

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

**Sent:** Saturday, May 24, 2014 10:42 AM

**To:** GPS

**CC:** Allen, Susan; Coriell, Scott; London, Sarah; Richards, Alyson; Spaulding, Jeb; Miller, Lawrence

**Subject:** Weekly Reports - Executive Privilege 05 23 14.pdf

**Attachments:** Weekly Reports - Executive Privilege 05 23 14.pdf; ATT00001.txt

...my going away present, a highlighted weekly report. you're welcome.

nothing too troubling other than VHC stuff; the highlighted notes should be reviewed. my two cents: I suggest lawrence move the team quickly from "discussing" SHOP to actually making the decision and executing it, now - SHOP is not a 2014 reality and we should move on, ensure that we salvage/fix the rest of individual enviro security issues etc and, thereafter perhaps, creating a work plan for SHOP 2015. Now, not two more months of discussion and wondering, etc.

With that off my chest, I'm done. See you in a week. Liz

# WEEKLY REPORTS

Checklist  
5/23/2014

Elizabeth Miller/Aly Richards

- ☒ Agency of Commerce and Community Development – Patricia Moulton
- ☐ Health Care Reform – Lawrence Miller
- ☐ 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 – Brian Searles
- ☒ Agency of Human Services – Doug Racine

Sue Allen

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

Sarah London/Carolyn Wesley

- ☒ Department of Public Safety – Keith Flynn
- ☒ Agency of Administration – Jeb Spaulding

Susan Spaulding

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

To: Governor Peter Shumlin  
From: Lucy Leriche, Deputy Secretary - Agency of Commerce and Community Development  
Date: May 23, 2014  
Re: Weekly Report

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**LUCY LERICHE, DEPUTY SECRETARY**

- **VY Tri-State Meeting:** Lucy attended a meeting in Brattleboro to discuss resources and strategy for workforce issues. The meeting was convened by Commissioner of labor, Annie Noonan. In attendance were representatives from Entergy VY, the state labor departments in Vermont, Mass, and New Hampshire, as well as Union representatives, folks from BADCC, and deputy Chief of Staff Sue Allen. The discussion was very positive and informative and seemed universally appreciated. VY shared the things they were doing for workers including job fairs, relocation opportunities, counseling, retirement planning, and a whole host of other services.
- **Doug Albee & Viewboost:** Lawrence met with Doug Albee about the state travel planner application contract award which they were not successful in winning. It apparently did not go well. Please see Lawrence for details.
- **Chamber Expo:** Another busy and successful Expo this year. ACCD and the state of Vermont was well represented. Keurig Green Mountain CEO Brian Kelley spoke at the Leahy breakfast on 5/21 and reiterated that the company is planning to add “300” jobs in Williston and plans to stay “Vermont based.”

**KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER**

- **Swan Valley:** Met with Chris Lotito and John Lecszak to discuss the next phase of growth for Swan Valley in Swanton. Presently, there are 16 employees – with two more joining the team next week – and they want to double their workforce over the next year. In order to achieve that, additional machinery must be purchased and further building improvements must be made. We talked with VEDA about their interest (it’s very high) and also explored other creative ideas around marketing their product. Swan Valley/Lotito supplies product to the Darden Group (Olive Garden; Capital Grille, California Pizza Kitchen, et. al) and their recent decision to sell off one of its chains, Red Lobster, won’t affect the company. Their biggest concern was the price of milk, which has gone up substantially since their 2010 start-up, but they are working with the St. Albans Coop/DMS to see where there could be some savings.
- **New Brownfields Projects** (let me know if interest in doing a Governor’s press release or something similar): There are two new loan projects in the pipeline: redevelopment of 237 North Winooski in Burlington by Redstone for housing and some commercial space and the former Alcaro property in Brattleboro, which will be used for a furniture showroom/retail space. Each loan will be for about \$150k.

Sue

**DEPARTMENT OF ECONOMIC DEVELOPMENT**

Lisa Gosselin, Commissioner

- **Cabot Hosiery/Darn Tough** presented some impressive sales numbers and projections at a meeting at their Northfield headquarters on 5/19. The growth is coming from the Darn Tough line which is gaining market share on industry leader Smart Wool. Darn Tough proudly markets its socks as Made in Vermont and is one of the few sock brands that is still made in the US. Lisa Gosselin and Sam Anderson of CVEDC met with the father/son owners, Marc and Ric Cabot. The company currently employs about 135 people and could, with the right conditions for production and expansion, double in size in the next 4 years.
- Lisa Gosselin spoke on CEDS and other new Agency initiatives at the annual meeting of the **Vermont League of Cities and Towns** on 5/14 in Vergennes. **Towns are concerned about the property taxes not being sufficient to maintain their infrastructure.**

#### **BUSINESS SUPPORT ♦ Ken Horseman, Senior Economic Development Specialist**

- **NSK Steering Systems – Bennington:** The company reports that business is strong with eight new product lines added in the last year. **Full time employment is at 360 with nine positions unfilled.** They are in the process of doing a new plant layout, and their new HR manager is actively seeking training assistance in a wide variety of areas. There has been management change as well in the past year. **They asked for assistance in pursuing a grant for aerospace training that might be applicable to a number of Vermont companies.**
- **PortaBrace – Bennington:** The company is outgrowing its present location and is seeking new space to accommodate new business. Full time employment is at 40 in Bennington and 17 in St. Johnsbury. They are an **interested party for a Foreign Trade Zone that is in the planning.** They requested assistance in selling some used sewing equipment from its St. Johnsbury facility.
- **Eastman Benz – Winooski:** The company held an open house in their expanded facility in the former York Capacitor building. They have 5 full time employees and are hiring. The company is doing a good deal of work for Draker Labs and is **pursuing ISO:9000 certification** as several other customers require it. We will continue to assist the company in its growth.

#### **FINANCIAL SERVICES ♦ Dan Towle, Director**

- **Congressman Welch's Office Confirms Co-Sponsoring New Legislation:** Dan Towle, Director of Financial Services provided feedback on proposed legislative language that Congressman Welch confirmed back this week that he will co-sponsor. The legislation concerns modernizing the Risk Retention Act.

#### **VERMONT TRAINING PROGRAM ♦ Beth Demers, Director**

- **Burton Snowboards: Burton Snowboards – Burlington:** VMEC held a Manufacturers' Forum on Rapid Prototyping and 3-D printing in the development of their products which was well attended. Burton does some manufacturing of boards, but their primary activity in Burlington is to operate a world-class prototyping research and development facility for the manufacturing operations in Austria and China. After the forum Beth Demers met with Justin Worthley, VP of Human Resources, to discuss workforce training needs and general business. **Justin shared that Burton has made significant investments in the Burlington area to ensure the long term success of Burton in Vermont. Key areas of local interest for the company are the building of the Champlain Parkway and a clear understanding of the future of single payer health care financing.** Climate change and tapping into the women's sport market are areas of focus for the company on a global level. Justin does not expect Burton to have a major expansion, job wise, in the next few years but hopes to be growing at a 3-5% rate.

## DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

### Commissioner MacKay

- **VY Funding Process:** Grant process moving along and on track. Continuing to work on refining the process, taking calls from stakeholders and prepping for today's (May 22<sup>nd</sup>) stakeholder meeting. We are also prepping for a June 3<sup>rd</sup> public meeting also held in Townshend. Stay tuned for updates on the outcomes of those meetings!
- **Wines of Canada Reception:** Joined Secretary Miller and Deputy Secretary Leriche for this wonderful evening of cross-border discussion. It is incredible to learn more about how the two countries are linked.

### Deputy Commissioner Hollar

- **VHFA Board:** Among the actions taken at this month's board meeting was the allocation of the state affordable housing tax credits for homeownership activities. Requests far outstripped available credits. The number of credits was expanded following Tropical Storm Irene for the purpose of creating a mobile home financing program. The program is up, running and exceeding expectations. Unfortunately, even the credits awarded this week to the program will only allow the Champlain Housing Trust to fund the applications currently in their pipeline. It has announced it no longer able to accept applications until more credits become available next year.
- **Housing Council:** Led the Council's bi-monthly meeting. Mark Perrault of JFO provided an overview of the Renter Rebate Program and kicked off the Council's work studying the program and alternatives. A subcommittee was created to tackle the topic and work on the report to the Legislature. Council members also shared information about energy efficiency codes. While improving the energy efficiency of affordable housing projects has long been a focus, the creation of a stretch code in Act 250 and adoption of local energy codes is creating concerns about increasing costs, the software used to determine best available technology, energy vs. building codes, local vs. statewide standards, etc. Reached out to VEIC, PSD and Natural Resources Board for background and clarifications.
- **VCDP:** Joined the VCDP and GMS staff when they met this week to continue their analysis of a complex batch of VCDP applications for the June round. Several major projects and big requests are on the table. Working with the Governor's office and Senator Leahy's staff to schedule an awards ceremony in late June that will also highlight the 40<sup>th</sup> Anniversary of the CDBG program.

## DEPARTMENT OF TOURISM & MARKETING

### Steve Cook, Deputy Commissioner

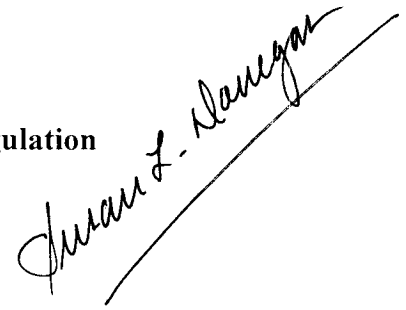
- **Collaboration with Phish:** VDTM is proud to announce our first promotion with Phish. VDTM has partnered with Phish and Comcast for this summer's New England tour media promotion. The media includes broadcast television spots across networks directing consumers to VermontVacation.com to sign up for a Phish ticket giveaway. In an effort to bring this promo back to the band's roots in Vermont, we are also including a VIP weekend package to [Nectars](#), where the band began, as well as a stay at [Hotel Vermont](#). We expect this campaign to go viral throughout the phan community. The campaign will kick off June 1.

**State of Vermont**  
**Department of Financial Regulation**  
89 Main Street  
Montpelier, VT 05620-3101

For consumer assistance:  
[All Insurance] 800-964-1784  
[Securities] 877-550-3907  
[Banking] 888-568-4547  
[www.dfr.vermont.gov](http://www.dfr.vermont.gov)

**CONFIDENTIAL and PRIVILEGED**

**To: The Honorable Peter Shumlin, Governor**  
**From: Susan L. Donegan, Commissioner, Department of Financial Regulation**  
**Date: May 23, 2014**  
**Re: Weekly Report**

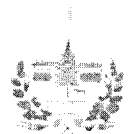


**Banking Division:**

The number of newly-filed foreclosures in Vermont in each of the first four months of 2014 is lower than the same months in 2013.

	2014	2013
<b>January</b>	112	194
<b>February</b>	79	141
<b>March</b>	89	162
<b>April</b>	110	164

Vermont has the lowest number of mortgage loans that are past due of all the New England states and is below the national average. According to the Mortgage Bankers Association National Delinquency Survey for the first quarter of this year, recovery throughout the U.S. continues. The national average of loans in foreclosure at the end of the quarter for Vermont was 3.2 percent. New England was 2.83 percent and nationally the average was 2.65 percent. That number appears higher because in Vermont foreclosures are handled through the court system and can sometimes take a few years to complete. In other states foreclosures are completed in a few months.



OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

**Executive Privilege**

**TO: Governor Peter Shumlin**

**FROM: Secretary Brian R. Searles**

**DATE: Friday, May 23, 2014**

**SUBJECT: VTrans - Confidential Report to the Governor**

**NOTES FOR GOVERNOR**

**Project Labor Agreements (PLA) Urged**

Organized labor is seeking a PLA requirement for projects over \$25 million that are under the jurisdiction of the U.S. Army Corps of Engineers in the northeast region. The Associated Contractors of Vermont, along with other AGC state chapters, is opposing this and wants VTrans to join in opposition.

The only time this has been an issue in Vermont was the Champlain Bridge replacement and the Douglas Administration did join AGC in successfully opposing a PLA on that NYSDOT led project. Given that labor disruptions are virtually unheard of on Vermont construction projects, PLAs appear to be a "solution in search of a problem" for us.

Since it has little practical impact on us, the question becomes do we want to side with AGC or labor. Some feedback would be helpful.

ask Gov.

**Tolling**

Tolling has never been considered a viable revenue option for Vermont, with the exception of the Lake Champlain bridges which were tolled until the early 1980s. Traffic volumes have not been equal to cost of administration of such a system and it has always been a hot button issue from a political standpoint.

The unfortunate press coverage of this issue this week does not equate to anything real happening at VTrans. There is no proposal in the wings and just the normal review of data by our Policy and Planning Unit continues on this and many other subjects where the latest data is gathered periodically. What changed was a proposal by the President in his Transportation Bill to allow states more flexibility to institute tolls on roads where this is currently prohibited. The Obama Transportation Bill does not appear to have legs in Congress.

Expect a story in the Free Press over the weekend which will hopefully feature a broader discussion of transportation revenue. We know, however, that several elected officials (Mazza, Phil Scott among them) have been contacted for this story and were asked specifically about tolling.

I will be appearing with Peter Welch at a bridge project in Bennington on Tuesday that is to be advertised for construction in the fall and is, therefore, at risk if the federal funding problems are not resolved by Congress. The purpose of the presser is for him to have a platform to call for a fix to the Highway Trust Fund prior to the August recess.

#### **Emergency Declaration for I-89 MM 104.5 Milton**

I have signed an emergency order creating a project to further investigate and remediate conditions related to a failing culvert at this location. A sinkhole developed suddenly in the southbound lanes at the above location on Wednesday and temporary repairs were completed within a few hours. However, it is clear that a 30" culvert, 14' down has deteriorated rapidly and will have to be repaired or replaced right away.

#### **License Suspension Delays**

DMV received notice from the Court Administrator's Office of a delay of over 1300 disposition reports, some dating back to August 2012. We anticipate the delay in license suspensions will generate a large amount of constituent contact, and may result in sanctions from the Federal Motor Carrier Safety Administration. CAO believes it has rectified the error in the court reporting system and DMV is working with FMCSA on potential issues that may arise from the delay.

pb  
H+1

#### **NOTES FOR STAFF**

##### **TDI New England**

Rich Tetreault and Chris Cole met with TDI New England representatives Adam Necrason and local project manager Josh Bagnato to discuss the next steps in investigating the possibility of locating TDI's transmission cable in the State highway right of way (ROW). VTrans communicated to TDI clearly that VTrans would always reserve the right to move TDI's cable in the future to adequately maintain our infrastructure and that TDI needed to consider their risk in having their cable moved and what that would mean to their electric agreements with respect to reliability. We were encouraging TDI to give serious thought on how to minimize their risk of future cable movements and disruptions by identifying the water draining elements of our infrastructure that will need to be replaced in the next 20 years and making those replacements now. Along that vein, we indicated that use of the VELCO ROW corridor from Rutland to Ludlow probably made more sense from our perspective than the highway ROW as laying the cable on Routes 4 and 7 in Rutland would be very disruptive to the local community without much benefit and Route 103 had many challenges because of the physical topography and limited ROW. They acknowledged this reality and indicated they were hopeful that VELCO negotiations about use of their ROW would become more serious; they expressed difficulty in getting VELCO to make a decision on whether they could use their ROW.



We also communicated that we would be seeking fair market value compensation for use of our limited access ROW as required under state statute and, despite the lack of statutory authority on the non-limited access to charge TDI for its use, we expected to be compensated for that use as well but anticipated that those costs would be incorporated into a larger discussion with TDI and the State. For your information, TDI representatives indicated that they paid New York State \$123 million for use of 330 miles of limited access highway. They cautioned though that the New York deal had special considerations yet didn't describe the special considerations.

Current actions underway:

- VTrans and TDI are developing an agreement whereby TDI reimburses VTrans for staff and consultant expenses associated with reviewing TDI's engineering plans for their infrastructure and identifying any issues with VTrans' ability to adequately maintain its infrastructure.
- There is a June 2 meeting between TDI project engineers and consultants and VTrans staff and consultants. VTrans consultants will be brought on board for this meeting and will be selected through existing retainer contracts. The purpose of the meeting is to develop a process by which the consultants and engineers will review the corridors in greater detail and the cable position in the ROW will be better delineated.

### **Way to Go Week Summary**

The program had its best results to date with 5,392 people making changes in their driving habits, up more than 1,500 from last year. Participants traveled 299,054 miles by means other than the single occupancy vehicle saving 209,188 lbs. of CO2. Not to gloat too much, but in our annual head-to-head battle with ANR, VTrans prevailed with a participation rate of 18.6% compared to 8.2%.

### **Historic Preservation Officer Resigns**

VTrans HP Officer Scott Newman has left the Agency and been replaced on an interim basis by VTrans Tech VI Bob McCullough. This follows an investigation conducted by DHR of Mr. Newman whose actions were putting our highly valued Section 106 Programmatic Agreement with FHWA and the State Historic Preservation Officer at risk.

Under this agreement, the only one of its kind in the U.S., VTrans has been granted decision-making authority by FHWA to act as the SHPO when reviewing projects. We do not anticipate substantive delays to existing project schedules as we seek Newman's replacement. However, due to alliances made by individuals over the course of the investigation, some outside groups may have questions that we can't answer about this personnel matter. I have spoken to Paul Bruhn and assured him that we will continue to do quality work in this area of historic preservation and he has the capacity to calm people's anxieties about the change.

### **Rutland City Bridge Projects**

Two problematic bridge projects, the Dorr Drive Bridge and the Ripley Bridge, which are in close proximity on the southwest side of Rutland City, have been the subject of annoying delays for years with historic and ROW issues along with planning and design problems around traffic, etc. About a year ago we asked our Accelerated Bridge Program team to look at this and they have a plan to advertise both bridges under the same contract after overcoming most of the problems associated with the bridges as separate projects. The only remaining problem is recalcitrant property owners and we have asked the City to exercise its authority and begin condemnation. If they are willing to do that in a timely way, we will advertise these two bridges in early August and start the Dorr Drive Bridge this year, completing it in 2015 while the Ripley Bridge would be constructed in the 2015 FY with a completion in 2016. I have toured these two sites with Mayor Louras over the past couple of years and he is very pleased with the new approach and the progress.

### **AASHTO Spring Meeting**

I will be in Louisville from Wednesday through Friday of next week attending the spring board meeting of the American Association of State Highway and Transportation Officials. I will also be presenting a report to the I-95 Corridor Coalition on cross-border freight issues after 20 years of NAFTA. Deputy Minter will be in Vermont during that time and acting in my stead.

**Privileged and Confidential**  
**Memorandum**

**To:** Peter E. Shumlin, Governor  
**From:** Douglas A. Racine, Secretary of Human Services  
**Re:** AHS Weekly Report  
**Date:** May 23, 2014

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**Vermont Department of Health (VDH)**

Vermont Psychiatric Hospital:

The State Board of Health will meet on June 24<sup>th</sup>. The meeting agenda includes licensure of the Vermont Psychiatric Care Hospital (VPCH).

Zohydro:

On review of the Vermont Prescription Monitoring System (VPMS) no Zohydro has been dispensed in Vermont as of May 19<sup>th</sup>.

VDH receives CDC Public Health Assistant:

A Centers for Disease Control (CDC) and Prevention funded Public Health Assistant has been assigned to the VDH for the next three years. This public health trained professional will help advance chronic disease prevention and health promotion goals. Anticipated projects include: strategies for various federal grants focused on improving nutrition and physical activity in schools and assistance on health systems projects with external partners like Blueprint and Medicaid. This is a great opportunity that will support our continued efforts towards meeting our Healthy Vermonters 2020 goals.

Community Coalitions engage in media campaign about tobacco use and mental health:

Community Coalitions funded by the VDH are engaging in a spring campaign to increase awareness about the intersection of mental illness, drug use, and tobacco use.

The VDH designed campaign materials to counter widely held beliefs that mental illness, drug use, and tobacco use always go hand in hand. These materials include Facebook shares and text, press articles about successful tobacco-free treatment facilities, signage for treatment facilities going tobacco-free, and press templates to help community groups publicize tobacco-free facilities in their areas. Campaign activities kicked off at the end of April to coincide with the Tobacco Control Program's Vermont Quit Partners Promotion.

**Department of Mental Health (DMH)**

Rutland Mental Health Services (RMHS):

RMHS had an open house for their new four-bed Intensive Recovery Residential Program.

These beds are part of the no-reject system of care. Licensing is coming next Tuesday and they expect to open by June 1<sup>st</sup>.

#### Transformation Council:

The Transformation Council had Anya Rader Wallack as a guest speaker. She gave an overview of the State Innovation Model (SIM) Grant and answered questions on Accountable Care Organizations (ACOs) and the future of Health Care Reform.

#### Burlington Free Press (BFP) and VTDigger:

The BFP and VTDigger are asking for a tour of the new Vermont Psychiatric Care Hospital (VPCH) in Berlin.

#### Vermont Psychiatric Survivors (VPS):

The DMH continues working with VPS's Board of Directors regarding the organization's operational policies.

### **Department of Disabilities, Aging and Independent Living (DAIL)**

#### Blueprint for Health Care and OneCare agree to find common ground:

In an often tense, but ultimately productive exchange during the Blueprint (BP) Executive Committee yesterday, leaders in primary care challenged some of the BP data and asked for further clarification about costs and outcomes of the BP, which Craig Jones agreed to produce. Additionally, the BP Committee was asked to submit a formal recommendation to the SIM care models and payment reform groups outlining how the BP could meld into the ACO physician groups over the next 18 months.

#### VTDigger posts follow-up to so-called whistleblower story:

Hilary Niles interviewed Commissioners Wehry and Duffy about the investigation of misconduct by Vocational Rehabilitation (VR) employee John Howe. Mr. Howe, who remains on the offensive, continues to allege he is being investigated as retaliation for his union activities; a tactic he has confided to one co-worker is "a strategy to save my job". Mr. Howe has now added 2 HR investigators to his growing list of named defendants in his lawsuit against the state.

#### WCAX runs brief segment on substance abuse and older adults:

Commissioner Wehry appeared this week on The:30 show for a 5 minute interview outlining the problem of alcohol abuse and prescription drug misuse in seniors. The Commissioner used the opportunity to educate the public about the risks of mixing prescription drugs with medications and of the negative impacts of alcohol on memory and risk of falling.

### **Department of Corrections (DOC)**

#### DOC meets with Suboxone manufacturer:

Commissioner Pallito met with Reckitt Benckiser Pharmaceuticals. The discussion focused on issues of diversion of Suboxone and success of appropriate usage. Strategies to address potential diversion and misuse were also discussed.

#### S.295, An act relating to pretrial services, risk assessments, and criminal justice programs:

It has been communicated to DOC that it will need to find a position for the exempt pre-trial services monitor. DOC does not have any available positions at this point and is awaiting further guidance.

V JH

### Population:

The department's incarcerated population averaged 2,090 for the previous week. The male population averaged 1,930 with 332 being presentenced inmates. The female population averaged 160 with 40 being presentenced.

### Department for Children and Families (DCF)

#### Space Issues:

The additional social workers that will be added to DCF will give us the opportunity to address our most serious staffing needs, which include the St. Albans and Hartford offices. The new staff in St. Albans will not fit in the building under construction. We are exploring moving other AHS or non-AHS departments out of the building, necessitating new leased space. The plan for the new Hartford state office building also does not allow for any future growth, so we will be looking to lease space in Hartford or to move some non-AHS departments out of the building before it is built. h9

#### Non-renewal of Balanced and Restorative Justice Contract in Burlington Area:

After a file audit, multiple interviews and fact checking by several staff in the central office, DCF will not be renewing the contract with Transitional Services for Youth and Families (TSYF) for their juvenile justice Balanced and Restorative Justice (BARJ) services in the Burlington area. During the audit we discovered several issues which include: poor documentation of client services, inaccurate reporting on quarterly reports, insufficient training of staff, a lack of communication with families and social workers, and a lack of follow through resulting in lengthy delays of service to youth. We will be putting a bid out to the community to obtain a contract with another agency for these services. TSYF will be welcome to bid, but would be unlikely to be awarded a contract if the current management is retained by the agency.

### Department of Vermont Health Access (DVHA)

#### Vermont Health Connect:

##### *Major Accomplishments for the Week:*

- Policy: drafting formal responses to Administrative Rule comments.
- Operations: detailed design of the project plan for a "controlled launch" of Package 2 (Change of Circumstance), focusing on an iterative training and roll-out.

##### *Major Issues and Risks:*

- **Top Carrier issues:**
  - BCBSVT: Expressed concern that the lack of a clear and finalized test plan will prevent a quality rollout.
  - MVP: Now ready to begin testing. SOV needs to determine whether we will push CGI to start testing with them, or support a manual workaround for their COC receipt.
- **Package 2 Testing Plan:** Lack of consistent and complete testing plan is a major risk to successful deployment. Need more information and improved testing rigor from CGI. The deployment date is likely to slip. COC

- uh
- **Package 2 Training:** The delivery of the Training Environment has been delayed from May 5th to May 25th. We have previous experience with the training environment being less than adequate for training prior to a release delivery.
  - **Outstanding Functionality:** CGI has indicated they cannot work on anything other than Package 2, meaning no forward movement or clarity on critical functionality.
  - **Catastrophic Plans:** The system is not able to enroll exempted individuals in catastrophic plans, nor do we have a manual workaround.

Vermont Health Connect remediation vendor:

DVHA continues efforts to procure a vendor to assist with operations and IT assessment and remediation for VHC. Reference checks for the selected vendor are being conducted and negotiations with the vendor are being scheduled with the hope to have a contract signed by June 1st. Assistance from AHS, DII, the AG's office and AoA will be needed to maintain the schedule.

We need to help

FAHC Disproportionate Share Hospital (DSH) payments:

DVHA met with FAHC to discuss the impact of Graduate Medical Education (GME) payments on FAHC's DSH payments. To avoid a negative impact on DSH payments, DVHA must update its DSH calculation formula to exclude GME payments. DVHA is willing to do this and has asked assistance from FAHC in ensuring that this change is understood by and acceptable to the Hospital Association.

Provider Rate Increase Update:

Internal discussions on the implementation of the recently approved 1.6% rate increases, which are available as of January 1, 2015, are ongoing. Members of AOA and GMCB are being updated regularly. We expect to release more guidance on the topic in June or July.

116 STATE STREET  
MONTPELIER, VERMONT 05620



OFFICE OF THE SECRETARY  
TEL: (802) 828-1619  
FAX: (802) 828-2361

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:** May 23, 2014

**Secretary's Top Issues**

**Conservation Law Fund Petition**

Multiple news sources ran articles on Thursday and Friday on the recent release of a petition by the Conservation Law Fund, suggesting the Agency of Agriculture impose new Best Management Practices on farms in order to protect the water quality of the Missisquoi Bay.

**Deceased Cow in Lake Champlain**

In response to a call that came through the Governor's Office the week before, on the morning of Monday, May 19<sup>th</sup> Dominique Golliot and Matt Wood from the Ag Resource Management Division went out to retrieve a dead cow that was found beached in front of a residence in Ferrisburg, VT. Pete Stengel and Tim Hunt of the Agency of Natural Resources came with a boat to help. After Dominique and Matt harnessed the cow, the boat was able to tow the cow to a Fish & Wildlife Boat ramp at the mouth of the Otter Creek. Dominique coordinated with a nearby farmer, who came to the boat landing with a bucket loader to remove the carcass and bury it in their compost pile at his heifer facility.

**Farm Recovering from Destructive Fire**

Maple Wind Farm in Richmond is trying to complete repairs and upgrades to the state inspected poultry plant after the fire that leveled part of the establishment in order to restart operations on May 27<sup>th</sup>



116 STATE STREET  
MONTPELIER, VERMONT 05620



OFFICE OF THE SECRETARY  
TEL: (802) 828-1619  
FAX: (802) 828-2361

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: May 23, 2014

**Status of Governor's Priorities:**

**Press**

Multiple news sources ran articles on Thursday and Friday on the recent release of a petition by the Conservation Law Fund, suggesting the Agency of Agriculture impose new Best Management Practices on farms in order to protect the water quality of the Missisquoi Bay.

**Significant Events/Meetings:**

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I love that this is signed. Ever!

**Evolving Issues:**

**Summary of Key agency Department Activity**

**Administration:**

The VAAFM awarded FY2014 VT Fairs Capital Grants awards totaling \$271,614. With over 350,000 annual attendees, these funds are utilized to support infrastructure improvements to enhance public safety, access, and provide a sanitary environment at our VT fairs and field days. Examples of funded projects are new bathrooms, announcer booths, paving for improved accessibility to the fairgrounds, light poles, and increased electrical capacity. In addition to the above awards, fourteen of Vermont's fairs qualify for an annual Stipend Grant to assist with operating and plant improvements totaling \$175,000. Many of Vermont's smaller fairs would have



difficulty hosting their event without the financial support of this award. Fair season began last month with the VT Maple Festival, and resumes on July 17th with the Bradford Fair and every subsequent weekend through mid-September. Visit [www.gmfairs.org](http://www.gmfairs.org) for more information.

#### **Land Use:**

The VAAFM met with the ANR to discuss the intersection between two Act 250 criteria; 1(G) wetlands, and 9(B) primary agricultural soils. Soils can be mapped as both wetland and primary agricultural soils. This leads to confusion concerning the protection of these two limited natural resources within the state land use review process. As a result of this meeting, the agencies agreed to work towards guidance on how to navigate the intersection of the resources, to communicate as early as possible when a project may trigger Act 250, and to provide clear and consistent direction to landowners.

gtrw

#### **Food Safety and Animal Health and Consumer Protection:**

##### **Meat Inspection:**

- Maple Wind Farm in Richmond is trying to complete repairs and upgrades to the state inspected poultry plant after the fire that leveled part of the establishment in order to restart operations on May 27<sup>th</sup>
- 2015 Cross-Utilization Rate Proposal for Federal Plant coverage sent to USDA for consideration
- Continuing to prepare for the Federal On-site review for “At Least Equal To” program status. Review dates will be June 10<sup>th</sup> through 17<sup>th</sup>
- Program is working on documentation for HR to establish the 2 new Food Safety Specialist Positions granted by the legislature
- Working with ANR/DEC on issues with the wastewater permit for the Adams’ Farm in Wilmington

##### **Dairy:**

- Steven Nicholson and Greg Lockwood visited a raw milk producer that was selling processed milk products without a license. The producer agreed to stop selling any processed milk products.
- There was an incident with a small fluid milk processor that had a positive phosphatase result on chocolate milk. The positive phosphatase test is an indicator of inadequately pasteurized milk. Greg went to the plant and was able to identify the problem and further lab tests confirm the problem is corrected. The plant has initiated a recall along with the Agency notifying the state the product was delivered to and FDA.
- The Agency presented a pasteurizer training course lead by Greg Lockwood. Steven Nicholson, Eric Perkins, Steve Volk and 17 dairy plant operators attended the course. Vermont Farmstead Cheese in Woodstock Vermont graciously provided the meeting space and hosted the event. Reports back have been that it was an excellent course. This was our first such training that was offered to a broad group. In the past we have done these for individual plants. Given the participation we are likely to do these more in the future to assure that our plant operators have all the training they need without the extra staff time it takes to do the training one-on-one at individual plants.

#### **Agricultural Resource Management:**

##### **Water Quality Enforcement:**

- Two small farms in Enosburg Falls will receive corrective action letters (CAL) for violations of the Accepted Agricultural Practices Regulations (AAPs). Both farms were found to have overtopping manure pits that were discharging manure to surface water.
- A small farm in Bristol will receive a CAL for violations of the AAPs. The manure pit had a malfunctioning valve which released an unspecified amount of manure which ran off to a wetland with standing water. The farmer took immediate action to control the flow of manure and reported the incident to the Agency.
- A small farm in Salisbury will receive a CAL for violations of the AAPs. Manure runoff and silage leachate are crossing property lines onto a railroad right-of-way. In addition, they have been seen to stack manure in fields subject to annual flooding.

- A small farm operated as part of a private school in Putney will receive a CAL for violations of the AAPs. The farm was irrigating liquid manure onto pasture when the irrigation nozzle became stuck in one position, resulting in the likely runoff of waste to surface water.

#### **Floodplain Management Activities:**

- The Agency coordinated with the Floodplain Management Section of the VT DEC to review a number of projects proposed for construction in the Winooski River floodplain at the Intervale in Burlington. Proposed projects include the installation of a greenhouse, two hoop houses, a well house/electric shed to house an existing well, and the relocation of a previously approved shed and storage containers.

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

- Staff attended a NMP technical service provider (TSP) meeting held at the NRCS state office in Colchester. The meeting was put on by NRCS to inform TSPs about the changes to the NMP standard. Agency staff discussed the current status of the TMDL for Lake Champlain and changes to NMP Program.
- Staff participated in a soil health meeting for VT. NRCS has a national soil health initiative and the committee is focused on promoting soil health in VT. Highlights of the meeting included discussions about conservation tillage workshops this summer that could be supported by the Agency's FAP program. The goal is to invite an out of state speaker to farms in Caledonia and Addison counties to discuss how to implement no-till corn planting with farmers in those areas. Soil Health Committee partners include NRCS, UVM Extension and VAAFM.
- Staff conducted technical assistance visits on 2 MFOs in Addison County and one MFO visit in Bennington County. The visits were part of water quality BMPs in the production areas of the farms and the visit in Bennington County was with multiple partners attempting to address multiple water quality concerns.
- Staff are writing and processing FAP grants for farms interested in implementing spring practices.
- Staff conducted two full operation inspections (production area and multiple field visits) in Franklin County with ANR-DEC on farms transitioning from MFO to LFO status. These are joint inspections require for LFO permitting. Additionally, staff composed memos for violations found during inspections.
- Staff attended a public information meeting in Grand Isle County related to proposed construction of animal housing as part of a LFO permit. Farm representatives and VAAFM staff were the only people in attendance.
- Staff are processing applications and information for several MFOs that are increasing in size and we are working to transition the farms into the LFO program. Information is being compiled and permits are being drafted for these farms and this will be a major focus of the team through the rest of the month.
- Staff are working on developing the water quality section of the new CAI USA Food Safety water quality database.

#### **Conservation Reserve Enhancement Program (CREP):**

- Staff worked on projects on a Swanton SFO: oversaw construction of controlled water access ramp and laneway as part of CREP project. Coordinated with fence contractor and farmer prior to fence installation at same farm.
- Staff inspected a tree planting and finished lane work on Swanton SFO.
- Staff flagged off ~0.5 ac of critical area seeding on St. Albans MFO and hand seeded the area.
- Staff met with NRCS "stream team" staff at SFO in Fairfax to assess need for stabilization of entrance to CREP grassed waterway in a flood chute setting. NRCS supported, given farmers commitment to maintaining grassed waterway and other practices (filter strips) on farm.
- Staff met with contractor and at a Fairfax SFO to get BMP app info to address eroding/wet intermittent drainage erosion at cattle crossing.
- Staff met with another Fairfax SFO to get signature to make FSA payments for CREP practice installed and plan for seeding down critical areas via EQIP, extensively damaged in spring flooding.

- Staff inspected CREP fence installation on SFO in East Fairfield.
- NRCS/FSA office work with partners, and inspected fence install in Swanton SFO CREP project.
- Staff led/ coordinated visit to SFO in Berlin on Dog River, with VLT, VT DEC River management, Friends of Winooski, Trout unlimited, and USFWS. Flagged area needed for participation in a River Corridor easement and discussed details of options for farm in this program. Confirmed that buffer area would not be eligible to enroll in CREP due to extensive knotweed infestation and complications of addressing that won't fit within current CREP MOU with USDA.
- Staff visited SFO in Swanton to provide watering system specifications and plan for assistance with installation of laneways and controlled water access to pond as part of CREP project. Staff also inspected contracted tree and shrub planting while there.
- Staff introduced NRCS/USFWS staff to east Fairfield SFO and assisted in fieldwork on potential CREP site, but where landowner and program goals better matched to NRCS WRP program. Excellent wetland and stream restoration potential!
- Staff met with fencing contractor and tree/shrub contractor again on E. Fairfield SFO CREP project to make planting adjustments and walk/confer on fence location/gates in relation to livestock movement and related NRCS EQIP project,
- Staff worked with FSA staff and NRCS in Rutland County to make needed adjustments to CREP project on SFO project.
- Staff communicated with VACD staff re: small farm BMP project planning details and appropriate funding mechanisms.

#### **Secretary's Comments:**

**Press:** Spoke with Peter Hirschfeld of Vermont Public Radio about the Conservation Law Fund petition.

#### **Meetings:**

- Participated in AAFM Managers/Directors meeting
- Met with Doug Lantagne, Dean and Director of UVM Extension
- Met with Tom Vogelmann, Dean of the College of Agriculture and Life Sciences
- Participated in large inter-agency discussion with ANR about lab development
- Had an internal meeting regarding Food Safety
- Attended and spoke at Friends of Northern Lake Champlain dinner event
- Last Friday was the graduation speaker for Green Mountain College's graduate programs

**Ongoing Discussions with Governor's Office:** Met with Governor's staff (and other secretaries and commissioners) to discuss TMDL.

1 National Life Drive  
Davis 2  
Montpelier, VT 05620-3901

Tel: (802) 828-1294  
Fax: (802) 828-1250

www.anr.state.vt.us



Deborah L. Markowitz  
Agency Secretary

Justin G. Johnson  
Deputy Secretary

**State of Vermont**  
**Agency of Natural Resources**

**CONFIDENTIAL and PRIVILEGED**

**To:** Governor Peter Shumlin  
**From:** Deborah Markowitz, Secretary, Agency of Natural Resources  
**Date:** May 23, 2014  
**Subject:** ANR Weekly Report

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**Governor Level Issues:**

**Opening Weekend:** The grand opening of the state parks operating season is this coming Memorial Day weekend. It coincides with the informal beginning of the summer vacation season, the operation season for Historic Sites and the statewide art studio tour. We are getting considerable media attention.

**Lean:** We held three successful Lean events to identify improvements to the following programs: (1) departmental grants and contracts approval process; (2) stormwater permitting; and (3) source water permitting. We are planning to present an update on the status of our Lean efforts to senior Administration officials and to key legislators, and are tentatively looking at tying this presentation to the next meeting of the Joint Fiscal Committee.

**BERA - Burlington Brownfields Grant:** Burlington was granted an EPA award for a Targeted Brownfields Assessment for the Street Department Site, valued at \$100K of consulting services for an environmental assessment. This grant comes because the project was identified as a priority under our BERA initiative (Brownfields Economic Revitalization Alliance).

good issue  
pres?

**Friends of Northern Lake Champlain Dinner:** We had a whole van of staff and leadership attending the FNLC dinner last night. Your remarks were very well received as were David's. In my conversations with folks (and I knew most of them from my days as Secretary of State) (to my surprise) not one of them mentioned the new shorelands law and many of them thanked me for our work to come up with a real plan to clean up the lake. I continue to hear how happy they are that for the first time (their words) AG and ANR are working together on this. It seemed like they really trust Chuck to get the job done with the farmers.

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**Regional Meeting on Climate Resilience – Antioch NE** – Environmental secretaries, commissioners and regional partners met in NH this week for a conference on climate resilience and regional action. We are working with EPA region 1 to continue a process which began last November to look at ways we could better coordinate across the region. We are hoping that CONEG would be interested in taking this project on (although there are practical issues in including NY – the NY staff and Secretary are rarely permitted to go to meetings that are held out of state). I will be talking with Aly to see whether you think CONEG could be the right place to house this effort. One benefit is that it provides an opportunity for interagency collaboration within the region (like our climate cabinet provides for Vermont.)

**Purpose/goal:** To engage in cooperative, regional, resiliency planning and action for a long-term alignment of regional preparedness planning and cooperation.

**Desired Outcomes:** New England-wide risk mapping and common set of climate projections; Best practices clearinghouse and forum from past extreme weather events and preparedness actions; Emergency response coordination and issue identification; Increased communication on all levels of government and a better informed public.

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## **EVERYTHING ELSE:**

### **Press Issues/Releases:**

**Op Ed on WH Task Force:** Most papers ran an op ed I wrote on the governor's leadership on Climate Change and the work we are doing on the White House Task Force on Climate Preparedness and Resilience.

**Lake Champlain Cleanup Plan:** Several media outlets (VT Digger, WCAX, VPR) covered EPA's comments on the state's Phase One Plan.

**Wastewater Treatment:** The head of our Wastewater Section, Ernie Kelly, appeared on Vermont Edition on VPR in a segment discussing wastewater treatment technology.

**Vermont Moose Hunting Application Deadline is June 10 and Moose Permit Auction is Now Open:** Vermont's moose hunting permit lottery application deadline is June 10, and F&W is urging hunters who plan on entering to do so now online. The application is quick and easy to fill out on the department's website ([www.vtfishandwildlife.com](http://www.vtfishandwildlife.com)). Click on Hunting and Trapping, then Lottery Applications and Winners, and then Online Moose Permit Application.

### **Significant Events/Meetings:**

**NAASF:** Vermont hosted the annual Cooperative Forest Managers meeting of the Northeastern Area Association of State Foresters (NAASF) in Stowe May 13-15. About 35 people from State agencies and US Forest Service traveled to Vermont to share information on Federal programs, State projects and innovations to further forest management on private lands in the northeast.

**Voluntary Harvesting Guidelines:** A joint Advisory and Technical Committee meeting for those working on the Voluntary Harvesting Guidelines was held in Randolph on May 15. The group reviewed the first draft of the voluntary harvesting guidelines. This effort was requested by the Legislature in 2013. Progress continues to meet the January 15, 2015 deadline.

**Logger Expo:** A number of FPR staff spent a day the at the NE Loggers Exposition in Essex Junction on May 9, building a portable skidder bridge to demonstrate how these bridges are constructed and the importance of them as tools to protect water quality.

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## **SUMMARY OF KEY DEPARTMENT ACTIVITY**

### **Office of Planning and Legal Affairs:**

good finally

**Pro Active Assistance for net metered Solar** -With the high volume of new net metered solar projects entering permitting, ANR is working pro-actively with the development community to help vet sites, provide mapping and other technical resources and assist developers with locating their facilities in such a way that avoids regulated natural resources and makes them easier to permit. This week we provided technical assistance and siting assistance to Green Lantern Capital for proposed 500kw net-metered solar sites in Waterbury, Panton and Chester; to Encore Redevelopment for a proposed 500kw net-metered solar project at the Burlington Airport; and to All Earth Renewables and BGS for net-metered solar projects proposed on state land.

**Challenges for Bennington Project:** OPLA continues to address site constraints at the former Woodford-Packard site in Bennington, where a developer has proposed a 2+MW solar facility. The proposed facility would be located entirely within the River Corridor (fluvial erosion hazard area) of the Roaring Brook – new development that encroaches in River Corridors poses a hazard to downstream investment, negatively impacts stream stability, and runs counter to the state’s flood resilience goals; therefore, ANR has recommended the developer seek an alternate location. OPLA staff along with staff from the DEC commissioner’s office and DEC Rivers program plan to meet with the developer and Senators Hartwell and Sears at the site in the coming weeks to discuss the project.

**TDI New England Clean Power Link** - OPLA continued this week to work with this applicant to refine the proposed project route to avoid natural resources and make the project more viable. We provided written feedback on TDI’s proposed water quality model, which will be used to demonstrate the project’s construction-phase impacts on Lake Champlain water quality, including the release of phosphorus. We also scheduled another in-person meeting for June 2<sup>nd</sup> to discuss the model. OPLA is coordinating with VTRAN Right of Way division to assure our two agencies are sharing information and working to identify a viable route for the terrestrial portion of the project.

**VGA Phase II.** OPLA coordinated a number of meetings this week with staff from DEC and DFW to respond to changes in alignment to the Vermont Gas Addison-Rutland Phase II

project. OPLA also began working with staff to draft ANR's pre-file testimony which is due in early June. Over nearly a year of meetings, site visits and negotiations, OPLA has worked with VGS to identify and resolve issues with the Phase II alignment; at this point there remains one section of the alignment that still raises significant natural resource concerns, but we continue to work with VGS almost daily in an effort to address and resolve them.

**GMP/VELCO line upgrade:** OPLA met with representative of Green Mountain Power and VELCO to develop mutually agreeable permit conditions for a GMP substation expansion and line upgrade in Georgia and Fairfax. Parties were successful in developing conditions that help the project comply with the natural resource criteria necessary to obtain a CPG from the Public Service Board and that mesh well with GMP/VELCO's existing construction and maintenance BMP's and management practices. OPLA understands GMP and VELCO's challenge in managing an ever increasing transmission and distribution network and we are interested in working with GMP and VELCO to find solutions to natural resource protection that meet our regulatory standards and fit well with their established and ongoing approach to corridor management.

This week OPLA received 7 new Section 248 petitions or notices and 4 new Act 250 applications.

### **Environmental Conservation**

**State and federal air regulatory changes:** Air Quality & Climate Division mailed approximately 200 facilities registered as air emission sources to apprise them of recent state and federal air regulatory changes that may impact their operations. The regulatory updates included the lower sulfur in fuel standards that take effect July 1 of this year and several federal regulations affecting diesel generators, boilers and spray coating operations.

**Proposed Wood Pellet Plant in East Ryegate:** We are doing pre-application work for a proposed wood pellet plant in East Ryegate. The facility as currently contemplated would be a 250,000 ton per year wood pellet plant. This is a large plant and would be a major source of air pollution emissions. The facility would likely need to obtain offsets for each ton of volatile organic carbon emissions.

**North Country Sportsman's Club:** We have scheduled a follow up site visit to review the organization's fill operation next week. The Waste Management Division will coordinate with our Wetlands Program to evaluate alleged wetlands violations.

**Central Garage/VTrans Hazardous Waste Site:** We met with VTrans and their consultant to discuss remediation of the Central Garage Site owned by VTrans. There are high levels of solvents in the ground and oil/grease on the river bank which has gotten into the Stevens Branch. The cleanup is likely be costly and take several years. We are drafting a letter to VTrans on next steps.

### **Fish and Wildlife**

**Gas Spill in Williams River:** Staff responded to a potential fish kill in the Middle Branch of the Williams River in Chester when an 18-wheeler tanker truck, carrying over 10,000 gallons of gasoline overturned due to an on-coming car which crossed the center line. Early reports stated the gas was leaking directly into the Williams River, but once on-site it was confirmed that the gas was leaking into a newly tilled garden upland of the river. It is expected that some of the gasoline will eventually make its way into the river, considering the onset of heavy rains. No dead fish were observed, and macro-invertebrates were living at the time of the investigation. Staff will continue to monitor.

**Nesting Protection for Turtles:** Staff worked with Wildlife Services and landowners preparing sites for turtle nesting season. The nesting season is primarily the month of June but nesting can start as early as May 15 and extend to mid-July. Eggs begin to hatch in late August. High spring water levels rearranged some nesting beaches and at least one is still under water so there is a lot of work that still needs to be done to get these nesting areas ready.

**Fishing:** Fishing activity continues to increase as a result of the warmer/drier weather and additional fish stocking. Wardens are spending considerable time in the “trophy” stocking streams, in particular, as fishing pressure is the heaviest there. Wardens are encountering numerous fishing violations mostly license violations. Due to the continued high winds, boating activity remains lower than normal for mid-May.

**Turkey Hunting:** Turkey hunting continues with wardens reporting light hunting pressure with limited hunter success. Wardens handled several turkey hunting violations ranging from illegally shooting hen turkeys to road hunting.

**Fisherman runs From Warden:** Warden Jason Gravelle noticed an angler run into the woods when he pulled up to river to check his fishing license. When he returned to his vehicle (without fishing equipment) he said he wasn’t fishing. After the fisherman departed, a quick check of the area uncovered abandoned fishing equipment. He recovered the equipment and left his business card on a tree. He didn’t get but a few miles away before he received a phone call from the individual wanting his fishing gear returned. His gear was returned and subsequent ticket was issued for fishing without a license.

**Preparing for Access Area Usage:** Staff were in the field inspecting access areas around the state in advance of the summer boating season. During these routine site visits, staff are looking at immediate maintenance needs (i.e. tree removal, adding gravel, grading parking lots) following the long winter and mud season, as well as future infrastructure needs (i.e. ramp or dock repairs). Over the past few years there was a concerted effort to improve the overall condition of all access areas. This effort has led to a reduced need for spring maintenance (i.e. gravel, grading, etc.) following mud season.

### **Forest, Parks and Recreation**



**In Re Appeal of Plum Creek Timberlands (CONFIDENTIAL ATTORNEY CLIENT PRIVILEGED):** The State will be filing its appeal brief on Fri, May 23 with the Supreme Court. Vermont Land Trust will be filing an amicus brief in this matter supporting the State's issuance of an Adverse Inspection Report finding that Plum Creek cut contrary to the approved forest management plan and the UVA standards.

**Land Transactions:** Commissioner Snyder and ANR Lands Administration Director Mike Fraysier met with BGS Commissioner Obuchowski and his staff to discuss the possible transfer of the Father Logue's Camp property in Duxbury from BGS to FPR. This 32.3-acre property was formerly operated as a youth camp, and includes several buildings that are in poor shape and pose a significant liability. The parcel also abuts and provides access to an isolated 137-acre portion of Camel's Hump State Park.

**Survey (CONFIDENTIAL ATTORNEY CLIENT PRIVILEGED):** We have been informed by an attorney for Peter Lyon, owner of a camp along the West Shore of Lake Groton, that he "strenuously disagrees" with the Department's proposed survey of the West Shore Access Road. This survey was conducted under contract for the Department by Dubois and King, and was intended to put to rest some longstanding confusion regarding the location of the right-of-way for the West Shore Access Road. We are waiting for additional information from Mr. Lyon's attorney before deciding whether to revise the survey or simply finalize and record the survey as is.

**High Water:** Both Burton Island and Alburgh Dunes State Parks will have one week delayed opening due to high water in Lake Champlain.

**Planting Elms:** Staff from the St. Johnsbury and Barre District offices spent several days over the past two weeks out-planting about 450 American elm and silver maple saplings at Willoughby Falls Wildlife Management Area and South Bay Wildlife Management Area. These trees are part of a breeding program where American elms with varying levels of resistance to Dutch Elm Disease have been crossed. The resulting crosses are being out-planted at the Johnson Farm WMA also. Additional trees will be planted for the next two summers as well.

**Foresters for the Birds:** Nancy Patch, FPR Forester for the Birds (FFtB) Project Leader, co-led a workshop with Jim Shallow and Steve Hagenbuch of Audubon Vermont to expand the FFtB across the Atlantic flyway. The three day workshop included representatives from South Carolina, North Carolina, Pennsylvania, New York, Connecticut and Maine.

**Communities Caring for Tree Canopy Grant Recipients Announced:** On May 15, a grant review committee including representation from the Vermont Urban and Community Forestry Council met to review applications for VT UCF's *Communities Caring for Tree Canopy* grants. The goal of these grants is to grow local urban and community forestry programs towards a sustained level. The grant program had \$40,000 to distribute. Below is the list of our 2014 grant recipients.

<b>2014 Communities Caring for Tree Canopy Grant Recipients</b>			
<b>Community</b>	<b>Category</b>	<b>Overview</b>	<b>Amount</b>
Town of Braintree	Mini	Planting of 3 Trees Adjacent to the Braintree Hill Cemetery	\$500
Town of Brandon	Mini	Wildlife Corridor Zoning Overlay District Outreach	\$500
Town of Northfield	Mini	Educational Module on Trees and Invasives with Poster Art and Slogan Contest	\$500
Town of Waterbury	Mini	Structural Pruning of 25 Trees	\$500
Town of Williston	Mini	Birth Tree Project: A free tree offer to celebrate births	\$500
Town of Corinth	Canopy	Small Municipal Fruit Tree Orchard	\$2,000
Town of Hinesburg	Canopy	Village Green Enhancement Project: 6 Trees Planted	\$1,775
Town of Middlebury	Canopy	Urban Forest Education and Outreach Project	\$3,000
City of Montpelier	Canopy	Tree Management Software and Inventory	\$5,000
Orleans County Historical Society	Canopy	Tree Maintenance for the Old Stone House Museum, and Arbor Day School Programming.	\$5,000
City of Rutland	Canopy	Northwest Neighborhood Tree Planting Project: Planting of 50 trees in strategic locations for environmental justice and stormwater mitigation.	\$5,000
Town of Shelburne	Canopy	Shelburne Parade Ground Tree Planting: 5 Trees Planted	\$2,000
Town of Waterbury	Canopy	Urban Tree Planting at Two Locations: 10 Trees Planted	\$4,000
Town of West Rutland	Canopy	Gateway Beautification and Tree Inventory: 21 Trees Planted	\$4,073
Town of Newfane	Canopy	Tree Pruning on the Green	\$520
Winooski Natural Resources Conservation District	Canopy	Quantifying Ecosystem Services of Winooski's Urban Forest: iTree-Eco Assessment and Educational Outreach	\$5,000
			<b>\$39,898</b>

## **Information Technology**

**Mapping:** Staff completed a map with analysis reporting impacts from towns prohibiting new development in the Special Flood Hazard Area. He also began compiling and developing data showing recommended reclassification of waters across Tactical Plans. The material will be provided to stakeholders including the Green Mountain National Forest.



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**State of Vermont**  
**Department of Public Safety**  
103 South Main Street  
Waterbury, Vermont 05671-2101  
[www.dps.state.vt.us](http://www.dps.state.vt.us)

To: The Honorable Peter Shumlin  
From: Keith Flynn, Commissioner of Public Safety  
Date: May 23, 2014  
Subject: Weekly Report

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## **Vermont State Police**

### **A Troop**

Troopers arrested a couple committing the theft of scrap metal in Westford from a 90 year old man's home over several days.

Troopers were called to Hunger Mountain for two lost hikers. They managed to maintain cell service and called first responders to their location.

Assist to Massachusetts State Police on homicide case, suspect picked up at U.S./Canadian Border, Meslin wrote up a search warrant for the seizure and transport of his vehicle back to MA. Also executed warrant in regard to obtaining fingernail scrapings.

### **B Troop**

Attempted burglary at a residence in Lyndon; the homeowner was in the basement and the homeowner's dog attacked the intruder.

Spoke with SOS Doug Hanrahan (NERCF) about suspect letter received by inmate at jail discussing introduction of drugs into the facility

Screened DCF intake of mother and her boyfriend having sex and masturbating in front of two sons along with allegations of child neglect. – DCF did interview alone as kids have aversion to police – no disclosure made – charges not likely, though some follow-up is still needed;

Screened a second DCF intake of under aged female having sex with a 47 yo male

Collected 15 cases of drug contraband from NERCF

## C Troop

Tpr. stopped a vehicle while investigating a series of car larcenies in Leicester, driver was suspended, passenger gave false name because on escape status from furlough, lodged on warrant and false information.

Troopers investigated an embezzlement that resulted in the theft of over \$50,000. An arrest was made and the accused was charged with over 130 counts of fraud.  
CIOT and CARE details

Assault at Correctional Center: Inmate threw boiling water on another inmate. Inmate issued citation for assault.

Assigned three drug cases from Marble Valley Regional Correctional Center

- Inmate in possession of suspected heroin.
- Inmate found in possession of suspected methadone pills.
- Suspected buprenorphine strips mailed to inmate.

## D Troop

Follow up with victim in stolen credit card case, victim also reported that suspect got into her account and stole \$1700.00. Suspect showed up at the residence while talking to victim and confessed. Cited to appear in court for fraud.

Large sink hole developed on Route 9 in Marlboro. AOT responded and temporarily fixed.

## Emergency Management/Homeland Security

Issues/Updates:

The Governor's request for major disaster declaration for seven counties resulting from April 15 to April 18 flooding was submitted this week.

VCJTC Director Gauthier has informed DEMHS he now believes the Sheriffs and Chiefs who signed the current MOU between DEMHS and VCJTC need to approve any move of the Homeland Security Training Coordinator position before he will agree to such a transfer. DEMHS intended to inform the signatories of the realignment and their support would be solicited and appreciated. However, that is necessary only to move the current position under the MOU. The MOU expires 8/31/14.

FEMA Headquarters' Hazard Mitigation Planner David Conn was on-site for a second week, assisting our Hazard Mitigation Planner with completion of BCAs and documentation for HMGP applications. We are currently awaiting additional information from 8 out of 11 towns to complete Benefit/Cost analyses, at which time we should be ready to submit \$2M+ in HMGP applications.

Mobile Vehicle Repeaters continue to be installed this week to begin field testing for enhancing safety when using portable radio communications.

#### Legislative Contacts:

Senator Kitchel called the Director inquiring what he might know about a Resolution recommending the need for a towable-sheltering device(s) sold by Mobile Medical International Corporation (MMIC) of St. Johnsbury, VT. We discussed the \$250K +/- product and some realities surrounding deployment of such in Vermont. We seemed in agreement on the subject.

Met with Cornwall Select Board Chair Bruce Hiland. Mr. Hiland is suggesting that the SOV (DEMHS in this case) arrive at a "way of classifying our municipalities according to resources available" as it pertains to performance requirements. This has impacts on measures set forth not only through requirements for degrees of local NIMS compliance and also the new ERAF regulations. Mr. Highland understood the purpose of goals sought for performance although he believes there can't be a cookie-cutter expectation regarding compliance as Vermont Towns range so widely in size and capabilities.

#### Fire Safety

The Division received \$8.5 million in new plan review construction valuation collecting \$49,000.00 in permit fee revenue.

Tanker truck carrying gasoline rolled onto its side in Chester after hitting a utility pole. The tanker was leaking gasoline at a rate between 1-5 gallons a minute. Vermont Haz-Mat Team assisted the local FD and over saw containment, vapor suppression and safe removal of product. No injuries report.

We are starting to inspect propane filling stations in response to overfilling of cylinders. Barbecue grill cylinders (20 lbs) need to be fill by weight and they're filled only to 80% liquid capacity leaving a 20% air space for expansion based on temperature rise. Some places simply do not weigh the tanks resulting in overfilling. Overfilling results in liquid propane being burned rather than propane vapor resulting in a significant fire hazard.



State of Vermont  
Agency of Administration  
Office of the Secretary  
Pavilion Office Building  
109 State Street  
Montpelier, VT 05609-0201  
[www.adm.state.vt.us](http://www.adm.state.vt.us)

[phone] 802-828-3322  
[fax] 802-828-3320

*Jeb Spaulding, Secretary*

**PRIVILEGED AND CONFIDENTIAL  
MEMORANDUM TO THE GOVERNOR**

**TO:** Governor Peter Shumlin  
**FROM:** Secretary Jeb Spaulding  
**DATE:** May 23, 2014  
**SUBJECT:** Confidential Report to the Governor

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**BUILDINGS AND GENERAL RESOURCES**

**Legislative Issues/Contacts:**

- Communicated with Rep. Kurt Wright regarding the CCTA MOU – trying to get some insight and develop some leverage in our negotiations with CCTA.

**Significant Events/Meetings:**

Energy Audit Meeting: The Auditor's Office met with the Commissioner and BGS Environmental Engineer to discuss the future of the State Agency Energy Plan and how the Agency Energy Implementation Plans will be collected and reviewed. The main topic of discussion was whether the next SAEP would contain specific goals for energy usage reduction in State Government consistent with the mandated goal of reducing energy consumption including the amount of fuel used by employees during workday travel by five percent each year.

VT ZEV Action Plan Meeting: BGS discussed the overall Vermont ZEV Action Plan Draft and focused on the action items where BGS is committed to taking either the leading or supporting role. Any additional comments were submitted to Elaine O'Grady to be added to the plan before it was circulated to the Climate Cabinet for review.

Green Revolving Investment Tracking System: The Commissioners Office and the Treasurer's Office discussed The Green Revolving Investment Tracking System as an online resource and software tool to be used by BGS for tracking and reporting on the success of the State Resource Management Revolving Fund and the State Energy Revolving Fund. A general overview of the system was given by Dan Edson. No decision was made as to whether GRITS is a viable resource for BGS.

CCTA MOU: Communicated with Burlington City CAO Bob Rusten about CCTA MOU process and lack of opportunities to gain leverage. BGS team to meet with Burlington City team on common ground issues.

VT Job Corps Lease: Signed the lease with the VT Job Corps; it is a 20 year lease with one year renewals. Lease hold payment increased by \$100,000/year.

Sammis/Lamberton: Emily Montgomery has drafted a memo discussing the language of the Sammis Agreement. → job resume you have seen

Mylan: 20 Houghton Street: It appears that the environmental language is agreeable to both sides. The building condition "as is" language remains an outstanding issue. Lawrence Miller is to speak again with Joe Panetta regarding the terms of the agreement. The Elman agreement has been signed by the landowner and is now with Mylan for execution.

Employee Memorial Meeting: Met with Shelly Martin and David Schutz regarding status of fund raising campaign for state employees (past, present and future memorial). Effort in preliminary stages. More to come.

## FINANCE AND MANAGEMENT

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### Issues Update:

Through the morning of May 22, 2014, the food fight fund has received \$12,724.15 in donations. We receive a call approximately every other day with feedback on the website and the donation process.

Commissioner Reardon and Deputy Commissioner Clark participated in update calls with each of the three ratings agencies. The Treasurer's office coordinated the calls with the Governor's Office, Finance & Management and the Secretary of Administration.

## HEALTH CARE REFORM

### Issue Update:

GMC Planning: We will have a draft concept paper for CMS for review later this week or early next week. The purpose of this paper is to provide CMS and other federal partners with an overview of the Governor's vision for Green Mountain Care and which parts of the ACA we will want to get a waiver from. This is also required to be submitted to the legislature by November 1<sup>st</sup>. Our thinking is that we should submit it in June when we send to the feds.

GMC Financing: The Administration is set to publish an RFP Friday to obtain services to model the behavioral and economic impact of potential Green Mountain Care financing proposals. Proposals will be due by June 17. The JFO published an RFP Tuesday for a health care incidence study. The study will analyze who pays what now for health care in Vermont. Proposals are due to the JFO by June 17.

Consumer Advisory Council (5/15): The CAC was productive and focused on which questions and information needs to be more widely disseminated about health care reform. They gave us good



↓ get to governor. . .

feedback on the first set of scenarios with representative health care consumers/taxpayers. The scenario is focused on the unfairness of how people pay for health care today and illustrates the differential premium payments for the same family size and income depending on where someone works. Michael will finalize so this one will be ready to use shortly.

Partners for Health Care Reform: We are close to finalizing a 2012 baseline approach which cross-walks the GMCB health care expenditure analysis against the UMass/Wakely cost estimates (which are built like a premium, not a total systems cost). We are also almost complete with a payer administrative cost estimate for 2012. We are beginning the work of discussing how to trend estimates forward to 2017 and which adjustments need to be made for GMC. Overall, this work is helpful and productive. It is also giving us insight into the fissures in their coalition, which will be very helpful moving forward.

SIM Update: The SIM Core Team met this week and approved several project contracts. Additionally, the Core Team received a six-month preview of anticipated activities including planning for the launch of the second major payment model: Episodes of Care. The SIM team convened its Disability and Long Term Services and Supports Work Group focusing on quality and performance measures for the Commercial and Medicaid Shared Savings ACO Programs. The work group chairs and staff held several planning meetings in anticipation of upcoming meetings. CMMI will be visiting Vermont's SIM team on June 18<sup>th</sup> to discuss the project and meet stakeholders. The agenda is not yet final, but we will let you know as soon as it is.

### **Significant Events/Meetings:**

? VITL Board Meeting (5/20): VITL requested an additional \$2.5M over their last year's budget of \$4.5M, for a total of approximately \$7M. Commissioner Larson is working through the scope of work with John Evans from VITL as well as the additional money going to VITL from the SIM grant to get a handle on their request. We have expressed to VITL that such a large increase after the budget has passed is not ideal and that we need to improve the process. In addition, Todd Moore from One Care Vermont expressed concerns to Anya and Al about VITL priorities. Al is going to set up a GMCB meeting dedicated to VITL, which DVHA, Georgia & Robin will also attend, and we will work on ensuring that the priorities are appropriately aligned to achieve our health reform goals. This is handled for the moment, but Robin will keep in touch as things progress.

VT Federation of Nurses and Health Professionals (5/21): Robin gave an informational presentation on health care reform for the AFT nurses' union at FAHC. This went really well – these nurses, even while “winners” in the current system, are excited about Green Mountain Care and health care reform recognizing the impacts of the current system on their patients.

## **HUMAN RESOURCES**

### **Press Contacts:**

Commissioner Duffy spoke with Hilary Niles at VT Digger regarding the John Howe case and investigations in very general terms. Commissioner Duffy rebuffed suggestions that conducting an investigation is *per se* retaliation designed to intimidate employees. Commissioner Duffy noted that filing a complaint that names employees in their individual capacities and subjecting them to personal liability is far more intimidating.

DHR declined a request from Fox 44 to discuss specifics of the Howe investigation.

### Evolving Issues:

DHR is working with the Secretary's Office to develop a recommendation for the Governor on pay increases for exempt employees.

DHR is assessing whether to create a policy that would require relief from duty for any employee involved in a fatality or other traumatic event.

### INFORMATION AND INNOVATION

#### Status of Governor's Priorities:

##### Healthcare:

- Vermont Health Connect initiatives continue to progress but it is clear there needs to be some key business decisions made about SHOP functionality (i.e. Small business individual selection) and when it is going to be available. It is very unlikely that this functionality will be delivered by CGI before the end of this calendar year as they still have a tremendous amount of work to complete around Change of Circumstance and Renewals. A contingency to push SHOP functionality until CY15 should be a discussion happening now.

- DII remains concerned about their potential IE vendors delivering proposals that maximize our APD funding as they may not meet CMS's desire for reuse. This is partly due to the level of work needed to answer vendor questions about mandatory and non-mandatory technology (we have answered the questions at a high level, but not with the specificity that ensures vendors will propose potentially acceptable solution). Good progress has been made to have that specificity available, but with the DII resources we have, it has not been as speedily available as we would like. In order to get this information to vendors and have them modify their proposals based on the information will require more time than is available before proposals are due. Mitigating this risk requires at least a 2 week delay in proposal submission. This item is under discussion, but DII is concerned the desire for speed has potentially undervalued the risk.

ITOP/Cloud: Migration of agencies to the SOV Private Cloud have progressed for ANR, Judiciary and AHS. Judiciary's virtual desktop deployment is complete and efforts are transitioning to their server workloads are 50% complete. ANR's workloads are 50% migrated with completion over the next 3-4 weeks. AHS is 95% migrated with only several odd non-standard items left to deal with. The 133 Data Center will be reduced to just network/telecom gear and some odds and end by July 1st.

#### Significant Events/Meetings:

- A brief outage occurred on 5/20 for many of the sites on the Vermont.gov portal. The outage was caused by the failure of a storage device on one of the servers. The outage lasted approximately 40 minutes.
- A meeting occurred with State of Vermont Information Security, DVHA, and CMS staff in regards to POAM items on Friday 5/16.

as discussed...

Back

- CMS suggested we crossed a threshold of high and medium risk items (5 High, 100 Medium) that they have defined and will be sending the State of Vermont a 90 day interim connection letter.
- If the state fails to achieve numbers under the aforementioned threshold within 90 days CMS has threatened to disconnect the exchange from the federal hub. We await the letter.

### **Evolving Issues:**

Web: The maintenance on 5/20 went well but NIC technicians were unable to complete the transfer of sites to the new environment in the window requested. Therefore an additional scheduled maintenance window is scheduled for Tuesday 5/27 for 10 – 11:59 PM. During this time each site or service hosted by VIC will be unavailable for 30 – 45 minutes. During the time the sites are down a message will appear for the user explaining the temporary down time.

Healthcare Security: A Non-Functional Requirement (NFR) meeting with CGI revealed a lack of appropriate prioritization of the NFRs by CGI. I have requested CGI to adjust their focus of security NFRs to a risk based approach reflective of POAM items first and foremost.

## **LIBRARIES**

### **Significant Meetings/Events**

Wallace Nolen Lawsuit Trial (re ADA violations at State Library): Three VTLIB employees were witnesses at the 5/8 trial. David Groff from AG's office handled the State's defense and the jury ruled in our favor. There have been some improvements made to access from the parking area to Pavilion building but we still need signs that indicate disabled State Library users can use handicapped parking spaces. We continue to use the ADA checklist to make improvements for access at the State Library.

Judiciary security now prohibits disabled citizens from access through their building to the "upper level" of the State Library, the only way to get to that part of the library via elevators. We will see if we can change this, but in the meantime our reference staff is able to retrieve items from the stacks as needed. We have one public access computer (for Westlaw databases) on the lower ADA-accessible level of the library.

American Library Association (ALA) National Library Legislation Day: Marty Reid attended legislative briefings and made the rounds to congressional offices, accompanied by Donna Sullivan-McDonald, a school librarian from South Burlington. ALA awarded its Public Service Award to Sen. Leahy (also to Jim Sensenbrenner R-WI) for their work in the House/Senate on the USA Freedom Act. Senator Leahy was on hand to accept the award that Reid presented. COSLA (Chief Officers of State Library Agencies) meetings in Washington had a strong focus on FCC e-rate modernization and broadband.

SHLB (Schools, Health, Libraries Broadband) Coalition Conference (Washington D.C.): Sheila Kearns (VTLIB), Christa Shute and Caro Thompson (VTA) and Peter Drescher (AOE) attended SHLB and met with me for a debrief session last week. We are working with VTA and AOE to explore the possibility of building one or more shared school-public library fiber networks in rural pockets of the state. We

continue talks with Patrick Clemins at Internet 2 about the potential for education/library networks and using Internet 2 program content for life-long learners via public libraries.

Vermont Library Conferences and Two Awards for VTLIB: Last week Marty Reid attended one day of the Dynamic Landscapes (VT School Library Association/Vita-Learn) at Champlain College. Grace Greene (VTLIB) presented on the state youth book awards.

The Vermont School Library Association presented Marty Reid with their annual “librarian of the year” award at their annual meeting – nice surprise.

We were surprised and thrilled when the Department of Libraries was awarded the VLA Green Mountain Award for our work in support of VT libraries. Nice to have Jeb on hand to witness the award presentation.

Ribbon-Cutting at Rockingham Free Public Library: May 10: After a couple of horrible years of very public Board squabbles, violations of the Open Meeting Law and the firing of the library director, Rockingham celebrated the finish of their new library building addition. I was on hand to speak and help cut the ribbon. They have new board members from town meeting elections and have just reinstated the library director. I hope for happier times ahead. The words on the celebration cake may say it best: “A Fresh Start.” This is one of four (Andrew) Carnegie libraries in Vermont.

VTLIB May Newsletter:

<http://archive.constantcontact.com/fs138/1102928001760/archive/1117361714426.html>

## **TAXES**

No report.

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**CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN**

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From: Susan Spaulding  
Date: May 23, 2014  
RE: Boards and Commissions Update

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**Pesticide Advisory Council: I am “consulting” with Chuck Ross before calling Evan Darrow.**

(10) Two members appointed by the governor. In choosing these members, the governor shall consider people who have knowledge and qualities that could be useful in pursuing the goals and functions of the council. One of these members shall have practical experience in commercial agricultural production and shall be **appointed in consultation with the secretary.**

**Board of Libraries:** I asked Marty Reid, State Librarian and Bruce Post, Board Chair, how they felt about Ari staying on the Board even though she has moved to New York City. They would prefer not to set a prescedent of board members not being expected to attend meetings in person and they would prefer Ari resign so you can appoint someone new. **If you agree I will give Ari a call and let her know how they feel and see what she says.**

**Board of Education:** Aly, Carolyn, Laura, Jess and I interviewed 10 students and we were VERY impressed. **We would like to offer Melissa Mazza a Governor’s internship.** She is interested in politics and would be an asset as an intern either this summer or during the school year. **Are you okay with us talking to her about that instead of being appointed to the Board of Education?** There are 3 students we would like you to interview that would all make GREAT appointees to the Board. I think you will be impressed with all three but unfortunately will only be able to appoint one.

**Appointments made May 20, 2014**

**Justice of the Peace, Town of Westfield:**

APPOINTED: Joyce Crawford, Westfield

**Northeast Forest Fire Protection Commission:**

REAPPOINTED: Warren Miller, Lake Elmore

**Current Use Advisory Board:**

REAPPOINTED: Patrick Bartlett, Barnard (Forestry)

REAPPOINTED: John McClain, Bethel (Forestry)

**Pesticide Advisory Council:**

REAPPOINTED: Lene’ Gary, Hartford

**Emergency Preparedness Advisory Council:**

APPOINTED: Joseph Szarejko, Wilmington (Municipal Police)

**Fire Service Training Council:**

APPOINTED: Christopher Corbin, Jericho (Professional Fire Fighters)

**Tobacco Evaluation and Review Board:**

APPOINTED: Deborah Lary, Randolph (Education)

**Governor's Council on Physical Fitness & Sports:**

APPOINTED: Morgan Potter, Westminster

**Building Bright Futures:**

APPOINTED: Trisha Shabazz, Colchester

**Downtown Development Board:**

REAPPOINTED: Ron Redmond, Essex Junction (local government)

**Commission on Women:**

APPOINTED: Melinda Moulton, Huntington (Democrat/Independent)

**Aviation Advisory Council:**

APPOINTED: Janise Peaslee, Guildhall

REAPPOINTED: George Coy, Swanton

REAPPOINTED: Ed Peet, Cornwall

REAPPOINTED: Robert Flint, Weathersfield –

**CONFIDENTIAL and PRIVILEGED**

**To:** Governor Peter Shumlin  
**From:** Michael J. Hogan, Commissioner of Liquor Control  
**Date:** May 23, 2014  
**Re:** Weekly Report

**Status of Governor's Priorities:**

**Legislative Issues/Contacts/Updates:**

- S299: would allow for licensees to serve flights of various products for comparison purposes. The bill was passed out of Senate and is in House General. Powdered Alcohol Study also included. Bill review already submitted.
- H884 Miss Tax Bill: Made some adjustments on spirits taxes that will help instate manufacturers.

**Press Issues/Releases/Contacts:** Nothing now.

**Significant Events/Meetings:** Next Board Meeting 06/11/2014 - Enforcement Hearings.

**Evolving Issues:**

- ERP/POS Project underway. Greta progress with vendor and working with DII.
- Preliminary review of department processes for potential licensing and enforcement system.
- Performance Audit underway. Report hopefully in May.
- Planning an alcohol symposium for early December for policy makers, licensees, and industry partners. I hope some of your staff will be able to attend. Will keep you informed

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**Summary of Key Department Activity:**

- May sales continue to look good! We should break a department record by the end of the fiscal year.

**Commissioner's Commentary:** Have a great Memorial Day weekend.

Elizabeth H. Miller  
802-522-3090, cell  
elizabeth.miller@state.vt.us