in other words captured in the historical load forecast); and (4) behind-the-meter PV not embedded in load. Behind-the-meter PV does not participate in the energy or capacity market and is not visible to ISO-NE.
- ISO-NE has previously stated that it is willing to reduce load forecast by the forecasted amount of behind-the-meter PV not embedded in load. This reduction in the load forecast should then reduce the Installed Capacity Requirement (the target amount of capacity to be procured through the Forward Capacity Market). The behind-the-meter PV resources embedded in load are already included in the load forecast and already taken into account in the calculation of the Installed Capacity Requirement. ISO-NE has argued that Settlement Only Resources are already participating in the energy market and there would be equity issues in allowing such resources to count toward reductions in the Installed Capacity Requirement. Massachusetts and Rhode Island require the majority of PV resources located in their states to register as Settlement Only Resources. Vermont does not have any PV resources participating in the Forward Capacity Market or as Settlement Only Resources. ISO-NE's classification of resources for the region is

below. Based on the graph, the reduction in load, and therefore Installed Capacity Requirement, for the upcoming Forward Capacity Auction, should be 336 MW (the amount of behind-the-meter PV not embedded in load in 2018).

Cumulative Regional PV by Market Participation Type

Estimated Summer Seasonal Claimed Capability



- The 2015 PV forecast, as well as the information regarding the PV classifications, will be included in ISO-NE's annual CELT forecast.
- In the course of calculating actual PV production in New England, ISO-NE analyzed actual three-year PV data provided by utilities to calculate average annual three-year capacity factors for each state and also the monthly regional capacity factor. The capacity factor based on actual data from Vermont PV resources is 12.7%. The actual capacity factors, for individual states and for the region generally, are lower than those prepared by the National Renewable Energy Laboratory.

Finance and Economics

Electric

GMP: GMP filed its Q1 2015 Power Adjustor under its new Alt Reg Plan where quarterly rate adjustments will no longer be made. The quarterly under/over collection amounts will continue to be calculated but the rates will only be adjusted annually in conjunction with the base rate filing. For the quarter, GMP had an over collection of \$699,030 or \$0.0079/kwh. We have completed our normal review of the filing while our on-going efforts are now focused on reviewing the reported power costs to determine they are appropriately classified as power expenses.

GMP: GMP Major Storm Capitalization Process. GMP provided an accounting process for properly classifying Restoration Costs as an expense or as capital additions. Staff provided comments and feedback suggesting further clarification. Additional review is pending.

Stowe Electric Department (SED): The Board has opened an investigation into the Tariff 8553-Rate Design Filing. This rate redesign is the first in Vermont to use load data generated by AMI (Smart Meters). The investigation will facilitate more public review and input on the new design. Stowe's last rate design was 30 years ago. To date no concerns or issues have been identified but the investigation may stimulate a discussion on the use of the new AMI information and how it was used in setting rates. A pre hearing conference was held on April 14, 2015. Parties are scheduled to file a stipulation or a litigation schedule by no later than July 1, 2015.

Swanton: PSB Docket 8536-Rate Design Filing –Swanton filed for approval of its rate class cost of service-rate design. The Department recommended that an investigation be opened that will facilitate more public review and input on the new design. A prehearing conference has been held; the Hearing Officer has asked the parties to address several questions that we have responded to; staff has prepared information requests; and, this week staff is continuing to review the supporting detail—the cost allocations--- and the responses to the discovery. To date no finance and econ related concerns or issues have been identified.

VEC 90 Day Notice – Rule 5.202: VEC has advised the Board of its intention to execute a PPA with Coronal Municipal Energy Services (CMES) for 2.5 MW of solar capacity, energy and renewable attributes for a term of 28 years. VEC previously applied for a CPG to develop the projects, but will assign the CPG's to CMES who will construct, own, and maintain the project after commissioning. Output will be priced initially at \$.058 per kWh escalating at 3% each year over the term of the contract. VEC will offer shares of the solar output to its members through a community net metering program. Pro forma estimates indicate the 'all-in' solar PPA net present value cost will approximate \$.12/kWh. VEC has not yet developed the terms and conditions for the Community Net Metering Program which represents some risk in moving forward with the PPA. We plan to file an acknowledgment of the filing including any concerns and issues within the next 30 days.

Natural Gas

VGS – Tariff 8558 – Purchase Gas Adjustment (PGA) Filing: VGS filed its second quarter Purchase Gas Adjustment (PGA) for a 1.4 percent decrease in the natural gas charge which results in an overall .7 percent decrease in firm rates to be effective with bills rendered on and after May 6, 2015. The tariff adjusts for an over collection of gas revenues of \$852,568. The rate decrease was largely the net result of higher TCPL tolls which were offset by lower wholesale gas costs. This week we have completed our review of the filing and forwarded our recommendation to Legal due on April 13, 2015.

VGS - Docket 8472 §248 Petition Requesting approval for Phase VII (Looping) to construct and

install approximately 3.0 miles of 16” transmission line starting from the end of the Phase VI looping line and extending through Georgia, VT. The Phase VII project continues a multi-year transmission system expansion began in 1995 to increase capacity and improve reliability. VGS reported the looping project will address estimated customer growth through 2019. Project plans indicate the project is estimated to cost \$10.8 million.

VGS—System Expansion Reliability Fund (SERF) - Department staff continues to work with VGS to assess the financial impact of various options on the use of the SERF. The parties are working jointly to identify the rate impact of the various options over a 15 year term the SERF funds will be collected from rate payers. Results indicate that using the SERF funds to reduce rate base results in a ‘least cost’ scenario for rate payers. Most importantly, the analysis indicates that after an initial but modest increase in rates, those rates will be substantially lower over the 15 years and save rate payers approximately \$100 million (this saving amount is being reviewed and is subject to check). Using banded or zonal rates could be adopted that would mitigate most of the initial rate impact and would make the project look very attractive.

Telecom and Cable

ECFiber: Staff reviewed financial reports submitted with its request for a grant as part of the Connectivity Initiative. This firm is basically in a start-up mode. Over the longer term this firm may not be financially viable without a substantial increase in customers and revenue.

Stowe Cable: Docket No. 8428 - Joint Petition of Stowe Cable Holdings, LLC, Stowe Cable Systems, LLC, Stowe Cablevision, Inc., and Jeffersonville Cable Television Corporation for approval of the transfer of assets, issuance of Certificate of Public Good, and related transactions concerning cable television systems serving Stowe and Jeffersonville, Vermont. This week staff reviewed a PFD that recommends the Board approve the transfer of assets associated with cable television systems in Stowe and Jeffersonville, Vermont, the issuance of a new Certificate of Public Good and related transactions, based on a Memorandum of Understanding.

Energy Efficiency Utilities

VEIC: plans to meet with the Department to review and discuss plans and options to pledge its revenues as collateral for a \$100 million loan arrangement with the DOE that will be used to lend and finance energy efficiency projects. To qualify for the loan VEIC has indicated it will need its ‘Order of Appointment’ renewed for another twelve years. The results from alternative collateral options that were considered, such as using its accounts receivable as collateral, are unknown.

Public Advocacy

VY ERDS Proceeding – NRC 50-271-LA –The State (Department) continues to draft an additional contention supplementing its original petition based on deficiencies in a new Entergy LAR

safety analysis. The State's appeal of the ASLB denial of its contentions is still pending before the NRC Commissioners.

FairPoint Service Quality Investigation – Docket 8390 –The Department continues to seek information requested from but not provided by FairPoint during the initial two rounds of discovery, and is working toward securing an extension of time to obtain the outstanding discovery before moving into the final round of discovery. Alternatively, the Department will file a motion to compel and request for modification of the schedule. FairPoint filed its initial direct testimony with the Board. Discovery questions are currently due to FairPoint by April 22.

Addison Expansion—Docket 7970—We continue to discuss the Department's economic benefit analysis, both internally and with VGS. Discovery requests were served on Vermont Gas last week and responses are due April 22. Non-petitioner testimony is due May 6. The Board denied the Palmers' motion to incorporate Docket 8328 (penalty proceeding) into this docket.

VGS filed notice of non-substantial changes to the project design on April 3. These changes had been reviewed in advance with the Department, ANR and AOT. Vermont Gas has requested a Board ruling by June 1. The Board has requested comments in response to the proposed changes by April 24.

Work continues with the landowner group and VGS concerning right of way issues. The Model Forms, together with the Eminent Domain Fact Sheet, were posted on the DPS website on April 15. The resolution of issues regarding the reimbursement of fees to affected landowners continues, as well.

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

Vermont Gas-Plouffe condemnation-Docket 7819- The Hearing Officer issued a Procedural Order with an updated schedule. Consistent with previous orders, the Landowners must file testimony to rebut the presumption that, under the statute, no additional compensation is due by May 1. The schedule also provides for additional process such as a hearing and a (another) site visit due to the fact that a strict reading of the statute seems to require these milestones even if the status of the case would not seem to warrant these events.

GMP/AARP Low income assistance program-Docket 7535- A proposal (or proposals, if no consensus) is due to the Board by April 30. The Department is discussing options with GMP. The role of AARP in the process is unclear at this point.

Vermont Gas Rule 5.409 Penalty Proceeding – Docket No. 8328 – An initial brief is due on April 17. The Department's brief will make a recommendation consistent with the Department's recommendation from the start—the Board should determine that Vermont Gas violated Rule 5.409 and impose a civil penalty of \$35,000.

VTC Digester Odor Complaint – Docket No. 8447 – A settlement conference was held on April 13 regarding the odor emanating from VTC’s methane digester. Enough progress was made among the parties to merit a request to the Board to push the schedule back while parties continued discussions. The goal is to get the odor issue resolved in advance of the summer season.

Stowe Rate Design – Docket No. 8463 – A prehearing conference was held on April 14. The parties discussed a schedule for the proceeding and the hearing officer indicated that he may have initial concerns about Stowe’s motion for confidential treatment of its expert’s load study.

Vermont Gas Interruptible CNG Tariff – No Docket – On April 13, Vermont Gas filed revisions to its interruptible CNG tariff to provide a discount for incremental off-peak service and to remove confidentiality provisions. The purpose of the discount is to attempt to retain CNG customers (e.g., NG Advantage) in the summer months when customers can take advantage of other regional CNG providers (e.g., in NH or NY).

VEC-VELCO Substation in Newport - Docket 8385 - The Department has continued its dialog with VELCO to resolve the Department’s outstanding concerns under § 248(b)(2) – whether the upgrade to the Newport substation, as proposed, is necessary. After extensive discussions between the engineers, the Department is now more satisfied that the proposed upgrades are appropriate given the unique characteristics of the Newport substation. The Department has initiated MOU discussions with VELCO. The Department intends that the MOU will contain commitments from VELCO to provide the Department with specific information and analysis prior to filing any future § 248 petitions to upgrade VELCO substations that are not part of the bulk power supply system.

Farm at South Village Investigation - Docket 8406 - By order dated 12/20/2015 the Board opened an investigation to determine whether the FSV complied with the terms of the CPG issued in 2010 with respect to screening; and if not, whether it is appropriate to order remedial action, impose a penalty, and/or revoke the CPG. DPS attended a prehearing conference on 04/09/2015. FSV was represented by Will Raap (pro se) and the complaining neighbors, the Cummings, attended pro se. The Board will issue a scheduling order setting out a formal process and providing initial questions to FSV to shape the scope of FSV’s prefiled testimony. In the meantime, DPS is working with Will Raap and the Cummings to try to achieve a remediation plan.

Vermont Solar Farmers 2.2 MW Solar Facility in Bondville - Docket 8443 - DPS filed its first round of discovery on the Petitioners on 04/13/2015. Petitioner’s response is due 04/27/2015.

SSE New Haven Solar II LLC 350 kW Group Net-Metered Facility in New Haven - NMP XXXX - SSE proposes to install and operate a 350 kW group net-metered solar electric facility in New Haven, directly adjacent to an existing 150 kW group net-metered solar electric facility. The Department intends to file comments on 04/16/15, noting that the application is incomplete and recommending a condition related to interconnection. The Department understands that

the Town of New Haven will file comments vigorously opposing the Project on various grounds. The Department is also aware that ANR has wetlands concerns about the Project.

Woodstock Aqueduct Company – Docket 8462 – The PSD participated in a prehearing conference which involved the hearing officer asking a number of substantive questions about the filing, the water system, and the customer base. The hearing officer set a deadline of May 5th for the petitioner to file information supporting its rate design request. Additionally, the hearing officer will schedule a public hearing during the third week of May. The PSD continues to support the petitioner substantively and procedurally.

VEC Substation Expansion and Rebuild in East Berkshire – Docket 8450 – The hearing officer issued a prehearing conference memorandum and scheduling order. The public hearing and site visit are scheduled for May 6th.

NGRID Transmission Line Construction/Removal Waterford and Barnet– Docket 8444 –The PSD participated in a site visit and a well-attended public hearing in Waterford. Prior to commencing the public hearing, the hearing officer allowed for a question and answer period. A Waterford Selectboard member made a statement in support of the project. Motions to intervene are due by April 17th. Additionally, PSD is reviewing petitioner's recently filed supplemental prefiled testimony, along with responses to the PSD's first round of information requests.

GMP White River Junction Substation Project – Docket 8322 – The PSB approved GMP's request for construction hours to begin at 7:00 A.M. instead of 8:00 A.M. Monday through Friday. GMP's stated reason for the request was to synchronize the normal working hours of its line crew with the construction hours, while limiting non-emergency over-time hours. The PSD received a complaint from Mr. George, the son of an adjoining property owner, concerned about EMF-issues associated with the proposed location of a pole. During conversations with Mr. George, the PSD became aware of the possibility that all the adjoining property owners had not received the required notice. As a result of PSD's inquiries, GMP realized they had not provided 248 filing notice to the adjoining property owners that were on GMP's easement request list. All these property owners were sent a letter requesting an easement for the project and received additional communications regarding the easement. The PSD has requested GMP inform the PSB of this notice issue. The CPG for this project was issued in March of 2015.

TDI New England Clean Power Link Project – Docket 8400 – The Chittenden County RPC issued discovery requests on the petitioner regarding economic interests and geomagnetic fields. On April 14th, the PSD's aesthetic witness conducted a site visit of the project's overland portion from Benson to Ludlow, accompanied by the petitioner's aesthetic witness, the project manager and Fabian Bourgeois. The PSD aesthetic witness reports that there was a great deal of conversation regarding the fiber access locations. With reference to our 30 V.S.A § 218c(7) obligations, the PSD awaits further communications from Castleton. The town clerk believes that the select board does want to meet with the PSD. The PSB issued a procedural order

requesting that all the parties finalize a site visit itinerary and choose a site visit date of May 20th through 22nd, June 3rd, and June 4th. Additionally, the PSD received from the petitioner a draft stipulation resolving all issues with conditions, though it is sketchy and needs much more detail. The second round of discovery is due to the petitioner on April 30th.

Ascutney Water Transfer – Docket 7653 – As expected, the owner of the water system at the former Ascutney resort and the Town of West Windsor filed a joint petition to transfer the system to the town. Unfortunately an issue that arose late in the negotiations remains unresolved and resulted in a petition filed in the same docket asking for the PSB to hold a hearing on it. PSD expects to support the transfer, and is still reviewing the facts of the unresolved issue.

Telecommunications

Telecom Bill – H.117 – Senate Finance has indicated that it intends to take up the bill Friday afternoon and pass out of committee. We anticipate that the E911 consolidation issue will be discussed, however it is also believed that an alternative solution will be possible – leaving the E911 Board separate, but requiring more savings.

Connectivity Initiative RFP – The PSD reviewed responses to the 2015 Connectivity Initiative RFP. The PSD has decided to award ECFiber a grant of \$365,304 to serve 105 underserved locations, at a cost of \$3,479 per location. The PSD has also decided to award FairPoint \$290,000 to serve 55 underserved locations for a cost of \$5,273 per location. Comcast has bid \$246,990 to serve 15 locations at a cost of \$16,466 per location, but the PSD is requesting that Comcast explain why the cost is so much higher than the competing bids. The Comcast and ECFiber grants include \$19,951 to build non-standard drops on long private driveways, which will only be awarded if the customer actually chooses to purchase service. If the Comcast grant is awarded, the Connectivity Initiative will retain \$61,055 of the \$963,349 available for this year.

Maps on PSD website – The PSD has placed interactive maps on the PSD website that depict telephone exchange boundaries and the propagation estimate from the Pericle 2013 analysis of cellular wireless coverage. PSD staff is also preparing similar interactive maps that depict cable and electric company franchise areas.

Stowe Cable CPG Petition — DPS and the joint petitioners have filed an MOU, proposed CPG, and a joint proposal for decision to the Board. A technical hearing on the docket is scheduled for Thursday, April 23, 2015.

Duncan Cable CPG Renewal — The Board rejected a tariff filing from Duncan Cable for failing to comply with the applicable notice requirements and not adhering the requirements of the applicable Board rule. The tariff was filed with Duncan's CPG petition. DPS staff intend to have a telephone conference with Duncan to address issues with the tariff filing and other deficiencies in Duncan's CPG petition. A public hearing for the docket is scheduled for Wednesday, April 29, in Dover. DPS staff also intend to meet with a group of community leaders in Dover prior to the

public hearing to address issues related to the Department's community needs assessment.

Fairpoint Pole Attachment Complaint against Comcast and Charter — The Board has scheduled a prehearing conference for this docket on Friday, May 1.

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

- Verizon limited size and scope application to construct panel antennas on the rooftops of two newly constructed buildings in the old north end in Burlington.

DPS received the following new 248a petitions and notices:

- AT&T limited size and scope application for modifications to 116 foot tower in Bethel;
- VTel application for *de minimis* modification to a 140 foot tower in St. Johnsbury;
- AT&T application for *de minimis* modification to a 180 foot tower in Chester;
- VTel application for *de minimis* modification to a 110 foot tower in Bolton;
- AT&T application for *de minimis* modification to a facility installed on the rooftop of a building in Winooski;
- Verizon 45 day notice for construction of a 110 foot limited size and scope tower in Randolph;
- Verizon 45 day notice for construction of a 95 foot limited size and scope tower in Brookfield;
- AT&T 45 day notice for construction of a 124 foot limited size and scope tower in Stowe.

VTel Cabot Proposal: Division staff attended a public meeting in the Town of Cabot on April 8, 2015. The meeting was scheduled by the Cabot Selectboard to discuss a VTel proposal to construct a 90 foot tower. Approximately 25 people attended the meeting, including several residents from the Town of Calais. Members of the public expressed concerns about the aesthetic impact of the project and wanted VTel to explore possibilities for co-locating on existing facilities. There was also skepticism about the quality of the services offered by VTel. Only one person spoke in favor of the project. On the request of the Cabot Selectboard, the Department will retain experts to review the project's aesthetics and perform a radiofrequency analysis to determine the feasibility of co-location on an existing facility.

VTel Calais Proposal: Division staff also attended a public meeting in the Town of Calais on April 15. The meeting was scheduled to discuss a 140 tower proposed by VTel. Approximately 40 people attended the meeting, including Representative Ancel and Senator Pollina. The Calais Selectboard expressed a high degree of frustration with VTel over the lack of communication and candor regarding the project. Selectboard members also stated that they felt that VTel had not sufficiently explored opportunities for co-locating on existing facilities or buildings. They further expressed concerns about whether the project was needed and the quality of service offered by VTel. Members of the public likewise expressed frustration with VTel over the lack of communication regarding the project and were very upset that VTel has not been collaborating with Town officials and the public on the plans for the project. Several people also commented

on the aesthetic impact of the project and wanted VTel to co-locate on an existing facility. A few members of the public expressed concerns about the health effects of radio-frequency emissions. No one spoke in favor of the project. Another member of the public indicated that the landowner of the project site has attempted to cancel the land lease contract with VTel, but VTel is refusing to back out of the contract. The Department intends to retain aesthetic and radiofrequency experts to review the project.

VTA Transition – Staff met with Chris Campbell for five hours on Monday, April 13, to review VTA related obligations and responsibilities. Staff spent most of the time reviewing the VTA's various projects in depth. Mr. Campbell also reviewed day-to-day operations with staff.

EDA Grant with CoverageCo – There are several issues with CoverageCo's various projects. The first problem is with the EDA funded cellular resiliency project. The EDA's failure to give various approvals in a timely manner has caused installation delay. In addition it appears that the VTA has not met its Davis Bacon compliance obligations, which requires the VTA to collect and retain employment and compensation records of the project's contractors. The VTA project manager has agreed to complete the Davis-Bacon reporting requirements, which he has begun. Staff will continue to monitor compliance with the VTA's Davis–Bacon reporting obligations.

CoverageCo Backhaul issue - CoverageCo is having trouble obtaining backhaul in support of its project in Bradford and Topsham. According to CoverageCo staff, Topsham Communications is charging an amount for backhaul high enough to render the project unprofitable. The company's preferred solution is to build a wireless telecommunications facility in Bradford, so that data and voice traffic can be sent wirelessly from Topsham to Bradford. CoverageCo would then purchase backhaul from FairPoint. CoverageCo anticipates that the VTA will fund the capital expense for the tower. Staff will review the VTA's contract with VanuCoverageCo to determine which entity is obligated to pay for this unexpected cost. However, it is Staff's understanding is that CoverageCo is contractually obligated to obtain backhaul.

Fiber Management RFP – Staff moderated a question and answer session on the Fiber management RFP. Most questions were submitted in writing and were thus not discussed. The session was short. Answers to the questions will be posted on the VTA's website on Thursday, April 16.

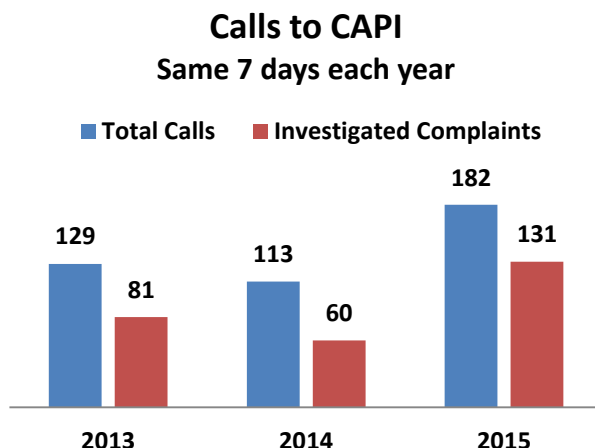
NBRC Grant – Chris Campbell recommended that the VTA begin the closeout of its Northern Borders grant. The grant must be "closed out" by June 30 and the project is running up to the deadline. As a result, the VTA will need to complete the closeout filings in tandem with the project. Department staff will meet on Monday with the VTA's project manager to begin the closeout process. The project manager insists that it is unnecessary to begin now but has nonetheless agreed to start.

TDI Transmission Line and Fiber Proposal – VTA staff accompanied the aesthetic experts and TDI employees on a ride along the route of the proposed transmission line from Alburgh to Ludlow. The VTA staff member reported positive results and has thought about where fiber

access points could be located along the route. The Department expects him to provide the Department with more detail on Monday April 20th.

Dark Fiber Leasing – Staff will review invoicing for dark fiber on Friday, April 17, with the former VTA member responsible for invoicing. The Department should include anyone who may be responsible for this task to attend.

CAPI



Examples of complaints:

GMP: A GMP customer who is part of a group solar net-metered system contacted CAPI after recently being told by GMP that, as of January 1, she was no longer able to request a monetary refund of solar credits generated; that a change in the tariff no longer allowed this. According to the tariff sheet, former GMP customers are able to request a refund if the system was operational prior to April 1, 2014 and the customer had also requested a financial payment prior to April 1, 2014. However, it appears this consumer was a former CVPS customer. CAPI has asked for clarification regarding whether former CVPS customers would ever have been able to receive a monetary payment for solar-generated credits, or if they would have reverted back to the company if unused within 12 months (as is now the case).

POST CPG WIND COMPLAINTS

Staff are in discussions with Green Mountain Power about options for responding to complaints from wind development neighbors.

OTHER DIVISION ACTIVITY

Green Mountain Power regulatory change proposals: Staff met with representatives from GMP to hear their description of changes they would like to make in their practices. These changes relate to encouraging enrollment and offering a discount for paperless billing, remote disconnections after a period of proactive engagement with customers facing disconnection, ability to make service changes through an automated system, reading of analogue (smart

meter opt-out customer) meters on a bi-monthly basis, relaxed service quality metrics for call centers during storms, and a pre-pay rate offering. The Department encouraged GMP to provide a formal proposal for each item, which the company plans to submit.

Duncan Cable CPG renewal, Docket 8438: Work has continued on this docket. An email invitation has been sent out to community members and leaders inviting participation in a focus group that the Department will hold immediately prior to the PSB Public Hearing in Dover on 4/28. The focus group will concentrate on discussion of the community's perception of the public, educational, and governmental access channels and programming.

Comcast Cable CPG renewal, Docket 8301: Staff continue to identify community members in each county served by Comcast so that the Department can do targeted outreach for participation in focus groups during the Community Needs Assessment for this docket.

Equipment Distribution Program: Staff updated the program brochure and information on the website. Brochures will be sent to audiologists and other professionals in contact with the deaf and hard of hearing community for distribution.

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

To: The Honorable Peter Shumlin
From: Keith Flynn, Commissioner of Public Safety
Date: April 17, 2015
Subject: Weekly Report

Vermont State Police

A Troop

23 Total arrests, 11 DUI

Williston Troopers handles 119 complaints

Involved in a pursuit with a wrong way driver on I89 that lasted approximately 30 miles. Savannah Lapan went from mm46 to mm17 going SB in the NB lane, running vehicles off the road as well as colliding with a couple, she was eventually stopped.

NUSI case, referral from FCSD involving a sex assault of an adult female by a male she met on the website "Plenty of Fish", so far investigation indicates a false report.

Department of Labor case submitted to AG/local SA for review, no criminal violation discovered during our investigation.

Death in Westford, 35 year old female suffering from cancer and was on hospice, natural.

New drug case at CCCC involving inmate in possession of a "slug".

Inmate at CCCC charged with possession of heroin and cocaine.

11 month old brought into ER at St. Albans with opiates on board. Both 11 month old and sibling taken into custody by VSP/DCF. Investigation is continuing, parents claiming that child must have accidentally ingested when on the floor at grandparents' house on Jericho.

Untimely death at Sugarbush Ski area, 65 year old male collapsed while skiing, transported to CVMC where pronounced dead, history of heart issues, signed off on as heart attack.

Untimely death at Green Mountain Keurig in Waterbury, 69 year old security guard collapsed, transported to CVMC where pronounced dead of an apparent heart attack.

B Troop

16 Total arrests, 6 DUI

Derby has seen an increase this past week with juvenile problems and has worked with both mental health and DCF to deal with the issues.

Northern State Correctional Facility- Drug case (Female smuggled buprenorphine in)

Follow up regarding Richard Laws being released from prison

C Troop

23 Total arrests, 8 DUI

Domestic assault arrest and interference with emergency services after he threatened family members with a rifle and ripped the phone from the wall before fleeing, subject located by adjoining county law enforcement and resisted arrest.

Aggravated Assault with firearm arrest in Woodford. Suicide attempt in Woodford (female shot herself twice in the head with .22 handgun and then drove herself to the hospital in Bennington.

Aggravated Domestic arrest in Pownal.

Suicide Attempt RT 9 Woodford. Female shot herself in head twice. After the attempted suicide failed, she drove herself to the medical center in Bennington. She was then flown to Albany Medical Center and is expected to survive.

15 yr old runaway alleged sex assault by 18 yr old Boyfriend at the movie theater in Bennington. Interview conducted, victim did not disclose.

D Troop

5 Total arrests, 2 DUI

Welfare check in Newfane. Ex-boyfriend concerned about female mental health as she put the cat in the dryer. Female went voluntarily to BMH for a mental health eval.

VT 9 Hogback Roads ice covered, multiple cars unable to drive, route closed for a short time until Highway salted the road.

Threatening complaint. Dummerston resident making threatening remarks about Judge Wesley on recorded calls with inmate Roger Jacobs.

TOPS

Assist Rutland Troopers with Domestic Assault investigation in which gun was discharged and child taken from residence. Vehicle located on VT Route 103 in Mt Holly and Felony stop completed with subject taken into custody.

MAJOR CRIMES

Meet with Middlebury PD and went to Durst' former home in Ripton – Land owner will allow coordinated search in near future.

Researched cold cases located in Middlesex Evidence room.

Initiated apprehension of subject for violation of conditions and possession of 1 gram of heroin in Johnson VT. Lamoille Sheriff's Dept. to take lead.

Worked with Morristown PD on overview of Peter's cold case

Research of Robert Durst and other case files, creating a timeline of his time in VT

Townshend Homicide, Follow up interview in Williamsville, completed write up. Sent some evidence back to the Lab for additional testing.

Sarah Hunter Homicide, Completed evidence spreadsheet, determined where Morrison's cell mates while in VT for future interviews

Norman Mercier Homicide case book review

Hipps Homicide case book review

Johnson homicide. Updates, media, etc. to SA; phone data to VIC for potential Penlink

Suicide in Sharon. Complete report (pending final autopsy); follow-up, meet with family

Contact ATF regarding possible firearms violations

Citizen dispute observed in Pittsford. Female had active warrant, T18 (H) intel obtained

Cold cases: Scribner homicide. Met with Middlebury PD, obtained case file, viewed areas of interest, lead on interview to follow up on, begin reviewing file.

Review Benson homicide casebook at C3

Continued to research Blouin homicide case, Newport

Multiple interviews on untimely death Lisa Huyler follow up/court prep for assault and robbery case

DEMHS

Deputy Director Ross Nagy retired this week after 12 years of state service, a previous time with the American Red Cross and a career with the United States Army. A gathering was held in the EOC for Ross.

Based on guidance from FEMA HQ, Region 1 has agreed to include debris for DR4207 under "Category A (debris)" PWs. This will result in additional funding for VEC and many small communities, and simpler documentation for VTrans and FEMA personnel.

FEMA HQ and legal are still reviewing our request for a time extension for applicants that opt into the SRIA debris pilot program beyond the June 7 deadline (6 months from start of incident period).

Many discussions have taken place with respects to the future of the CERT program. It is intended that the care and management of the program be transitioned to LEPC's effective August 2015. Prior to doing so, however, several things need to occur. The first being the re-write of the CERT guidebook, followed by other documents that will help ease the transition. Discussions continue.

DEMHS has received the Town of Plymouth's acceptance letter to use VT ALERT as their primary all hazards notification system.

Fire Safety

The Division received \$8.8 Million in new plan review construction valuation collecting \$37,000.00 in permit fee revenue.

The Division of Fire Safety is currently under auditing for special funds.

The building permit was issued for the Westminster Barracks/PSAP building.

Interactive Voice units used in elevators which Vermont does not allow. Otis presented statistics on the success and would like the Board to reconsider the use at the next code update.

Legislative:

Next week I will be meeting with Representative Shaw to discuss the H.108 Electrical Installation Bill as well as the Governance Structure Bill for the Academy.

Administration

General Items:

- **Governor's Highway Safety Program transition to AOT:** *Update 4/16/15: Official transition has taken place. Allison continues to work one day a week with Coleen Krauss, AOT's transition coordinator, to continue supporting them in the transition until they are comfortable. FYI, I will be meeting with Coleen tomorrow morning to discuss Bobby Sand's position per our discussion of 4/15/15.*

Vermont Crime Information Center

This weekend VCIC will follow the same procedure as last weekend to ensure that homeless non-compliant sex offenders, specifically Richard Laws, daily calls into the registry are monitored. The SOR coordinator will check daily the SOR phone voice mail and record address changes for sex offenders who call in. The SOR will be updated and police agencies notified. VCIC is planning for next weekend to implement a check system that involves the Williston PSAP so that a person on duty will be able to take the calls. There are currently 3 homeless non-compliant high risk offenders out of the 1300 registered sex offenders.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: April 17, 2015

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Special Interest to 5th Floor from BGS Directors:

Security: A contract has been signed by all parties to go forward with software that will significantly improve physical security efforts around our facilities currently staffed with security guards. The software (D-3) will improve the incident reporting system and can also be used to track and document "check-points" on the typical guard tours around the facilities. This software may also have the capability of helping us improve the work order system for our technology staff, without having technology work orders mixed, and many times ignored in the BGS work order system. We will discuss with the "D-3" representatives our specific needs for the system next week. The initial sites we are working on will be Montpelier, Waterbury and Rutland.

Property Management:

Vergennes proposals (4) recommendation: LANDWORKS was the one selected, info with PCA to complete contract. Contract still stuck with Purchasing, technical tweaking still being done.

Uncertainty on Lamoille Court project continues: Ready to move into alternate space in late April.

Western Region - Bennington Monument:

- Contractor completing renovations around gift shop.
- Contractor completed painting structural steel at Bennington Monument.
- BGS installing track lighting in gift shop.

Western Region - Randolph, AG/ANR Lab: We are working on finalizing our review and comparative costs of the additional sites being analyzed for a possible revised location for the facility on the VTC campus. Scoring of these additional sites occurred on Tuesday, April 14, 2015. Results were not surprising. We are also working on preparations for the site selection public presentation next Tuesday, April 21st. Schematic Design effort continues and future meetings are being scheduled for our review.

Significant Meetings:

WSOC Tour with House Appropriations: Successful tour on Tuesday, April 14th with the Committee. Mike Stevens, and his team, led the discussion and tour.

Regional Economic Grant Committee Meeting: Met with the Committee to review and grant the 2014 rollover balance of \$124K of funds to seven deserving applicants.

FINANCE AND MANAGEMENT

Issue Updates:

Budget and Management sent a letter from Commissioner Reardon to Senate Appropriations from Administration with our response to the House-Passed Version of the Budget Bill. The JFO indicated that there weren't any surprises and they appreciated the information provided through the letter.

We anticipate that Senate appropriations will try to finish the bill by the end of next week (April 24th). The Budget and Management Analysts will continue to monitor their progress throughout the coming week.

HEALTH CARE REFORM

Issue Updates:

All Payer Model: The All Payer Model project took a big step forward this week, as the GMCB's vendors came onboard. A team from health consultancy HMA and their subcontractor Optumas spent all day Monday in Montpelier with Vermont staff. Together, state staff and the vendors are developing a joint project plan, refining data requests, and generally trying to get the analysis started in earnest. Conversations with our federal partners picked up speed as well. During our weekly phone call, the feds began to pitch much more specific payment models.

The Governor met with the AHS Secretary and Commissioners to talk about the importance of the all payer model. Robin asked for their help in making sure we keep them and their staff informed appropriately. Robin is working with Secretary Cohen to ensure that we pull together a set of middle managers as a staff group and will work with Shana to get the Governor to the first meeting of that group very soon.

Cadillac Tax: The Treasurer's Office and Commissioner of HR signed off on a Statement of Work for actuarial services to analyze Cadillac Tax options. The next step is to price out the work. Michael Costa will work with Michael Clasen to determine the right path to procure those actuarial services. Also, AOA, DFR, and TAX staff completed a more detailed legal analysis of the law. It's complex, and it would seem that one of the biggest challenges on this issue will be trying to explain to legislators, union

leaders, and others exactly how it works so that they can understand why a change in benefits may occur.

VHCIP/SIM: The SIM team convened the Quality and Performance Measures Work Group and the Care Management Work Group this week. The Care Management Work Group is recommending an expansion of successful learning collaboratives to support provider transformation within additional communities. This learning collaborative program has been in the pilot stage and has demonstrated early successes in fostering transformation. The goal is to expand in June to at least three more regions in the state.

Next week, several members of the SIM Team will be in Baltimore for a CMMI convening of all SIM Test awardees.

Legislative Issues:

4/14 Robin was in House Education on the Cadillac Tax: House Education is learning about the excise tax and have been talking to all concerned. Robin had a conversation with Rep Sharpe about how far he would take the issue and he is on board with doing education information now & allowing us time to do the analysis over the summer.

H.481/H.487: Stalled in House Appropriations Committee. Senate Health and Welfare started taking testimony on the bills on Wednesday 4/15 and will hear more testimony Thursday. SHW will likely ask Senate Finance to include some of the provisions in their amendment to S.135.

S.139: Read first time in House on Wednesday, April 15, and referred to House Health Care. The committee started taking testimony on PBMs Tuesday and Wednesday and testimony continues on Thursday.

S.135/Senate Finance HC Bill: Senate Finance language amending S.135 released Tuesday, April 14. Senate Health and Welfare is taking testimony on Friday. S.135, however, has missed cross-over, so would need to get through the rules committee in order to be a viable vehicle. The large group insurance market changes are in the Senate Finance version.

Robin, Lawrence and Al testified on Thursday in Senate Health and Welfare regarding the GMCB, the administration and the HHC health care priorities. The purpose was to allow us a chance to pitch our proposals as the next step. The committee was focused on the spending priorities, not the revenue.

Meetings:

4/10 Meeting with Mark Hage, Laura Soares, and Tracy Wrend on VEHI: Justin, Lawrence and Robin met with VEHI to talk about the excise tax study and broadening that analysis to all public employees. VEHI is interested in participating and followed up by email with Robin to make sure we knew they are ready to work with use as soon as we are ready.

4/15 Call with CHCS re: alternative exchange models: Lawrence and Robin spoke with CHCS, Manatt, and other national reform experts on what other states are doing on the FSSBM. There wasn't a lot of new information, but they are able to hook us up with SHOP vendors and help explore how other states were handling that technology. They were not optimistic that the feds would re-consider their position

that states must offer a SHOP if they offer an individual marketplace at this time. If King v. Burwell strikes down the subsidies, they thought the feds would then be more open. On the other hand, they didn't think the feds would crack down on the SHOP functionality if we were making any progress at all.

HUMAN RESOURCES

Legislative Update:

Grievance Arbitration: S. 72: Grievance arbitration bill, was voted out of House General today. Unanimous vote of those present. Expectation that it will go to the floor next week. We are pleased with the bill and the collaboration with VSEA and Tim Noonan of the Labor Board. All parties worked together on final product which pleased the Committee.

Ban the Box: An Executive Order and press conference are scheduled for next Tuesday.

Labor Savings Proposals: Still talking with VSEA. Some progress but not enough.

Paid Sick Leave: There is growing momentum in the House on this bill. House General is still discussing and has not yet voted out. They addressed the State concerns and bill as currently written would not affect the state employee workforce.

Testimony in Senate Gov Ops on possible modifications on the Public Records Act. More of an education on the nature of personnel records and balancing privacy interests with public interest.

Testimony in House Health Care on the role of Pharmacy Benefit Managers in the State Employee Health plan. Testified that we supported the Senate revisions to the bill which took out language which would have negated PBM pharmacy networks.

Informed by House Gov Ops chair that they intend to call in Bill Goggins to testify about his overtime hours for DLC. Gov Ops is also contemplating ways to move the enforcement piece of DLC to DPS.

Media:

We wrapped up the Goggins request and fielded additional requests from Rademacher. Fox44 is interested in the 50 employees who collected the most overtime in FY13 and FY14. They withdrew their request for data for the current fiscal year. We directed Fox44 to the State open data site. VtDigger requested information regarding which state employees laid off in 2009 were rehired. A question is pending to VtDigger to clarify its request.

The Auditor sought information regarding Commissioner/Secretary pay and benefits. He is comparing them to the executive compensation of the designated agencies. We will respond today.

Significant Events/Meetings:

- Internal meeting on developing better statewide process for tracking and managing temporary employee utilization. This is a must with the new federal ACA compliance requirements and will require additional resources to manage.

- Labor Relations is beginning work to align necessary paperwork and processes in the event of RIFs.
- Staff involved in a significant amount of data work in support of legislative/budget proposals, staffing issues, and public records requests.
- RIF Tracker fixes and upgrade is finished, tested and in production. This is key for expected upcoming work
- We have a substantial HRC information request that will eat a bit of time. Regarding a sex discrimination claim filed by a male employee against the Department of Health. Michelle is in the loop.
- Coding challenge in our system regarding conviction question that must be removed per “ban the box.” Unfortunately it is hard coded into our “hard stop” logic (applicants must answer all questions). A Change Request is coming to fix the code. It is urgent that this moves quickly.

INFORMATION AND INNOVATION

Legislative Issues/Contacts:

- Richard spoke with Steve Klein and Catherine Benham regarding prior testimony on S.129. They are working on a document to describe the differences between what was originally proposed and the changes proposed by DII and Finance.
- Richard attended testimony by VIC to Senate Institutions where VIC gave an overview of web services to the committee. It is unclear why Institutions was interested.

Press/Media Notes:

Richard was interviewed by Nancy Remsen (with her WCAX hat) on Thursday for a short story on IT oversight expected sometime next week.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

“Non-Revenue/Current Use Bill” and “Revenue Bill/Current Use Bill”: Finance has been working on the non-revenue and revenue components of the two miscellaneous tax bills. Latest draft is H.272, 2.1 on the committee page. Lottery language (banning the sale in restaurants that serve alcohol) is out. Land use change tax changes are also out... for now. The latest draft includes our technical changes, but also:

- Opening up Local Option Tax to all towns (it is in there at the request of a senator. The committee will take more testimony).
- Administrative attachment and garnishment (see below)
- Language for a Division of Collections (see below)
- Their revenue language

The Finance committee has introduced their option for raising revenue. The proposal that seems to be favored by the committee at the moment includes:

- Eliminating SLINC (as proposed by Administration)
- Mortgage interest deduction capped at \$12,000
- Eliminates charitable deduction and replaces with credit for instate donations
 - Credit would be worth 5% of charitable contributions over \$5,000 to a “qualified donee” located in state and provides a charitable benefit to folks in the state. Tax Department would publish a list each December of those who qualify.
- Applies 3% minimum tax for taxpayers with AGI greater than \$150,000

The Finance committee has also been looking at sales tax reform. Their proposal would expand the sales tax to services (exempting healthcare, education, and business to business transactions). It also expands the sales tax to soft drinks and bottled water. This would allow the rate to be lowered to 4.5%. The JFO is still finalizing their latest run at which services are included and how far the rate can be lowered.

Administrative Judgments: Tax has worked on the language with Vermont Legal Aid and the Bankers Association to address their concerns. There are a few points of disagreement between VLA and Tax, but we continue to work on these issues. Sen. Ashe has continued to maintain a strong desire to see this happen – other members of the committee are less than enthusiastic about it, but it will very likely make it through the Senate.

Division of Collections: In the Senate version of H.272, there is language to establish a Collections Unit within the Department of Taxes. This unit would be tasked with collecting debt owed to the State, including tax debts and debts certified to the Department from other branches, agencies, or subdivisions of government. The language as written asks for us to adopt rules as necessary by July 1, 2016, to implement the creation of a Collections Unit.

Tax has been asked our opinion on this language informally – we are okay with the idea of creating this unit, but it has not been discussed broadly with other branches or agencies. There are also some concerns with the language as drafted that we can work on with the committee.

Water Quality: NEMRC has informed committees that if they have the directive by May 1, they can build it into their system for this year, but that does not take into account the towns that do not use NEMRC, nor does it account for time to train towns and answer questions. There is a cost associated with this that NEMRC has asked the Department to pay for. That money is not accounted for in our FY16 budget.

Estate Tax: Ways and Means took testimony from the practitioners on this issue. The committee does not seem to understand that the reason behind the bill is to fix an outdated, broken tax structure. There appears to be a desire from members of the committee to use this as a bargaining chip during conference committee. Tax has not been asked to testify, but will need to, about why we think this change is necessary.

Cloud: S. 97 still sitting in W&M. The language exists in S.138 from an amendment offered by Sen. Westman (and most of Senate Finance) on the floor last week. The Chair of House Commerce also indicated he wants this language in their version of the economic development bill.

Education Finance: Senate Finance has also started taking testimony on the rates and the yield portions of the bill.

Operations:

Tax Season: Fraud continues to increase. As of 4/15 there was \$562,622 (291 returns) in identified fraud. This is up from \$464,584 (285 returns) at the same time last year. Just this week there were 84 Vermonters who called because they attempted to file their taxes only to learn that a return had already been filed in their name.

The Deputy Commissioner gave 3 interviews this week to news outlets about fraud, tax season, and the Top 100 list.

VTax Project: We are nearing the end of the design phase for Phase 2 – Trust Taxes. Many of our design documents (i.e., data conversion plan, business requirements) are in the acceptance phase and the project team will start focusing on development starting Monday (right on schedule). We are now measuring FAST benefits and will begin making benefit payments to the vendor. Our first quarter report showed a lift of \$376,000 – ahead of projections, but really just the start as we expect that number to shoot upward as trust taxes are moved. Significant outreach expected this summer with the Trust Taxes and we expect the visibility to ramp up in summer/fall.

Compliance: In the aftermath of the news article from two weeks ago, we have been asked to testify to House Agriculture and Ways and Means on our audit practices. Both committees were interested in the policy issues in question and the process internally around audit and selection, which we addressed with a PowerPoint talking about the changes we are making. Ways and Means was especially receptive to this and spoke positively to the Policy Director afterwards that they feel a positive culture change is happening here.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: April 17, 2015
RE: Boards and Commissions Update

Commissioner, Department of Economic Development:

APPOINTED: Joan Goldstein, Royalton

Vermont Medicaid Drug Utilization Review Board:

APPROVED: Clayton English, Colchester (Doctor of Pharmacy)

APPROVED the Appraisers for Unorganized Towns:

Buels Gore: Sandra Brodeur of Warren
David Dawson of Essex Town
Augusta Graves of Fayston

Glastenbury: Barbara Andrejczak of Manchester
Josephine Kilbride of Searsburg
Jeanne Zoppel of Sandgate

Somerset: Jenefer Burnell of Whitingham
Christopher Crafts of Wilmington
Clyde Twitchell, Sr. of Whitingham

ADVICE & CONSENT sent to the Senate:

Last name	first name	Board/Commission
Bailey	Richard	Transportation Board
Coen	David	Transportation Board
Kaczynski	Michelle	Children & Family Council for Prevention Programs
Brayton	Kathryn	Children & Family Council for Prevention Programs
Naud	Mark	Citizens Advisory Committee on Lake Champlain's Future
O'Rourke	Robert "Joe"	Vermont Racing Commission
Peterson	Barrett	Board of Health
Courtney	Elizabeth	Natural Resources Board
Cloud	Dominic	Natural Resources Board
Wasik	Mary Jean	Human Services Board
Goldstein	Joan	Commissioner, Dept. of Economic Development
Groveman	Jon	Chair, Natural Resources Board