

WEEKLY REPORTS

Checklist
2/19/16

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: February 19, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **EB5:** The games continue this week. A war of letters back and forth between Stenger and DFR. Q Burke is still not open, the certificates of occupancy are being held hostage by PeakCM until they are paid in full. I'm hearing there is a bridal show this weekend at the hotel which will proceed, a good sign. I also got a call from a carpeting contractor who has not been paid for November and December. He is being told because the State is not releasing funds. I corrected him and am pressuring Stenger to get Peak to pay them. The November and December requisitions have been approved for weeks. However, we know there are inadequate funds in the account. We got another inquiry about a canceled reservation the reason being the State has not released funds. Interestingly, I have not heard from Stanger all week other than correspondence between he and DFR.
- **Chroma Technologies:** Kiersten and I had a good meeting this week with Paul Millman and his team. He is prepared to proceed with an expansion, ideally on the island in downtown bellows Falls. The site has a number of Brownfields issues yet there is a fair amount of EPA money available to help clean up the site so Paul can buy it and build a building. They are frustrated with the Rockingham Development Director and expressed their desire to work with BDCC on the proposed expansion to the Island. Kiersten brought them up to speed on where we are with tackling the environmental issues at the site and the next steps involve CAFI/CAP development. Also explained that this is a BERA project that is a development priority. The company is doing very well and they are bursting at the seams in terms of space.
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- **PCM:** Mike Hathaway, owner of PCM in Springfield wants to own a building after renting from SRDC for 20 years. He is considering New Hampshire because of the income tax issues. It's clearly a personal income tax decision for him. We will work with Bob Flint to try to convince Mike to continue his growth here in Vermont. The issue is he is highly compensated and therefore paying allegedly \$100,000 a year in Vt. income taxes he would rather have himself. Bob was able to provide them with an excellent option on the north side of Springfield – the former Dufresne-Henry buildings – that are the right size for the company. PCM is doing well; they have a contract with the USPS and are very well-diversified in terms of customers. They employ 33.
- **Enterprise fund:** I did an interview with Erin Mansfield of VT digger on Thursday. I was clear that the RGGI monies are off the table for Global Foundries. Tried to clarify that the route 22 AA improvements needed to happen anyway, the global needs just exacerbate the need. She talked to Chris Cole also.

LEGISLATIVE ACTIVITY

- **ANR proposals:** Pat has reached out to Trey Martin and Deb Markowitz to discuss the endangered species act, forest fragmentation bills, potential storm water control restrictions, and combined sewer overflow rules. Alyssa Sschuren has been great reaching out to us on the combined sewer overflow, and the stormwater. However, it's been since August since we've heard anything on endangered species and forest fragmentation. We are meeting next week to understand goals and air concerns. My concern is the cumulative impact of all four of these, on top of water quality, could have a dampening effect on development. In addition, it appears the endangered species act adds another permit approval requirement and process. More to come.
- **Administration's Education Proposals:** Lucy offered testified on one component of testimony taken on the programs being recommended in the governor's budget for the Next Generation Fund. The committee is generally concerned with their perception that the Administration is creating a new program, Children's Savings Accounts, when other prior year programs remain unfunded. Lucy explained that, with the funding designated in the Next Generation Fund for Vermont Strong Scholars, funding will be adequate for the first four years of the program. Regarding Children's Savings Accounts, they were under the impression that funds would come from private sources. The testimony made clear that while that had been a hope, it was not possible, which is why the

Governor came up with the new funding source of increased fees on mutual funds. We are going to have to continue to repeat this message.

- **Budget Review:** Lucy and Pat joined department leadership in meetings with Kathy Keenan, ACCD's budget liaison from House Appropriations. The meetings went well, and Kathy is supportive. We present to House Appropriations this morning.
- **Pathway From Poverty 15% Goal:** Noelle hosted the third and final meeting and have draft Executive Order concepts to review with the Governor. Meeting went well and I think we have provided a path forward that will be successful and help meet the goal of ending family homelessness by 2020. We also have implementation next steps laid out as well.

LUCY LERICHE, DEPUTY SECRETARY

- **Waterbury Municipal Complex Opening:** Lucy joined the Governor, Senator Leahy and other dignitaries in offering remarks at this event. It was a packed house and a great celebration. Many thanks to the VCDP and HP staff who worked so hard to help make this a reality for the town of Waterbury!

KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

Vermont Quebec Enterprise Initiative

- **Inbound Visit – Success!:** On Tuesday, February 16, the VQEI hosted 14 pre-qualified companies seeking partners, distributors or co-packers from the Monteregie region of Quebec. This area generally consists of the area southwest of Montreal (St. Hyacinthe, Hemingford, etc.). Companies ranged from manufacturers of clothing, cosmetics, automotive parts and conveyor systems to wine producers. Overall, it was an outstanding event. One **immediate** follow-up will be with Food Export USA. We have had several requests for assistance from VT-based brewers seeking guidance on how to export to Quebec and following this event, several inquiries from Quebec spirits producers wanting to sell in Vermont. Additionally, I will follow up with Sylvie Cloutier of [CTAQ](#) to see whether there is interest in holding a joint forum to facilitate these discussions.
- **Next Steps from FCCQ Visit:** We have been in contact with two of the companies that are seeking alliances in Vermont. Additionally, we have been invited to do small, reverse mission to continue focus on the IT partnership and begin exploring another sector alliance in the spring.
- **Sherbrooke Inbound Visit:** We have reached the maximum limit for participants for this event in late March. Twenty-five Quebec companies have registered and we are finalizing the details.

Recruitment

- **Project Patrick Dempsey:** Still waiting to connect with this company to discuss next steps. The CEO is working with his team to cull through the information that we sent several weeks ago. This project would add 40 manufacturing jobs.
- **Pioneer Cold:** Still working with Mr. Clem DiLiso on finding a location for his expansion. He is talking with Doug Nedde about taking the rest of the space at Reinhart in Colchester, but now also seeking property for a new-build option. I also made introductions to REM and suggested he look at the former 617 Site on Saxon Hill where Bob has 180,000sf. Also thought that this would be a good intro given Bob's knowledge of this particular sector. Again, not a lot of jobs would be created, but there would be benefit to existing producers that currently have to either ship their products to the Pioneer Cold facility in MA or onsite.
- **Soy Protein Isolate:** Met Monday with a small start-up that wants to produce a soy-based product in Vermont. They are located in Montreal and have extensive experience developing this kind of product that is used in everything from infant formula to yogurt. Turns out that they would create about 20-30 jobs if this launches.

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ Steve Sharp, Interim Director

- **VCGI Imagery Program**
 - **Orthophotos (2016-2020):** Steve is working with BGS and ACCD legal to craft a contract with the RFP finalist. VTrans has determined that they may not be able to provide the ground control work for this next round, so VCGI is working to adjust the contract language accordingly. We are shooting to have a contract in place for the spring flight season.
 - **LIDAR:** The state funding match for the U.S. Geological Survey Broad Agency Announcement 3D Elevation Program (3DEP) proposal is now part of the FY 2016 budget adjustment bill H.611. Recently, this bill passed the Senate with one amendment that required it go back to the House where it will be addressed Thursday, Feb. 18, 2016. With luck the bill will pass readily and head to the Legislative Council before finding its way to the Governor's desk for signing.

- **Projects and Technical Service Contracts**

- **VT Open GeoData Portal:** Steve, Ivan, and Leslie have been working on front-end and back-end design documents and putting together a proposal to hire a temporary technician to do work on this project as well as some other VCGI tasks.
- **NBRC Parcel Data Project:** Leslie will travel to Brunswick, VT to help participants wrap up their final report and reimbursement paperwork. This will be the final town to submit final documents.

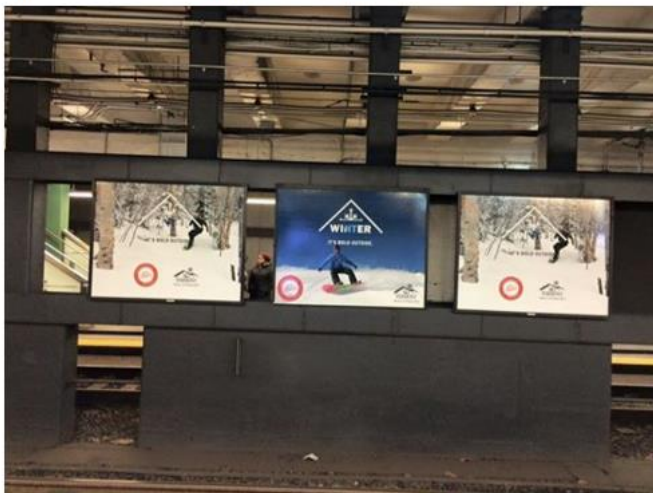
DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Challenging Winter Season:** The weather was once again a challenge for the holiday weekend but most of the resorts report strong bookings and, with the temps, probably strong food and beverage sales.
- **2016 Women's World Cup in Killington:** Megan met with the executive team from Powder Corp, parent company of Killington, and the management team from the resort to discuss next Thanksgiving weekend's event. VDTM would like to start spreading the word at international trade shows in Europe and Canada as they are wild about ski racing and we might be able to get some visitors over but mostly to just make it known that we have world class skiing. This initial meeting was very helpful for them to understand what we can provide and what we cannot. Everyone had ideas on how to make it an unforgettable weekend. If there is snow early next year all the teams will come and practice at various resorts around the state. As it was -15 degrees during our meeting with rain in the forecast we were all a bit nervous about next November.

Steve Cook, Deputy Commissioner

- **VermontVacation.com:** Members of the VDTM team are working directly with ACCD IT to complete phase 2 of the Vermont Chamber of Commerce travel planner update. ACCD IT has made progress this week in solving the custom sort function which would allow for the travel planner to separate lodging, restaurants, attractions etc. into customized lists.
- **Kenmore Station Domination:** VDTM ran a full station domination of the Kenmore Square T stop during the Fenway Big Air competition. The photos below were posted on social media during the event.

More Vermont takeover at Kenmore. #thisisvt.



SALES ♦ Kathleen Kolva, Sales Manager

- **Destinations publication:** There will be a two-page section on Vermont in the May/June 2016 issue of *Destinations*, the official travel publication of the American Bus Association. With the assistance of Karen Ballard at VTN, Kathleen provided information on new group-oriented Vermont destinations.
- **New England Tourism Center:** Kathleen is working with Manny and Lisa Witt to arrange a two-day, customized Canadian Sales mission for early May. The target audiences will be tour operators, selected key travel agents, and CAA (equivalent to AAA) offices within the greater Montreal region.
- **Columbus OH, follow-up:** From 1/22/16 – 2/16/16, there have been 421 sessions recorded from Ohio on VermontVacation.com. That is 1.73% of all web sessions during this time. This percentage is a slight increase in Ohio from all web traffic since last March – 1.59% – when the new VermontVacation.com was launched.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- Met with Gene Richards of BTV; he is ready for much more business development. Still wants a hotel, more retail, and other destination amenities. There is also a 36-acre parcel that they may want to do some industrial park development. He is meeting with Frank Cioffi soon to discuss. He wants us to come back and present how EB-5 may help them raise the funds for this further development. Scheduled for next week.
- Last week held a very good joint meeting with House Commerce and Senate Economic Development committees to present where we are on the ED marketing plan. Very well received. When the plan is ready they want us to present to a wider audience of fellow legislators and other constituents. This joint meeting followed additional focus group meetings in Bennington and Rutland.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Preparing NBRC Info session presentations and working with the NBRC Federal office to finalize this year's application. Again, the schedule is:
 - Thursday, February 18 from 2-4 pm at the Morristown Town Offices, 43 Portland Street, Morrisville.
 - Tuesday, February 23 from 2-4 pm at the Northeastern Vermont Development Association, 36 Eastern Avenue, Saint Johnsbury.
 - Wednesday, March 9 from 1:30-3:30 pm, at the Swanton Village Offices, 120 First Street, Swanton.
- Held individual meetings with two organizations interested in applying for NBRC grants: Rural Edge (Trisha Ingalls and Chris Holden) and Energy Action Network (Andi Colnes). Deputy Commissioner Hanford participated in the meeting with Rural Edge. Note: I am available to meet with any potential NBRC applicants to walk them through our eligibility and scoring criteria and the application process. Rural Edge is planning to apply for a building project on Main Street in St. Johnsbury, where there are currently three burned out lots. The plan is to build a 4 floor multi-use building that would primarily be leased to St. Johnsbury Academy and would include a teaching kitchen, a student-run café, a banquet/conference center space, and dormitories. EAN is interested in concurrently developing a community owned energy project and a guide for how to do so, which could serve as a model and pilot for additional community energy ownership models across Vermont.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Vermont Captive Insurance Association and State of Vermont Roadshow:** Dan Towle, Director of Financial Services, participated on a panel in New York called the Strategic Advantages of Captive Insurance. This half day event included 2 educational seminars followed by a networking reception. These events have proven to be an excellent way to both meet prospective clients, and also to network with existing Vermont captives.
- **OrthoForum:** Dan is attending the OrthoForum this week, which is a national physician specialty organization whose membership includes many of the largest privately owned orthopedic practices in the United States. Dan is working with this organization to set up a new Vermont domiciled captive and potentially redomesticate the organization's existing South Carolina Risk Retention Group. Doctor and hospital groups make up one of the fastest growing sectors in Vermont's captive insurance portfolio. Dan has several meetings scheduled already with CEO's of orthopedic practices based in Georgia and Missouri while at the event.
- **Conference Preparations for RIMS and CICA Conferences:** Two of the largest trade shows that Vermont exhibits at are coming up in March and April. For the RIMS Conference, Dan recruits a group of a dozen Vermont captive insurance service providers to help the State of Vermont staff this trade show that typically attracts 8000 attendees. Dan will be joined by 5 members of the Department of Financial Regulation. Preparations are on-going. Dan coordinates the entire housing block for the group and organizes multiple events and numerous meetings at the trade show booth.

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

- Joan, Brett and I met with Superior Technical Ceramics to discuss Hannover Messe as well as OEA and VTP grants.
- Met with Ryan McDonal of Finn Utility to discuss STEP funding for his upcoming trade shows and expanding his market.
- Traveled to Brattleboro to meet with Laura Zindel Design. Toured the show room as well as the entire space. Laura showed me the machinery that was purchased warranting the need for VTP funding and how the machine operates. We were able to sit down and fill out her invoices for August 2015-January 2016.
- Also met with Lynda at Cultural Intrigue to obtain signatures necessary for VTP grant. Lynda gave me a tour of their entire building and explained their trainings.

VERMONT TRAINING PROGRAM ♦ John Young, Director

- VTP grants were all approved in the past week for: Global Foundries, Vermed and VMEC.
- Vermont Creamery has a grant in the VTP review process for front office and production training as they have grown from 50 to 75 employees in the past year and are planning on continued growth.
- Liquid Measurement Systems and American Rail Dispatching Center have grants in draft that should be submitted in the next week or two. LMS is restructuring as they continue to grow and are putting in place a corporate suite. American Rail Dispatching Center is adding 10-11 new employees as its parent company has decided to close 5 other dispatch centers and combine them all in VT.
- Met with Galen Healthcare and Flex-A-Seal who are both looking at a VTP grant.
- Current grants in the working stage include: NSA, Edlund, Darn Tough.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **Statewide Digital Parcel Mapping:** Joined VTrans' Deputy Secretary Tetreault and staffer Nina Safavi at the next stop of our Agency tour with ANR. We received support from ANR and so far are batting a 100% in those interested in supporting the project and seeing benefit in the initiative. Rich and Noelle are working on needed legislative updates and Noelle drafted a proposal for the VT Bankers Association to consider helping fund the ongoing maintenance of the program. When completed, there are substantial benefits to the private sector and this could be a strong public/private benefit. Also drafted a summary for VLCT to share in their newsletter.
- **Colchester's New Town Center:** At the Downtown Board's request, Noelle and Chris met with Dawn Francis, Colchester Town Manager and Sarah Hadd, Director of Planning to discuss ways to meet the statutory requirement to have civic and public buildings within the designated area. The town has made a good faith effort to meet this requirement, however some Downtown Board members would like them to do more. A draft follow-up letter was sent to the town that identified a range of options that would meet the Board's expectations and help assure Colchester's 2018 renewal goes smoothly.
- **VEIC Federal Grant:** Vermont Energy Investment Corp (VEIC) recently received \$46 million from US Rural Development Rural Utilities Service (RUS). These funds will run through Efficiency Vermont as a loan program. Noelle, Chris and Laura met with EVT's Liz Gamache and Christa Shute to understand more about the program and give them a heads up that any federal funding comes with historic preservation review and also to make sure that we can support and/or partner in any way that would be helpful (i.e. Getting the word out; directing funding to Downtowns, etc.). Productive meeting and we have a better understanding of the programmatic that covers environmental and HP review and with our recent work with PSB on renewables and CD on weatherization we should be able to easily develop a way to ensure any projects that need to be reviewed are identified early.

Deputy Commissioner Hanford

- **CDBG & CDBG-DR:** 9 projects totaling over \$3M were recommended by the VCDP Board and approved for funding by Secretary Moulton. Josh is coordinating notifying the applicants and working with the Governor's office on an event & press release.
- **NeighborWorks of Western VT(NWWVT) and Town of Bennington:** Joined Claire Forbes in a meeting with Luddy Biddle, ED for NWWVT and Michael Harrington, Town of Bennington as they plan to submit an application to fund a NWWVT satellite office in Bennington and add two new staff. This is problematic since we already provide close to \$450,000 a year to support NWWVT's great work to assist low income homeowners make needed improvements and repairs to their homes and we don't have the capacity to increase the level of support to their organization or the other four NeighborWorks organizations around the state. We challenged them to focus new efforts on trying to help house the homeless by working with small apartments owners and helping them make improvements to the aging rental stock in Bennington's neighborhoods.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **AAF+M, Vigilant Guard:** One lesson learned after Tropical Storm Irene was that the state and our partners needed a consistent way to assess damage to businesses, farms and cultural and historic resources. The online [BACH-DA](#) intake system was designed to fill this gap and Chris and Melissa met with staff from Agriculture to coordinate the upcoming test of our joint business recovery functions. This effort is part of a much larger exercise lead by DEMHS and the Vermont National Guard designed to test Vermont's ability to share information between the local, state, regional, and federal levels and assess the state's capacity to respond to needs and restore lost services.

State Designation Program Report

- **Hardwick, Vermont Council on Rural Development Community Visit:** Gary participated in the second of a three-part community visit program in Hardwick led by VCRD. The community forum drew a crowd of 85

people together to discuss 20 goals previously identified in a forum held in January. By the end of the evening, the community was able to narrow the field down to four priorities including: building stronger partnerships with the school and the greater community; expanding the Jeudevine library space and services; opening a recreational center and expanded recreational opportunities; and improving Hardwick's downtown and economic viability. Gary will participate with other visiting team members in March to help the downtown commission and other task forces to align priorities and develop a plan of action.

- **Underhill and Randolph, Downtown and Village Center Tax Credits:** Caitlin met with the new owner of a former historic academy building in Underhill. They are considering rehabilitating the building for office/residential rental and are exploring funding options. The building will need to be listed in the National Register to qualify for federal tax credits, but is within Underhill's designated village center and so could qualify for state tax credit funding. Caitlin also met with a group of local town officials and property owners in Randolph to tour two historic buildings. Part of the ongoing partnership with Efficiency Vermont, the group discussed potential ways the properties could take advantage of both state tax credits and efficiency incentives.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Waterbury Office Complex:** The Division for Historic Preservation and the Department of Buildings and General Services were among those honored by the state legislature on Friday with a House concurrent resolution. The resolution outlined the history of this former state hospital, its use as state offices, devastation by Tropical Storm Irene, and the multimillion-dollar restoration effort of late, returning the complex back into operation as the home of the Agency of Human Services. Laura, Devin, and Jamie joined the very well-attended ceremony on the House floor. Jamie Duggan has overseen this restoration project in the name of historic preservation. His efforts have been unyielding and consistent to ensure best preservation practices for the largest historic preservation project in Vermont's history. Well done VDHP and Jamie!
- **Waterbury Municipal Building and Library:** Laura, Jamie, and Josh attended the grand opening of the Waterbury Municipal Building and Library. The work undertaken at the Dr. Henry Janes House was preservation minded while at the same time taking into account the needs of the municipal offices and the community. The Janes House was given to the residents of Waterbury in 1915 for use as a library by Henry Janes, who was a physician, soldier, farmer, and humanitarian. He is best known for heading the medical team for the Union army after the Battle of Gettysburg and for his dedicated care for his neighbors in Waterbury. **BUT DID YOU KNOW:** Dr. Janes was the community's most eligible bachelor, described in the *Waterbury Record* as a man "of extraordinary attraction for women;" he married at age 50 (There are many more stories of the Dr.'s rumored allure that is probably not fit for the weekly). Governor Shumlin and Senator Leahy were among the many to speak at the grand opening. Our favorite speaker was Lucy Leriche, who spoke of the history of the site and the project's successful marriage of preservation and energy efficiency. Thank you Lucy.
- **Efficiency Vermont and the Rural Utilities Service (RUS):** Laura joined Chris and Noelle in a meeting with representatives of Efficiency Vermont and the Rural Utilities Service loan program of the USDA. The Division will be working with the RUS implementation team to identify efficient and effective ways to process any project's requiring Section 106 reviews, especially finding procedures for communicating early for the larger projects. To get the ball rolling, Laura will meet with the Division Project Review team to identify forms and procedures that will meet the needs of this program.

Project Review

- **Johnson:** Jamie and Elizabeth continue consultation with the Vermont Studio Center and last Wednesday went to Johnson to meet with their staff and design team to go over their campus master plan. The current focus is review of their revised rehabilitation plans for a number of residential buildings that will be reconfigured into a new residential campus core. The first rehabilitation project includes the Kowalsky House, which features an 1896 house on the street, with an 1834 annex in the rear. The Annex, formerly proposed for demolition, will now be repositioned and rehabilitated, returning to its original duplex function. The design team has taken VDHP recommendations to heart and the current revisions are all very positive and on track for approval under Act 250. VDHP will continue working with Vermont Studio Center as the master plan is refined and updated.
- **Solar:** Yvonne's solar odyssey continued last week with site visits in Charlotte, Ferrisburgh, Sudbury, Bristol and New Haven. Scott also spent a full day traversing the State for site visits. Several projects were cleared for both archaeological and architectural concerns. The team is continuing efforts to keep pace with the influx of new projects, which have slowed slightly of late, but new projects continue to appear each week.

Historic Sites Section Chief

- Tracy made visits to the Justin Morrill and Theron Boyd sites this week to address electrical and HVAC issues and do a mid-winter walk-through of each.
- On Friday, Tracy joined the State Curator's Office for the annual State House Valentine Sale. Tracy distributed stickers that read "I LOVE Vermont's State Historic Sites." The stickers were beautifully designed with a vintage Valentine look by Erin Salls. Legislators, staff and the general public all seemed happy to receive and wear a sticker. Buttons with the same design will be available shortly.
- Later on Friday, Tracy met with Paul Brosseau who manages the Vermont Offender Work Program at the Southeast State Correctional Facility in Windsor. Crews from the Windsor facility provide grounds maintenance services at several state-owned Historic Sites. Tracy is working with Paul to refine the written agreements that we have with his program to better match the needs of the sites.



State-Owned Historic Sites

- **Coolidge Site:** The Presidents' Day Open House, organized by the Coolidge Foundation and VDHP, was very successful. A roaring fireplace welcomed 50 visitors who enjoyed the exhibit rooms, family activities in the classroom, and Rushad Thomas' excellent presentation about the 1924 presidential campaign. We sold nearly \$50 of store merchandise. The event was filmed by the Ludlow public access television station, and extensively covered in Ray Boas' online blog: <https://shunpikingwithray.com/2016/02/15/presidents-day-where-else-would-i-be-plymouth-notch-vt-15-february-2016/>
 - Exhibit work continues, and a draft of the script will be sent shortly to Montpelier for review. The internet is yielding some fascinating information - details about our collection not even known by John Coolidge. All should be fun for our visitors this season! The pre-bid meeting for the designers is February 19.

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

- On Thursday, Dale Azaria and Arthur are scheduled to present the final proposed Housing Division Rules to the Legislative Committee on Administrative Rules (LCAR). This may be delayed pending a request from Representative Helen Head, Chair of the House General, Housing and Military Affairs Committee, as she hoped to have the Legislative Council review the rules for her committee. We informed Rep. Head we are not under any deadline pressure and would be happy to accommodate her request and present to LCAR at a later time.
- On Tuesday, Arthur met with Jill Chapman and Ben Doyle from Montpelier's USDA Rural Development to brainstorm ideas for marketing USDA's pilot energy-efficient manufactured home loan to mobile home parks in Vermont. The pilot program is under USDA's existing 30-year, fixed rate loan program that can be reduced to 1% interest rate. The mobile home must have a foundation and be Energy Star compliant, and can be located in a park or owned land. The mobile home park needs to meet certain conditions including a lease that extends past the loan term, but already several nonprofit mobile home parks are close to gaining approval to participate in this program. Related to this, the Randolph Area Community Development Corp. is planning a mobile home resources day on Saturday, March 5th which Arthur may attend.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Regular VCDP

Potential Projects

- **City of South Burlington:** The City and Cathedral Square (CSC) submitted a pre-application to develop 35 new units of affordable senior housing on a site in South Burlington's new town center, "City Center." CSC is partnering with the Snyder Braverman Development Company LLC. They plan to submit the application in April for the June Community Development Board Meeting. At this time, very little funding has been committed to the \$9-million-dollar project.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Economic Development Marketing Plan:** The consulting team for the Economic Development Marketing Plan held stakeholder meetings in Bennington and Rutland this past week, as part of an 'immersion tour, part 2.' As a significant portion of the Discovery work has now been completed, we were able to present draft findings to business leaders, community organizations and young professionals in these regions to gather feedback on the key findings and early direction the strategy is taking so far. A similar progress report was also given to a joint session of the House Commerce and Senate Economic Development Committees. Committee members were generally supportive and constructive comments and observations received on the key findings to date will be incorporated into the final plan.

The second phase of the plan development, Key Messaging, is also well underway. A total of 24 interviews have been completed with representatives from all of our target audiences, to gather attributes that best describe Vermont as a great place to live, work and do business. The attributes collected were analyzed and distilled this week by small internal ACCD team with our consultants, the results of which will form the messaging platform that will be used in implementing the Economic Development Marketing Plan taking shape.

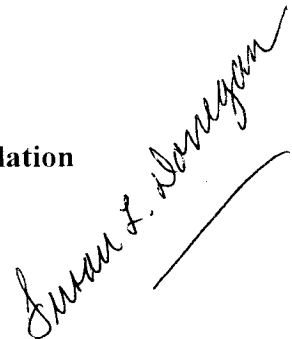
- **Creative Services:** Erin created an “I Love Vermont’s State Historic Sites” sticker for the Division for Historic Preservation to hand out to Legislators on Valentine’s Day. Based on the demand and positive response, the CMO’s office will help coordinate a small print run of buttons with the same design to promote awareness and support of these important state treasures. In progress projects include a redesign of the brochure for State Parks, layout of a Vehicle Services Guide technical assistance manual for the Dept. of Environmental Conservation and design of a new set of promotional banners for the Division for Historic Preservation.

State of Vermont
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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: February 19, 2016
Re: Weekly Report



Insurance Division:

Continental Indemnity Co., a subsidiary of Applied Underwriters Inc., has paid DFR an administrative penalty of \$300,000 and reimbursed the department \$35,000 for costs incurred in a recent investigation. The examination revealed that between 2007 and the present Continental had overcharged a number of small businesses for workers' compensation insurance policies. In addition to the fees paid to DFR, 16 Vermont business are entitled to restitution totaling almost \$352,000. The refunds range from just over \$900 to almost \$56,000. The company has agreed to conduct an internal audit to ensure future compliance with Vermont laws. Continental Indemnity Co. is headquartered in Omaha, Neb.





Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: February 19, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VY – First, thank you for breathing life into the possible settlement discussions. I look forward to resuming them with the team and am very optimistic about a good outcome for Vermont. Second, as previously reported, Entergy has water infiltration issues that we understand will cause them to have to transport some 200K gallons of slightly radiological water offsite to an appropriate LLRW waste site. What has been learned today is that some of this water is not being stored in the vessel specified (the Torus), but instead in portable rubber pools. This was reported in Digger and was the first we're finding out about it. I have notified ANR, DOH, DEMHS and my nuclear engineer to understand if they were notified and to identify any issues they may have with this process.

Draft Net Metering Rule – Today, we received a copy of the draft rule provided to ICAR on the 17th. Evidently, this was sent to the full service list, so it is now public. It uses our structure, but in our opinion the rates are too low to support the industry constructing in the places we want

them to. Accordingly, we expect to participate in ICAR directly, though we do not hold a seat on the committee. We may need Governor office support for our conclusions and to get other agencies to support our position.

VGS Base Rate, SERF, and Alt Reg Filing– On February 17, VGS filed for rates effective November 2, 2016. VGS filed for a 3.3% rate decrease. This is comprised of a 2% increase in non-gas costs and a 10% decrease in gas costs. The 2% increase in non-gas costs reflects the \$134 million of Addison Project costs offset by \$13.9 million in requested SERF usage. We will be looking to see what the best structure is for ratepayers and use of the SERF, as there are multiple options all of which are very complicated. VGS is seeking to limit the time for review of this filing to a 7 month schedule to which the Department will not agree. We have said multiple times that the project must go through a full rate case.

SNRE – S.230 – Senator Bray shared a bulleted list of possible topics to be incorporated into S.230, his omnibus energy bill. Of interest from that list –

“AAFM Party status, bill-back authority, avoid/minimize/mitigate/offset.”

“PSB Process, Muni. Planning, Regional Planning, Statewide Planning, Tech. Support, Drafting support, Subs. Deference, Need Meaningful Dollars.”

“S.230 Provisions, with question marks next to Town Solar Farm, 3 Phase to preferred locations, and eminent domain. No question marks next to Public Assistance Officer, Decomm Fund, Std. Offer split.”

“Net Metering Input, REC handling, Solar Adder handling, Pacing of Cap Change, Timing of Rate Re-Eval.”

Dr. Asa Hopkins will have 45 minutes testifying Friday morning. This will be an opportunity to correct the record on a few matters including RECs, overall acreage to meet VT goals, and the value of solar. The Committee is growing increasingly anxious about the lack of new language and decisions on the bill. There also is increasing chatter about adding net metering provisions to the bill. This will likely ramp up even more once the Board releases a draft rule.

Act 56 Report - We will be providing a final report to the Legislature on the Act 56 Public Advocacy report on Monday. We have fleshed it out considerably from the time of the draft, and will be recommending we keep the existing structure but provide an annual report about our ratepayer advocacy work, limit the time into which we enter MOUs’ and provide opportunities for public input that will address the concerns we’ve heard within our statutory responsibilities.

Senate Ag Committee consideration of S.205 – S.205 is a bill introduced by Senator Rodgers that would incorporate the ag soils and forest soils criteria of Act 250 into the Section 248 criteria. The Committee took testimony from Billy Coster of ANR and Diane Bothfeld of AAFM. General theme from the State is that the right to party status and bill-back authority would be helpful. Adding forest and ag soils criteria language to 248 could also be acceptable, but not simply pulling over the full prime ag and forest soils criteria from Act 250. Sen. Starr has circulated a draft that gives AAFM the same required party status as ANR, creates bill back authority, and includes the Act 250 criteria. Copans will testify again on this bill on Friday AM.

Chelsea Solar 2.2 MW Standard Offer Project in Bennington - Docket 8302- The Board issued a decision in this matter on 2/16/16 denying a Certificate of Public Good for this project. The

project was to be situated on approximately 15 acres of a 27-acre parcel of forest in Bennington along Route 7. The Department had supported the project and entered into an MOU with the applicant on System Stability, Orderly Development and Aesthetics, but it is important to note that there were no intervenors at the time. ANR had also reached and filed an agreement with the applicant imposing conditions that addressed environmental concerns. Two months after the PSD MOU was filed, the Board granted intervention to an adjoining landowner, Libby Harris, who contested the project on grounds of Orderly Development, Aesthetics and Noise. The Town did not intervene in the Chelsea Solar case, but is a party in the very similar Apple Hill matter immediately next door. The full Board conducted a site visit of both project sites on November 13, 2015. The Board's decision was based on the fact that the project was located in the 'Rural Residential District' and did not comply with the specific and detailed restrictions imposed by the Town Plan for development in this district. Since the Apple Hill Project is proposed to be sited on the same parcel, which is in the same district, and is thus under the same restrictions from the Bennington Town Plan, it seems likely that the Board will soon issue a similar order for that project. In the Apple Hill matter, the Department also entered into an MOU with the Petitioner.

Vermont Universal Service Fund – The Vermont Universal Service Fund is a special fund that supports (1) Lifeline, (2) telecommunications Relay Service, (3) Equipment Distribution, (4) E911 and the (5) Connectivity Fund. The Connectivity Fund receives the balance of the revenues after all other programs are paid. The VUSF statute calls for 100% of the revenues to be used on the above mentioned programs. E911 has a set budget, which this year is \$4.6M. The fund pays E911's budget in 12 equal installments. Recently, the Department was approached by the Department of Finance and Management about an issue with E911's budget. The 2016 budget calls for E911 to relinquish \$425,000 of its budget to Public Safety. It appears that F&M would prefer to take an additional \$425,000 from the VUSF rather than deduct it from E911's budget. There appears, however, to be no statutory authority in Title 30 for doing this, nor does there appear to be any basis under the FY16 budget. In addition, because all of the revenues are dedicated to one program or another, there are no funds remaining in the VUSF that can be used for the proposed, but unauthorized, distribution to Public Safety. I will call Andy Pallito next week to discuss our objection to any attempt to take VUSF funds for this purpose.

Meetings/Calls this Week:

Feb 15 – NARUC Winter meeting in Washington, DC (Recchia, Porter, Copans, McNamara), NECPUC Board meeting,
Feb 16 – NARUC Winter meeting in Washington, DC, Meetings with Cong. delegation staff
Feb 17 – NARUC Winter meeting in Washington, DC
Feb 18 – ANR Climate Cabinet meeting, VTEL/Telecomm meeting with legislators
Feb 19 – Mary Powell meeting, Senate Ag. Comm. on S.205

Meetings next Week:

Feb 22 – VT Climate Economy Summit
Feb 23 – Entergy VY Monthly meeting
Feb 24 – VY ISFSI Technical Hearings
Feb 25 – VY ISFSI Technical Hearings, NDCAP meeting, Senate Finance Testimony on Ratepayer Advocate Report

Feb 26 – VEDA Board meeting

Media: VTDigger on Chelsea Solar (Bennington) PSB Decision; VPR on VGS rate filing

Public Official Contacts:

Everything Else:

PERD

Legislative Activities

- Wrote conceptual outline of ways to bring principles & practices from Act 250 – particularly related to public engagement – into Section 248.

Heat Saver Loan Program

- The Department received its third installment of funding from VLITE for the TEF Pilot (\$100,000). In addition to the commitment from the CED Board of \$327,000 the program is in good shape heading into the spring upgrade season. It is likely the Heat Saver Loan will have additional resources being re-allocated from unused funds currently in the PACE IRB and Neighborworks IRB. Both grant agreements expire in March, but PACE will be extended until July to give VEIC an opportunity to advertise the end of the IRB and the Neighborworks grant will be extended for another year with a reduced total amount more in line with what they expect to actually use.
- Given the emergence of the RUS discussion, staff are preparing for various scenarios for the future of the Heat Saver Loan. We will coordinate with our counterparts at EVT to explore what these options look like starting in March.
- Began drafting amendment changes to the VSECU and OCU grant agreements to accommodate the new vermiculite option under the TEF Pilot. Staff are coordinating with OEO to prepare for the roll out of this option now targeted for March.
- Processed invoice for VSECU for Interest Rate Buy-down (\$8418.84) for 8 new Heat Saver Loans. Total loans for VSECU now stand at over \$1.8 million with leverage nearly 6:1.

Renewable Energy Items

- Began pilot-stage review of EAN dashboard functionality.
- Sent draft contract for next round of RPC energy planning projects, along with sole source memo and contract prep form, to Finance & Admin for review.

Clean Energy Development Fund

- VCEIR 2016: Survey tool for wood heating “deep dive” is finished and has been sent to Castleton Polling Institute for Coding. Received comments from BERC, DOL, FPR and a private forester who are part of the advisory group this year.
 - Mailing to invite participants for the survey was slated to be sent out today. Expect that the survey will commence next week.
 - Preliminary data for the standard questions will be available early next week. Staff will coordinate with the contractor and other agency staff to review the preliminary findings. Report is on track to be drafted in March.

Net-metering

- Further refined the cost-benefit analysis model for the net metering program to include the Department's proposed equalization charge which would be a per kWh charge to help utilities cover the sunk costs of delivering services to net metered customers. The results showed that the charge would help eliminate cross-subsidization between net-metered and non-net-metered customers, though such cross-subsidization was rare under our proposed changes to the Board's draft rule. Under our proposed rule, most utilities in the state that we modeled are still net-winners under net metering. Results are highly sensitive to peak-related costs.

RES

- PERD staff attended Tier 3 Working Group meeting to discuss DPS redline and comments on DU/EEU Straw proposal. It appears we will not be able to reach consensus on the trading of Tier 3 credits (we suggested this be included in the 2020 review, rather than be considered/allowed now) so parties will file comments for PSB consideration on this and other topics where there is still disagreement on April 8th.
- Worked with legal on refining the Department's response to BED's request that they receive the exemption from Tier 2 resources under the RES.

VSPC

- Geotargeting Subcommittee
 - GMP presented preliminary results of analysis of storage solution to constraints in Hinesburg area. Analysis shows significant frequency market revenues, the source of most of the net benefits. VEC is planning substation maintenance investment in adjacent area that could be wrapped into a joint construction project that both GMP and VEC will benefit from. GMP will request an extension to the April 30 deadline for filing reliability plans with the board in order to continue exploring this possibility.
- VSPC Evolution
 - Joint meeting of GT and Load Forecasting Subcommittees was held to explore question of what VSPC should do to remain relevant to challenges of grid transformation. VELCO will circulate a draft concept paper of perceived options for new VSPC roles before the committees meet again.

Fuel Report

- February Report Released to the wild

Average Retail Petroleum Prices (\$ per gallon)					
	Feb' 16	Jan' 16	% Change	Feb '15	% Change
Fuel Oil	\$1.86	\$2.01	-7.4%	\$2.61	-28.8%
Kerosene	\$2.38	\$2.59	-8.0%	\$3.20	-25.6%
Propane	\$2.52	\$2.50	1.1%	\$2.93	-14.0%
Gasoline	\$1.97	\$2.09	-5.7%	\$2.33	-15.5%

Diesel	\$2.45	\$2.53	-3.2%	\$3.21	-23.5%
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Other Items:

- Heather Calderwood has joined the Division as a temporary employee to process net metering CPG applications and generally improve and maintain the Department's data base of generator permits.
- Presented information on the CEP to the Central Vermont Regional Planning Commission. Panel also included Linda McGinnis of the Energy Action Network and Robert Dostis of Green Mountain Power. The RPC was primarily interested in hearing about what the region might need to do to help hit the 90 by 50 target, and the role of the regional plan in 248 siting decisions.
- Started organizing a kick-off meeting for utility smart-rate plans which will ideally include Jim Lazar from the Regulatory Assistance Project to explain some of the advantages of Smart Rates (or time-of-use pricing). The CEP requires utilities to create plans to move to smart rates as the default option for all customer classes by 2018.
- Reached out to NREL staff to find out if they know of any other green pricing programs for renewable natural gas. There are a few programs that staff are now reviewing in preparation for the Vermont Gas docket for their renewable natural gas green pricing proposal. Staff are also compiling best practices for green pricing programs in general – looking especially for directives on how to establish an appropriate price for RNG.
- Continued work on draft clean energy finance collaborative/forum framing paper.
 - Received draft Clean Energy Finance Collaborative MOU from EAN; modified to better align with our vision for such a Collaborative (as envisioned in the CEP).
- Met with Climate Cabinet staff on the ZEV MOU Implementation team to discuss progress since 2015 and plans for 2016. PSD contribution will be focused on rate designs and on developing regulatory certainty for EV charging infrastructure owners regarding if and how they are to be regulated by the Public Service Board.
- Attended the National Assn of State Energy Officials Winter Policy Outlook conference in Washington, DC. Much conversation was focused on the Clean Power Plan, and then on the stay of that plan.
 - Made connections with two non-Vermont consultants or vendors in the general realm of home weatherization who said they had recently heard (independently) from GMP.
 - Also connected with two current DOE staff interested in possibly moving to Vermont – please keep an ear out for potential opportunities these folks might be well suited for.
 - 7-state Northeast region of NASEO will be focused this spring and summer on an effort coordinated by Rhode Island and RAP, regarding advance grid technologies/grid modernization. One outcome of that work could be coordinated comments to DOE on the second Quadrennial Energy review, which is focused on the electric grid.

Engineering

VY Plans to Abandon Additional On-Site Buildings

VY is currently planning further consolidation of on-site staff offices to facilitate abandoning part (if not all) of the warehouse / shipping & receiving building located within VY's Protected

Area by “early summer” 2016. As a result of this consolidation, the State Nuclear Engineer’s onsite office will relocate, most likely to the Plant Support Building (although a move to the Governor Hunt House is also possible). Related to this consolidation, Jeff Meyer, one of the State Nuclear Engineer’s primary points of contact, announced that he would be leaving VY no later than May 5, 2016.

High-Level Rad-Waste Transportation Task Force Letter to Congress Placed on Hold

As reported previously (see December 23, 2015 Report), State Representatives on the Council of State Governments’ (CSG) Northeast Regional High-Level Radioactive Waste Transportation Task Force have drafted a letter intended for their respective US Congressional delegations advocating action facilitating construction of two proposed Interim Spent Nuclear Fuel Storage Facilities; one in Andrews County, TX, the second in Eddy & Lea Counties, NM. (The State Nuclear Engineer is Vermont’s representative on the Taskforce.) The Taskforce has learned that issuing such a letter would constitute lobbying, as defined by the DOE Cooperative Agreement that funds Taskforce activities, and is not allowed. The State Nuclear Engineer will work with the Taskforce to develop alternatives to the letter.

Public Advocacy

GMP Vegetation Management – No Docket – Department staff, in collaboration with its rate consultant, forwarded a report to leadership on a vegetation management proposal put forward by GMP. GMP is seeking to capitalize two years’ worth of intensive hazard tree removal at a cost of \$3.6 million/year and to modify its trim cycle practices. The Report analyzes GMP’s proposal in light of past practice and industry trends and recommends that GMP go forward with its planned increase vegetation management activities, but recommends that GMP absorb much of the costs of doing so.

GMP ESAM – No Docket – On February 12, GMP responded to the Department’s second round of information requests, which were extensive. The Department has not yet reviewed the responses. The ESAM will not take effect until October 1, 2016.

Generic Rule 4.100 Ratesetting Proceeding – Docket No. 8684 – On February 17, the hearing officer held a prehearing conference on the Department’s proposed update to the Rule 4.100 rate schedules. The Department filed this update on October 30. The purpose of the prehearing was to set a schedule. The Department and utilities were in agreement on a schedule that was slightly longer than last time we did this (about a year ago in Docket No. 8010). VIPPA and Ranger Solar seem to want a much longer schedule. Parties are attempting to work together on a schedule, but absent agreement, competing schedules will be filed by February 24.

Sheffield Wind Noise Investigation – Docket 8653 – The Department’s sound expert has reviewed GMCW’s briefing on threshold issues, which includes a recommendation that direct indoor monitoring at the Brouha residence be used to determine CPG compliance. The Department is weighing the relative benefits and drawbacks of conducting monitoring in such a fashion versus monitoring outdoor levels and applying the attenuation data gathered in July, 2014. Reply briefs are due to the Board on February 24.

GMCW Noise Investigation – Docket 8613 – The Department issued a round of discovery requests on GMCW regarding their sound modeling report. The modeling report generally lacked evidence supporting GMCW’s claim that modeled conditions for the night of the noise complaint in question did not reveal sound levels that would trigger additional attenuation monitoring at the complainant residence under the sound monitoring complaint protocol.

Triland 2.2 MW Solar in Pownal – Docket 8610 – As of now an MOU is due by February 18th, the PSD has informed the petitioner that it has no concerns – and will not be filing an MOU. ANR still has concerns.

GMPSolar Hartford – Docket 8580 – In a letter to the PSB, the PSD will state that GMP’s SIS raises no concerns. Additionally, the PSD will note that review of GMP’s recently-filed upgrades is still under review for compliance with the § 248 criteria. PSD has been in contact with ANR’s counsel, who also has some concerns with these upgrades. In a recent conversation with GMP counsel, the PSD was informed that there will be some changes to the upgrades.

TDI New England Clean Power Link Project – No Docket – The PSD recommended the PSB allow this petition without further investigation or hearing. VELCO filed a motion to intervene in the docket as a placeholder in the event the PSB opens an investigation.

GMPSolar – Panton LLC 4.90 MW Solar Facility in Panton, Vermont – Docket 8637 - Petitioner responded to the PSD’s first set of discovery requests. Since PSD’s engineering division does not believe the responses are fully responsive, the PSD is attempting to work with the petitioner to get more complete responses. Petitioner has also responded to the PSD’s second set of discovery requests. The PSD’s aesthetic witness is reviewing these responses. The petitioner’s responses to the third set of discovery responses are due on February 17th. Since these responses contain allegedly privileged information, the petitioner and PSD are working on a protective agreement. At the town’s request for a revised schedule, PSD agreed to the Petitioner and town’s agreement to extend the town’s discovery deadline from February 10th until February 22nd.

GMPSolar Williamstown – Docket 8682 – GMP, ANR and PSD are working toward scheduling a prehearing and site visit/public hearing. Tentatively, GMP, with ANR and PSD support, will request the PSB schedule the prehearing for March 7th and the site visit/public hearing for the following week.

GMPSolar Richmond – Docket 8564, Vt. S. Ct. Docket 2016-034 – After being denied intervention Allco Renewable Energy appealed the denial to the Supreme Court. The basis for Allco’s intervention request is an argument that it is a developer of Qualifying Facilities under PURPA, and had sought a power contract with GMP but was rebuffed – and that but for GMP’s rejection of its offer, GMP would not need the project it is developing in Richmond. Allco also asserts that it offered GMP a price lower than the expected cost of the Richmond project. Allco has filed similar motions in other § 248 proceedings and has been denied. The petitioner and PSD filed docketing statements on 2/11 and 2/12 respectively. PSD intends to defend the Board’s Order on appeal.

Swanton Met Tower Penalty Investigation – Docket 8561 – On February 17 Travis Belisle filed a response to the Department’s Motion for Partial Summary Judgment and a Cross Motion for Summary Judgment. Belisle is claiming the PSB did not have jurisdiction over him at the time the met tower was erected, and cites the Department’s funding of non-permitted met towers through its anemometer loan program.

EEU 2015-05 – Uncommitted Funds/Carryover – PSD will hold an internal meeting on 2/18 to discuss our substantive and procedural positions on this matter and will convey those to VEIC in a follow-up meeting on 2/25. It is likely that our position will be in accord with VEIC on the amount of the funds in question and on the procedural path necessary for a Board decision, but we are less likely to agree on how the funds should be used.

GMP Haystack Substation – Docket 8541- GMP has requested that PSD review and approve of a proposed aesthetic mitigation plan intended to address impacts of inadvertent cutting under a transmission line that will be removed as part of this project. The Department is considering this request and is seeking additional information. Specifically, we have asked about the nature of the commitment that GMP had made in advance to the landowner regarding trimming in that particular right-of-way; whether that landowner is satisfied with the landscape proposal; and whether GMP intends to ask ratepayers to pay to address this error.

BDE Grand Isle Solar (5MW Solar facility in Grand Isle) – Docket 8665 – PSD Engineering has determined that the System Impact Study for this project is incomplete. VEC performed the study and is a party in this docket, although not as co-petitioner. After alerting Petitioner, Engineering will communicate shortcomings to VEC and upon rectifying these, we expect Petitioner will file them with supplemental testimony. PSD will have discovery on aesthetics and decommissioning, due 3/2/16.

Renewable Energy Standards - Docket 8550 – At the Board’s bi-weekly Working Group Meeting on this proceeding, PSD staff presented our edits and editions to a Tier III Straw Proposal that sets forth the mechanism to be used to propose, evaluate, and report on Energy Transformation projects that will be used to satisfy Tier III compliance pursuant to the new Renewable Energy Standard (RES). The Straw Proposal is intended to serve as the basis for the Board’s Order implementing the new statutory obligations of the RES. Next Working Group Meeting is 2/23/16.

Net Metering – multiple dockets - The Department filed comments on the five 500kW net metering projects listed below. PSD comments invariably noted the absence of a Fast Track Application from the filings, and also noted a range of deficiencies in the evidence submitted to satisfy the 248(b)(5) aesthetics criteria. In all cases the Department recommended that applicants be given an additional opportunity to supplement the initial applications to provide the additional necessary information.

NMP -XXXX – Brandon GLC Solar 500kW Net Metering Project
NMP -XXXX – BDE Waterford Lower Lazar Solar 500kW Net Metering Project
NMP -XXXX – Sunrise VRS Solar 500kW Net Metering Project
NMP -XXXX – Triland Clarendon 7B 500kW Net Metering Project

NMP -7401 – Aegis Barre Solar 500kW Net Metering Project

NRC Decommissioning Rulemaking – No Docket – The Department, along with AGO, ANR, Public Safety, and Health continue to draft comments in response to the issues/questions raised in the NRC Advance Notice of Proposed Rulemaking. Comments are due to the NRC in mid-March.

Telecommunications

Comcast CPG Renewal – VAN, representing the public access television stations, submitted 69 discovery questions to the PSD based on PSD staff testimony. The majority of the questions seek to determine the PSD position on conditions VAN proposed in its testimony. PEG access is funded by fees listed separately on Comcast cable customer bills. These conditions could increase Comcast operating costs, but would likely not be passed on to consumers directly. PSD staff is working on responses.

Broadband Mapping RFP – The PSD awarded a contract for broadband mapping to Stone Environmental. The contract was processed through DII and PSD staff has scheduled a kick-off meeting with Stone this week.

Map Server – The broadband mapping contract calls for Stone to assist the PSD to configure access to the VCGI mapping server to process and house the broadband mapping data. This could require that the PSD purchase or upgrade mapping software.

CoverageCo EDA – CoverageCo has agreed to launch service at 30 of the 141 sites in the Incentive corridor by the end of October 2016, IF the PSD will work with the EDA to move about 60 of the 165 sites funded by the EDA. This will ensure that all 165 EDA sites are constructed on a date-certain schedule. It also ensures that priority corridors in the Incentive project receive date-certain installation. It offers CoverageCo the ability to select new more economical locations for 111 sites in the Incentive project. CoverageCo is working on final tweaks to identify the sites to be changed, and the PSD plans to submit the change request to the EDA next week. PSD staff agreed to prepare a memorandum of understanding to lay out this agreement.

Charter Oneida Road Line Extension – In December of 2014, the VTA paid Charter to build a cable line extension on Oneida Road in Danville. The project appears to be incomplete, as staff was informed by a resident of Oneida Road that service was still unavailable. Staff sent Charter Cable a final email explaining the Department's expectation that the project be complete by the end of February. The project cost the State and the residents of Oneida Road \$24,346.40.

Wardsboro Connectivity Meeting – Staff have been discussing connectivity issues with Wardsboro legislators and local government officials. Recently, FairPoint made upgrades in Wardsboro as part of its Connect America project. FairPoint, however, overstated its service goals. As a result, there are many locations in the town that won't receive added service. Much of the town is in VTel territory but VTel may not cover the entire town. Department staff reviewed potential areas for Connectivity funding. A meeting is tentatively scheduled for March 2.

Fiber Maintenance Contract – The Department selected Eustis Cable Enterprises to provide fiber maintenance services. The contract was awarded through the competitive bid process. Staff has begun the contracting process.

FairPoint Petition to Modify Docket 5903 Reporting Metrics – FairPoint filed a petition on February 16, 2016, to modify its service quality reporting metrics. The petition was contemplated and required by the MOU between FairPoint and the Department to resolve the service quality investigation in Docket 8390. FairPoint is requesting a proceeding to determine the following: (1) whether current service quality reporting metrics (known as Docket 5903 metrics) should apply for FairPoint’s customers that have a competitive voice alternative; (2) whether a specific metric from the Docket 5903 stands (% of troubles cleared in 24 hours) is still appropriate in the current competitive business environment; and (3) whether any changes to the service quality reporting metrics should result in modifications to FairPoint’s Incentive Regulation Plan (“IRP”). Division staff are reviewing the petition. DPS has also already received a media inquiry from VPR for copies of the petition.

VTel Cabot 248a Petition (Docket 8549) – Division staff is preparing a post-hearing brief, which is due by February 19. DPS will recommend that the Board issue a CPG for the project only if it includes conditions that require VTel to complete significant vegetative screening to limit the aesthetic impact of the facility.

Verizon Wireless 248a Application – Waterbury – The Town of Waterbury and two sets of intervening neighbors submitted comments with the Board in opposition to the proposed telecommunications facility. The Town and one group of neighbors jointly retained a wildlife expert, who submitted a report outlining the negative impact that the project will have on a wildlife corridor that connects Mount Mansfield with the Worcester Range. A different intervening neighbor also independently retained a wildlife expert and submitted a similar report regarding wildlife habitat impacts. ANR previously submitted comments that noted significant concern regarding the impact of the project on a valued wildlife corridor. Verizon has agreed to schedule a meeting with ANR, the Town, and the intervenors’ wildlife experts to discuss possible alternative designs and/or conditions that could be used to mitigate the impact on wildlife habitat. ANR and each of the intervening parties have requested a technical hearing on the application. Verizon has not indicated that it is willing to reconsider the location of the project.

Verizon Brookfield 248a Petition (Docket 8688) – The Board is attempting to schedule a prehearing conference for late February or early March. The Board previously denied a motion from the Town of Brookfield Planning Commission to dismiss the petition. The Board also found that the project (which involves a 10 foot increase of an existing tower) does not raise a significant issue with respect to aesthetics, but does raise a significant issue with respect to compliance with the Town Plan and comments from the planning commission. The Board will hold a technical hearing on the limited issue of compliance with the Town Plan and whether there is good cause to not give deference to the comments and recommendations from the Town

Planning Commission.

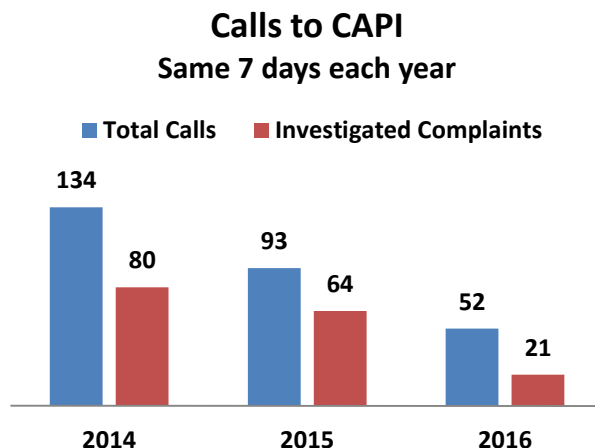
TANE Meeting – Staff attended the Telephone Association of New England meeting in Springfield, MA. There was much discussion about the still-to-be-released FCC order relating to rate of return carriers that will include a model-based option designed to stimulate broadband deployment. It's believed that the model option will have many strings attached, and the first phase of funding will only go to experienced ISPs. It is purported that the model option would allow an ILEC to deploy broadband in census blocks that are both unserved and partially served. In the latter scenario, the incumbent provider would have to prove to the FCC – separate from form 477 – that 85% of locations or more in a census block have access to broadband if they want to prevent another carrier from expanding into their territory (the FCC order is expected to include a broadband only option). Regarding broadband funding, ME and VT have similar programs. NH expressed that they have nothing. NY has \$500 million for broadband expansion from settlement funds received from banks involved in practices that led to the 2009 great recession.

Ownership of VIT Assets – Staff prepared a draft report for the Senate and House Institutions committees pursuant to Section 34(a) of Act 26 which submits that VIT property was first owned by VIT itself but in the absence of By Laws relating to dissolution the property reverts to the state of Vermont. The report recommends that the General Assembly authorize BGS to dispose of the former VIT property (equipment, fixtures and fittings) in a manner as deemed appropriate. Constituents that have expressed an interest in the equipment include cable access stations, Springfield CTE/Vermont Virtual, Stephen Whitaker. Testimony on this topic is anticipated in Senate Institutions Committee this week.

CAPI

Please note that this report covers activity from Sunday to Saturday, February 7-13 2016.

CALL DATA



Regional

Forward Capacity Auction

- ISO-NE's 10th Forward Capacity Auction, which purchases capacity for the 2019-2020 period, closed on February 8. The clearing price was \$7.03/kW-month, compared to \$9.55/kW-month in FCA 9. Total costs to consumers from FCA 10 will be about \$3 billion.
- ISO-NE's estimated net cost of new entry – the cost to build a new natural gas-fired plant, minus revenues from the energy and ancillary services markets – was \$10.81/kW-month. However, three large gas-fired plants in Connecticut (484 MW), Rhode Island (485 MW), and Massachusetts (333 MW) were all willing to accept the \$7.03/kW-month clearing price, indicating that ISO-NE's estimated net cost of new entry was overly conservative.
- The Installed Capacity Requirement (the amount of resources needed to meet resource adequacy standards) for FCA 10 was 34,151 MW. However, because ISO-NE utilizes a sloped demand curve to clear the auction, ISO-NE can purchase more or less than the Installed Capacity Requirement, depending on the clearing price. The total amount of capacity purchased in FCA 10 was 35,567 MW, which includes: 31,371 MW of generation, 2,746 MW of demand side resources (which includes both “passive” energy efficiency and “active” demand response), and 1,450 MW of imports from New York and Canada. The Anbaric and TDI-New England import lines apparently did not participate in the auction.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: February 19, 2016

Secretary's Message:

I wanted to give you an update on the Integrated Eligibility (IE) and MMIS (Core) procurement cancelation and reset. The cancellations have an impact on the staffing needs. While we are evaluating our reset options, we will also be evaluating our corresponding staffing needs such as type and quantity of staff. In the near term, we will be dismissing a number of contracted staff that were brought in through staff augmentation vendors. The purpose of these contracts was to allow us to meet our staffing needs (ramping up and ramping down) as efficiently as possible. Therefore, we expect to dismiss about 5 staff on 2/19. Other staff augmentation resources may be dismissed in the upcoming weeks depending on the outcome of VHC R2c and our plan for going forward. Our priority is to retain the state employee limited service staff before retaining contracted staff if the competencies are comparable.

Commissioner Chen and I testified for a second time at the Committee for Senate Government Operations on S.107, an act relating to the Agency of Health Care Administration. This is Jane Kitchel's bill to split the Agency with health-related services. Committee Chair, Jeanette White is convinced that the Agency needs to be broken up because she believes no one is sufficiently representing the physical health care side of the Agency. Quite frankly, it feels like a solution in search of a problem. I think the committee realizes how complex the Agency is and I'm not sure that they are going to agree to move the bill as is. They admitted that they do not have the expertise to know how to structurally divide the Agency. I helped them to understand that standing up another bureaucracy would entail additional annual costs of almost 2 million dollars. There was some support from the committee to bring in a consultant to review the organizational structure of the Agency and make recommendations. Actually, I think we could benefit from this idea. The Agency could be strengthened from certain, internal structural changes. As you know, we explored a plan to restructure DVHA under the central office but it was too much of a lift considering all the things that we are trying to do in the last year of your administration.

Commissioner Ken Schatz and I are preparing a detailed memo regarding the declining revenue in the fund for the Low Income Weatherization Program, as well as a number of recommendations. In FY16, due to low oil prices, and relatively mild winter conditions, revenue from the Fuel Gross Receipts Tax (GRT), is down by more than 16%. We are now projecting a little over a million-dollar short fall in this current year. Also due to the mild winter, falling reaching up caseloads, overall better economy, as well as extremely low fuel prices, the LIHEAP program is significantly over funded. The federal LIHEAP funds can only be used for fuel assistance and weatherization capped at 15% of the total allocation. Therefore, we are going to recommend that we transfer a little over a million dollars to Weatherization to make them whole for this fiscal year. FY17 is posing a similar issue and we're projecting that the gross receipts tax will continue to be at least a million dollars less per year than it was in the last few previous years. Federal economists are predicting that fuel prices will increase at a very minimal rate over the next ten years. As you know, Weatherization is one of most successful programs, saving low income families money and reducing our carbon foot print. This year the

weatherization program is being reauthorized and there seems to be some support from a group of legislatures to increase the GRT by another .5% which would mean the average family heating with oil might see a \$6.50 increase in their fuel costs for an entire year. There is a bill in the house that is calling for this increase and it does exempt electricity so my understanding is that GMP is not against it. This increase would raise between 3-5 million dollars and would actually enable us to weatherize more homes at the ARRA/GMP merger level. I would strongly recommend that if we can't support this increase, we at the very least would not go up against it.

AHS Highlights:

Vermont Department of Health (VDH):

Interstate Prescription Drug Data Sharing Agreement Signed

An MOU between VDH and The National Association of Boards of Pharmacies to allow interstate data sharing of prescription data with 31 states has been signed. This allows VPMS staff and the VPMS vendor to begin building the linkage between VPMS and the PMPi hub.

Adolescent Substance Abuse Treatment Grant at ADAP

The SAMHSA-funded 3-year Vermont Youth Treatment Enhancement Program/VYTEP) is making great strides in preparing the clinical workforce to address and treat adolescent and young adult substance use concerns. Five sites around the state have been trained in the use of the evidence based treatment model "Seven Challenges", and 11 agencies were trained in the use of the evidence based treatment model "Seeking Safety". In the two treatment agencies that have fully implemented "Seven Challenges", follow-up evaluation interviews indicate reductions in young peoples' use of alcohol and marijuana during the three months after starting treatment. A full evaluation will be published at the end of the grant period.

In 2016, VYTEP will be focusing more on enhancing adolescent treatment by gaining clarity and emphasizing what works best with adolescent substance abuse treatment throughout the state, and include ongoing technical assistance and coaching regarding these core practices. The program will also be licensing additional sites in these evidence based treatment approaches. Finally, this week VYTEP is supporting ADAP's Prevention Consultant in Windham County in hosting a community forum involving stakeholders, clinicians, and community members to discuss the perceived accessibility and quality of adolescent substance abuse assessment and treatment options in the region.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

VPCH census continues to be 25 with discharges occurring regularly and new admissions happening without delay. Overtime has lessened, in part due to reduced patient acuity and decreased need for 1-1 staffing to monitor patients. Nurse staffing has also stabilized, but there is ongoing reliance on traveling nurses while recruitment for permanent nurses continues.

At last week's quarterly EIP reduction committee meeting that DMH hosts for all designated hospitals, data from the last quarter of 2015 again showed VPCH doing the least number of Emergency Involuntary Procedures among the Level 1 hospitals and significantly below the national benchmarks. The implementation phase of the Electronic Health Record at VPCH begins next week with a 2-day intensive training/kickoff planned with key direct care, clinical, and administrative staff at the hospital.

Emergency Departments

During this week there were 22 people in need of inpatient psychiatric admission and 19 were admitted. There were two people who were court ordered to be evaluated for inpatient treatment this week; and both waited less than 8 hours in emergency departments rather than in DOC facilities. Currently there is one involuntary adult waiting with an expected admission to a hospital today. Two voluntary minors are currently waiting, with at least one of them expected to be admitted today. The adult system of care was operating at 90% occupancy this week with Level 1 units at 100% occupancy. The child and adolescent units have been operating at 94% occupancy this week.

Department of Aging and Independent Living (DAIL):

Final DAIL/DMH Visit to Rutland Mental Health

DAIL and DMH met with RMHS CEO Dick Courcelle and his team this week on our final visit prior to a decision related to their re-designation. Based on internal conversations between the two departments, it seems clear that RMHS will be re-designated. We will wait for a final summary document from RMHS to make a final decision but both the Agency and the quality assurance teams from both Departments have worked hard to bring their performance back into line with designation standards.

Funding for Money Follows the Person

DAIL is currently working closely with CMS due to a potential funding shortfall for our Money Follows the Person program. Nationally, the grants that have funded these efforts to transition complex individuals from nursing homes into community settings have been reduced. The reduction for Vermont is significant and we are working closely with our CMS contact to mitigate both the potential reduction and the impact to the Vermont program. We will keep both the Secretary and the Governor's office updated as we learn more and develop a viable plan.

Death of an Individual in our Choices for Care Program

DAIL Choices for Care and Money Follows the Person staff are working with a local Home Health Agency and an Area Agency on Aging to process the apparent death by suicide of an individual who was recently transitioned from a nursing home to a community setting. The individual experienced some issues with the transition but appeared to have settled into a supported community placement. Recently he was re-hospitalized for a medical condition and left the hospital against medical advice. Several days later, at a regular visit, his home health found him dead. DAIL is awaiting a root cause analysis from the involved agencies to better understand the situation.

Department of Corrections (DOC):

Population

The Department's incarcerated population averaged 1770 for the previous week. The Department's incarcerated male population averaged 1621 for the previous week. The out of state population is currently at 239. The female population averaged 149 for the previous week.

Department for Children and Families (DCF):

Tragedy in a registered child care home in Waterbury

The afternoon of February 11th, Parker Berry, a three-year-old boy, was somehow separated from caregivers at the registered child care home that he attends - Elephant in the Field on Guptil Road in Waterbury. The child was outdoors and ended up in a brook on the property. By the time he was found

and rushed to the hospital he was in critical condition. He died late Friday night. An on-going threefold investigation includes Vermont State Police, the Child Care Licensing Unit in the Child Development Division and the Special Investigations Unit in the Family Services Division. The provider and staff are represented by legal counsel. The program was not open on Friday. A suspension notice was delivered to the program on Friday evening which prevents child care from being delivered until further notice.

CCDBG Act of 2014 – Vermont's State Plan for Compliance

The DCF Child Development Division (CDD) is in the final stages of developing and submitting a state plan for compliance with the federal CCDBG Act of 2014 related to child care subsidies and quality. A draft plan has been posted on the CDD website and two webinars and an in-person public hearing were held to collect public comments. The deadline for submission has been extended from March 1 to March 11, 2016.

At the end of December, the Federal Office of Child Care issued a first set of proposed regulations related to the CCDBG Act of 2014. Some of the regulations seek to impose specific requirements on states regarding subsidy rates and family cost sharing that would create either a significant increase in state funding for child care subsidies or a reduction in the number of children and families receiving assistance. The specificity of the proposed regulations are more prescriptive than the law was written or the approved preprint states have used to create their CCCDF state plans. The CDD will submit comments to the federal government by the February 22nd deadline documenting the specific regulations that would create a hardship for the state of Vermont.

Woodside/Department of Justice meeting update

Representatives from DCF, including Commissioner Schatz, met with Assistant United States Attorney Kolo Kerest (Burlington) and United States Department of Justice (DOJ) attorneys Deena Fox (trial attorney from the Civil Rights Division) and Winsome Gayle (special litigation counsel from the Civil Rights Division). This meeting was held in response to concerns raised by DOJ about the Woodside administrative admission process that came to their attention in connection with a pending Vermont Supreme Court case, *D.C. v. Ken Schatz*. The Vermont Supreme Court (VSC) dismissed this case as moot last week because the child in question was now over the age of 18 and therefore, could never be potentially admitted to Woodside. It is our understanding that the Defender General's Office will seek a request for reconsideration from the VSC on this decision.

The meeting with DOJ representatives went better than expected. DOJ shared that Vermont was ahead of the curve in many aspects of the care and medical treatment of children; and that based on their research of Vermont, it was their opinion that Vermont is "philosophically aligned" with DOJ in the approach of treating children in integrated community settings when possible. That being said, DOJ does have some concerns about the administrative placement of children at Woodside and is encouraging Vermont to develop less secure alternative placements for children. DOJ recommended that we seek technical assistance (TA) for identifying alternatives to placement at Woodside; seek review and validation of the screening tool used for placement at Woodside; develop more community and group alternatives to placement at Woodside; ultimately revise our policies to prohibit certain placements of children at Woodside (if the child does not have a new criminal, delinquency or probation violation allegation); and finally improve the administrative placement process for those children who will be placed at Woodside, including review of the use of hearsay evidence in those administrative review hearings. Following the meeting, the United States Attorney's Office and DOJ provided a letter to DCF with these recommendations and included some contact information for TA. DCF is following up on these recommendations and will provide updates as needed.

Department of Vermont Health Access (DVHA):

All Payer Model

Sections of the RFP have been drafted and distributed to subject matter experts (SMEs) for review and comment. Initial meetings of SME groups are on-going with the first three groups meeting on Thursday and Friday.

Vermont Health Connect Update:

Testing of the full release (R2Cx), with VHC Medicaid Renewal and Department of Labor functionality is not complete. As of Monday, 77% of the test cases have been successfully executed. That is a 12% improvement over the previous week. The User Acceptance Test UAT team has logged and prioritized defects that are critical to the execution of Medicaid renewal cases.

A work around has been tested and been promoted to production to allow for 2015 changes in 2016. The state started to perform User Validation Testing (UVT) on Tuesday. This means that all previous 2015 CoCs, new 2015 CoCs reported in 2016, changes due to 2015 appeals and 1095 changes can now start to be processed this week given a successful UVT cycle.

Legacy Medicaid renewals (LMR) continue successfully. 9000 initial notices have been sent for the January population. Approx. 8600 reminder notices were sent on 2/1. Another 4500 notices for the Feb population were sent on both 2/4 & 2/11. Maximus and the SoV have started to receive calls and processing LMRs. 5600+ closures from ACCESS are set to be complete as part of the process and there is a backlog of 1600+ LMR applications yet to be processed.

1095 Processing: Operations began processing 1095 changes this week. Approximately 458 1095 service requests have been received. Only a few of them require changes to 2015 case data. A work around has been tested and been promoted to production to allow for 2015 changes in 2016. The state started to validate this process in production on Tuesday. This process also allows Operations to process all previous 2015 CoCs, new 2015 CoCs reported in 2016, and changes due to 2015 appeals in addition to 1095 changes.

Other Report Items of interest from the Agency of Human Services:

Agency of Human Services Secretary's Office

Brattleboro District Prevention Coalitions Gather Stakeholders

The prevention coalitions in Southeastern Vermont that are part of the Strengthening Partnerships grants held a meeting with a variety of stakeholders to focus on adolescent substance abuse. They asked the group to think about current resources, barriers, and potential solutions. Representatives from local youth-serving organizations, AHS, and other community partners were present. One of the major topics of conversation was the relationship between adolescent substance use and parent substance use. There will be a follow up meeting to continue the conversation and action planning.

Bennington District Placement Stability Project reaches out to partners

The Placement Stability Project pilot in DCF FSD is progressing. As part of the work, leaders of the project are reaching out to community partners to tell them about the pilot project and the work that is being done. At the Early Childhood/Building Bright Futures council meeting, it was identified that child care and early education providers would be very interested in the collaborative case planning and should be included in the work for young children. The group also identified several sources of

assessment data that early educators have access to that would enhance DCF FSD's case planning and progress monitoring.

Springfield Adverse Childhood Experiences (ACEs) in Action

The Springfield ACEs in Action group have been providing community presentations in Springfield that have been very well received. The group is also presenting to organizations and local state offices about ACEs and how it impacts their work. We are in the process of scheduling a presentation for employers in our area and to child care providers. A website will be available soon with information about ACEs and upcoming events in our area. We are getting multiple requests a week to do presentations, but presenters are only able to do approximately one per week at this time. One of our presenters has also been asked to present for NAMI and Dartmouth Grand Rounds.

Refugee Office

Rep. Adam Greshin and Rep. Kesha Ram requested a meeting with the USCRI director and the State Director of the Refugee Office to discuss "the current state of refugee resettlement, (particularly future Syrian refugee resettlement), the possibilities to move resettlement beyond Chittenden County, share feedback from communities and individuals that would like to accept refugees or support resettled refugees, and explore the use of Sugarbush for a summit on these topics." We are meeting with them, Jessica Gingras from the Governor's Office and Rutland Mayor Louras on February 25th in Montpelier. In addition, we were contacted by a group of Middlebury residents to discuss possible resettlement in Middlebury. A meeting will likely be the next step, although is not yet confirmed.

HSE Projects

AHS Fiscal Staff and John Stern, AHS Deputy CIO, plan to meet with the Joint Fiscal staff to discuss the historical funding and associated allocations for the HSE IT projects. This includes VHC, IE, MMIS and HIT. This is intended to increase the understanding of financing for the various projects.

Vermont Department of Health (VDH)

Medical Practice Board Opioid Training Events

Two training events on prescribing opioids are being planned. VDH has coordinated with the federal SAMHSA to present an opioid summit in Montpelier in April.

The Medical Board and Boston University School of Medicine have tentatively scheduled another SCOPE of Pain opioid training on September 10, 2016. Both events are free to attendees.

Department of Mental Health (DMH)

Legislative

DMH has monitored the HHS Committee testimony on court-ordered medication this week. Inpatient and community psychiatrists, as well as, Legal Aid have continued to offer their thoughts on the need for timely treatment when it comes to involuntary medication. Testimony remains mixed as expected on this controversial subject.

Department of Disabilities, Aging and Independent Living (DAIL)

Living Longer, Living Well: Challenges and Opportunities Today and Tomorrow

DAIL staff attended a presentation scheduled by House Human Services focused on the issues faced by Vermont's elders in maintain health and wellbeing. Based on the interest in the topic, we understand Representatives Lanpher and Senator Sirotkin are interested in forming an Elder Caucus. DAIL is prepared to offer support as requested and would be interested in discussing any relevant guidance or direction on this issue from the Administration.

Department of Corrections (DOC)

Law Enforcement Notification

Jeanne Sevigny, DOB 8/22/50 will be released from CRCF to Community Supervision on 2/25/16. She was convicted of Manslaughter and Removal of a Dead Body on 3/3/2011. Sevigny will meet her maximum sentence date on 4/30/26. On 11/10/06 Jeanne Sevigny fatally shot her victim during a domestic argument at home and then attempted to conceal the body. Sevigny has a low risk of reoffending according to the Ohio Risk Assessment tool. She will reside at 138 Cambridge Road, Westford, VT.

K9 Search at NECC

Last week Vermont State Police conducted a K9 search at NECC looking for contraband. They searched 2 full cell blocks, the common area in 2 other blocks, the work crew living area and the visitor's cars. There were a few alerts by the dogs but searches did not find any drugs. All 3 dogs alerted on 1 car, but a search found no drugs.

Drug Task Force Arrests

On 02/16/16 and 02/17/16 the Vermont Drug Task Force conducted targeted arrests focusing on Bennington and Rutland Counties, six of the twenty-nine arrested were under DOC supervision.

Five cases will appear in state court and two are facing federal charges.

- Kevin Williams – RM Probation for Simple Assault and Unlawful Trespass Occupied. Being charged with Sale of Heroin 3 counts –FEDERAL CASE.
- Russell Gaspar - RM Probation for Violations of Conditions of Release x2 and Operating without Owners Consent/Aggravated. Indicted on 2/3/16 Conspiracy to Distribute Heroin—FEDERAL CASE
- Andrew Onorato – RM Probation for Unlawful Trespass misd. and Violation of Abuse Prevention Orders. Being charged with 2 counts of Sale of Heroin.
- John Mason – Response Parole for Sale of Cocaine. Being charged with Sale of Heroin.
- Colleen Keefe – Response Probation for Possession of Cocaine. Being charged with Sale of Cocaine
- Anthony Courcelle – Furlough CR on supervision for Violations of Conditions of Release, Transportation of Drugs into a Facility, Alcohol-Minor Consumption, Simple Assault, Petty Larceny, Possession of Stolen Property, and Unlawful Mischief 3 counts. Being charged with Sale of Heroin

Department for Children and Families (DCF)

Vermont Child Development Staff Present at the National Governor's Association

The organizers of the upcoming National Governor's Association (NGA) have requested a presentation on Vermont's Child Care Apprenticeship program. On February 24th, Jan Walker, the Child Development Division Director of Statewide Systems, will be speaking on this subject to the NGA Learning Lab focusing on "Leveraging Workforce Investment Strategies to Improve the Early Care and Education Workforce."

Vermont's Child Care Apprenticeship Program was developed in 2000 in partnership with the U.S. Department of Labor, the Vermont Department of Labor and multiple partners both within the early childhood field and across sectors. Because of these partnerships and proactive work, Vermont applied for and received one of the first 10 federal grants to implement the Registered Child Care Apprenticeship. Community Partners worked to establish the Vermont Child Care Industry and Careers Council (VCCICC) and achieved 501-c status. VCCICC's goal is to support apprenticeship, the child care workforce development and quality care for young children. The first successful grant the VCCICC attained was a Vermont Workforce Education and Training Fund grant to assist the costs of delivering higher education courses to apprentices and other early child care professionals.

Since 2000, VCCICC has continued an active partnership with the Child Development Division, the Vermont Department of Labor and multiple public and private organizations. They continue to manage a very active apprenticeship program that currently works with 62 apprenticeship teams in 37 child care centers across the state.


Building Bright Futures (BBF) Statewide Advisory Council

The BBF Statewide Advisory Council on Early Care and Education, created by Act 104 in 2010, is in a period of restructuring. Julie Coffey, Executive Director since 2012, resigned at the close of 2015. The Executive Committee of the Council recruited Molly Lambert to act as Interim Director through April 2016. Molly and the Executive Committee are focused on a search for a new Executive Director and on creating a sustainability plan for the Council after Early Learning Challenge Grant (ELCG) funds are depleted. ELCG currently supports a network of regional councils statewide, VT INSIGHTs - an on-line early childhood data commons, and other staffing at BBF. Molly's Lambert's leadership during this transition has been effective and inspiring. The Council continues taking the lead in monitoring implementation of the Governor's Early Childhood Action Plan.



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CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: February 19, 2016

Emerging Issues:

Someone asked me the other day what the legislative session was like. It feels like being under siege for 4 months. We literally stop most productive work, and just fight to stay on our feet and to avoid losing major body parts.

Pre K regions

Act 166 allowed the state board to adopt rules regarding the establishment of preK regions, as a concession to the need of districts to maximize efficiencies. The PK regions language is confusing and internally contradictory. In general, the bill is a statewide voucher bill, but it also allows districts to limit voucher used the regions for the purpose of cost containment. We have 14 applications for such regions and need to determine which will be approved.

The joint AOE and AHS team reviewed applications for regions and determined that many did not qualify to be regions for reasons that extend from the legislative language to idealized implementation, which often goes far beyond the law. The rationale for vouchers has been that there is not enough capacity, so parents need to be able to take the vouchers where they want, as well as a privileging of parents over systems. The response from some districts is that they can't afford to create capacity or partner with a limited number of private providers or head start to create capacity, because there is too much risk and cost under a voucher model. And, they argue, vouchers privilege children of affluent families and children without disabilities while eroding the ability of the system to support less privileged families.

There is a strong bias at AHS against school district efforts to set regions. Schools, however, do have pragmatic reasons to want regions: they need to control costs and can't equitably and affordably provide special education services when kids are dispersed all over the place. They want to partner with a finite number of providers, so they can focus on providing supports and services at scale.

In addition, I cannot have the current AOE and AHS team documents go public, as they will inflame some superintendents, who are quite angry at Act 166 at this time, and blame the vouchers for increasing inequity and cost and eroding their local ability to provide full day comprehensive care and supports for students. This is unfolding in the context of the allowable growth threshold, which in some places is punishing districts that can't control costs due to state mandates like early college and PK.

Act 166 is very challenging for the AOE and schools systems and has burnt a lot of good will, not because districts don't agree with the intent, but rather because the mandated delivery model is very burdensome in some areas and also erodes local control and is very inefficient. In addition, the joint oversight with AHS is very challenging and time consuming and is keeping us from other work.

Again, most of the requests for regions coming to me are coming with a recommendation that they be denied, however, the reasons on the review sheet appear biased against districts. I cannot agree to deny PK regions before me on grounds that appear to go beyond the scope of the law (admittedly, a very poorly written law), but I am fairly sure based on conversations to date that AHS will not concur. I also am not inclined to deny region requests that might have slightly fewer than the expected number of seats, if the district/region commits to pay for all children it cannot accommodate outside the region. This would reduce the risk within regions of trying to expand capacity, and that has to also be a goal in some places.

If Hal and I can't agree, this will go to the State Board and be resolved by Board vote in public. I am seeking your support to avoid exacerbating the financial and equity concerns school systems have as they attempt to provide this valuable service.

Licensing

When I entered the AOE, our licensing division was a complete disaster. It was losing money hand over fist, and completely unable to process licenses accurately and in a timely way. Half our front office time was spent on angry licensing calls.

We have turned this division around. We now receive almost no calls of complaint and are processing higher volume with fewer staff. This week, USA today shared a study that labels our licensing work the best in the nation, and had this to say specifically about our licensing work:

“Vermont received perfect marks for conducting comprehensive background checks at the state level as part of its licensing process, checking teachers’ work histories against a nationwide database of disciplined teachers and having in place mandatory reporting laws designed to make sure misconduct is reported by teachers, schools and districts up the chain to state regulators or law enforcement.”

Our challenge currently is that Senate Operations, at the request of OPR, has a long-term plan to take the work of this division and give it to OPR. That would make us the only state in the

nation where education licenses are not administered by the education entity and potentially jeopardizes Educator Quality initiatives more broadly. We would have to incur significant new costs if this work moved in order to meet federal reporting requirements and to meet obligations with respect to teacher retirement.

Career and Technical Education

Our Career and Technical Education (CTE) team, under the guidance of Deputy Heather Bouchey, has been working on a vision for our work on post secondary and career readiness and CTE work. This workgroup has worked very hard to organize CTE innovation around three goals:

1. incorporating stronger and more rigorous skill development into CTE education
2. increasing post secondary participation by CTE students
3. aligning work around priority VT economic sectors and “stackable” K-16 credentials that lead our youth towards viable, well compensated participation in the VT economy

We are getting a lot of positive feedback for this work, and in fact Frank Cioffi (SWIB) and Bill Botzow (Commerce) have each separately asked us to take our presentation statewide to local chambers of commerce and other business groups.

When we presented at the PK-16 council in the legislature, Dave Sharpe’s comment was that he wanted to take CTE from AOE and give it to the colleges, and that his committee is drafting a bill to that effect. Colleges are not interested. We are focused on fighting that off now, and will return to the CTE work when the session is over. The good news is he seems to be a lone Don Quijote on this one.

Hoffer

I did write a response to his recent letter on conflicts of interest (reviewed by Sarah). I wish he had the courtesy to confer before making written judgment. I expect to get hit both on that and on the preK precounts next week. Reminder: The law is badly written. We conferred, and agreed that districts already implementing PK under Act 62 should be able to count existing PK students in their 166 estimated precount for budgeting purposes. Not letting them do so would have penalized districts that were early movers. Hoffer independently went to the AG’s office, and got an opinion from Griffin consistent with his interpretation. Griffin did not think to call us. We got a letter of intent from Kevin Mullen and Sarah Buxton that supports our interpretation, but obviously LoIs are pretty weak. Anyway, he plans to whack us on this in next week or two. I am happy to take this hit on behalf of districts that were early implementers.

I support Hoffer’s intent, and agree the AOE had a lot of work to do. What is frustrating is that we have come so far and worked so hard, and it is the process of improving transparency and accountability that has opened us up to this inquisition. We still have room to improve, but he will not publicly acknowledge any improvements we have made. Morale is a challenge now.

Thresholds

Unbelievably, it appears there is a glitch in the threshold the legislature finally approved, which is why we have not yet communicated the impact to districts. Unbelievably, we are also being asked to suggest and offer feedback on new formulations for cost containment for next year. No lessons learned. There are clear ways to rapidly reduce costs. None of them are things anyone wants to do.

We now have proposed budget data in from about 80% of districts. This data suggests that most districts responded to the threshold with short-term strategies to get under the threshold, not genuine cuts.

	16-Feb-16		211 # reporting			
	FY2017	FY17 vs FY16	Same in FY2016	FY16 vs FY15	Same in FY2015	
Expenditures	1,361,004,919	2.44%	1,328,540,829	2.53%	1,295,745,531	
Offsetting Revenues	309,260,014	5.80%	292,305,915	1.09%	289,164,257	
Initial Ed Spending	1,051,744,905	1.50%	1,036,234,914	2.95%	1,006,581,274	
EqPup	72,157.17	81.1% of tot EP	72,438.88	81.2% of tot EP	72,373.23	81.1% of tot EP
ES / EP	14,575.75	1.89%	14,304.95	2.85%	13,908.20	

Basically, education spending is up 1.50% versus 2.95% for the same cohort for last year. That would seem to be good. Spending per equalized pupil is up 1.84% versus 2.85% for last year. That would also seem to be good, but....budgets are up 2.77% versus 2.53% for last year. And, offsetting revenues are up 5.80% versus 1.09% last year for that cohort of districts. Brad James polled business managers as to who had districts that used reserves to stay under the thresholds. All but a few hands went up. A few did point out that not all of their districts used reserves, but the majority had. The discussion on thresholds is tying up districts in budgeting gymnastics that distract them from real, sustainable pursuit of efficiencies.

Loophole

We are still working to help Shap and Campbell quietly close the loophole in Act 153, which would potentially allow districts to spike their spending, but limit their tax rate increase to 5% when merging. This will hopefully get done in the budget bill. Honestly, we are counting on Campbell and Anne Cummings to stop a lot of nonsense this year.

Media Contacts:

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Erin Siegal McIntyre, BFP: Asking for the results of the 2015 Annual School Technology Survey from the Agency of Education. Peter Drescher provided her with preliminary survey results related to the primary connection type schools use to connect to the Internet, the max connectivity speeds (upload and download), and whether schools have WiFi.

Amy Nixon, Caledonian Record: Asked for current enrollment reports. She was direct to our website and AOE interactive reports.

Peter Hirshfield, VPR: Is putting together a story on the percent increases, with 211 districts reporting preliminary budgets to the AOE, and would like to discuss the document Brad James presented at Ways and Means this week. Brad gave Peter a call back.

Alicia Freese, Seven Days: Asked which merger votes were happening on Town Meeting Day. She was provided the most recent copy of our merger activity. At this time, it appears that Rutland South, Franklin Central, Addison Central, Addison NW and (most recently added) Orange SW will all have TMD votes for mergers. Also, Huntington will vote to join MMMUUD.

Jack Thurston, NECN: Is working on a story about the Green Mountain Valley School, one of Vermont's "ski academies." Jack was just wondering if we had a list of how many of these ski schools there are, and any general statement about them somewhere on your website that would say they are accredited educational institutions and not just places where good skiers go? Jack was advised and provided the following: GMVS is considered an [independent school](#). There are two types of independent schools in Vermont, as outlined below. Here is another resource about [independent schools](#) through the lens of Act 46. According to our list of schools GMVS is an Approved Independent School. We don't maintain a separate list of "ski academies" ... but it is possible to search the list of independent schools for ski or skiing.

Paul Heintz, Seven Days: Asked if the Burlington Free Press reporter Haley Dover is going to work for your agency as a public information officer. And wondered if that was a newly created position? Paul was advised that the position is not a net increase in AOE positions. Two years ago, in an effort to find fiscal efficiencies, the agency decided not to fill the vacant Public Information Office position, previously held by Angela Ross. Duties of the communications team were given to the Director of Communications & Legislative Liaison (Jill Remick) and supported, in part, by the Internet Website Specialist (Stephanie Brackin). Since that time, the agency has taken on increasingly more work associated with Act 166, Act 46, Act 77 and the implementation of the education quality standards, not to mention the 20 reports we need to complete annually for the legislature and the 150+ education bills we need to track. Unfortunately the agency has not been able to keep with the intense demands while trying to effectively communicate these complicated and important initiatives with the field. Due to natural attrition, the agency was able to find vacancy saving to fund the Public Information Officer position.

Hilary Niles, VPR: Asked for the most recent merger activity. She was provided the most recent copy. At this time, it appears that Rutland South, Franklin Central, Addison Central, Addison NW and (most recently added) Orange SW will all have TMD votes for mergers. Also, Huntington will vote to join MMMUUD.

Haley Dover, BFP: Asked about the joint study between UVM and the AOE regarding the effect of opioids on child development. Haley was provided the contact information and links about the research: Abby Crocker (Abigail.Crocker@med.uvm.edu) from UVM and

Wendy Geller (wendy.geller@vermont.gov) the AOE's Data Administration Director are working on that project. Here is an overview:

<https://www.uvm.edu/medicine/research/?Page=news&storyID=20862&category=comresne>.

Hilary Niles, VPR: Asked several questions regarding school choice, i.e. tuitioning vs. operating. She was provided with a [table of all the schools](#), tuitioning and operating. Brad James also responded to her specific questions: 1) Districts that operate schools for specific grades may not employ choice to tuition their kids elsewhere for those grades, right? *It's either: You operate a school, or you tuition out, but you can't do both?* 16 V.S.A. § 822(c) provides some leeway to parents and a school board on a case by case basis for secondary students. 2) Does "tuition" always equals "choice"? Are there some districts that do not operate schools that therefore tuition their kids out, but that don't give families a choice about where to tuition their kids? *For elementary students, the school board makes the decision as to which public school or schools the district's students attend – 16 V.S.A. § 821(a)(1). The voters can elect to allow the board to pay tuition to an approved independent school upon notice from a parent - § 821(d). And for secondary, unless the electorate has voted to approve designation to up to three high schools (either public or approved independent) the parents can send their students to any public or approved independent high school.*

Howard Weiss-Tisman, VPR: Had several questions regarding successful mergers, and whether they get to keep small school grants and the phantom student provision; and questions about ADM. Donna prepared detailed responses to Howard's query.

Emily Schmall, AP: Out of the Texas AP office, the reporter requested data on sexual assault incidents, the offender type (eg. student vs. non-student) and the victim type (student vs. non-student) at the state-level, district-level and/or school-level by academic year dating back to 2005-2006. I am not asking for offenders' or victims' names, or other personally identifiable information. The request was forwarded to our Records Custodian and Data Team to respond. As an aside, the state-level data is very small and may be suppressed due to privacy reasons.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, February 19, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Middlebury Tunnel

The Vermont Rail Council was presented information regarding the process for the Agency's recommendations on a height of 21' for the Middlebury Tunnel. The Selectboard Chair of the Town of Middlebury discussed the deliberations of the Local Project Management Team regarding the project and tunnel height and indicated that the Town is amenable to proceed with the tunnel at 21'. The Rail Council endorsed the recommendation.

VTrans staff and I met with John Flowers of the Addison Independent to discuss the project, the timeline, work windows and what the community can expect. We will begin construction this fall, approximately September to December, building site work for the main event: the removal and replacement of two bridges and lowering the rail bed which will happen in 2017. In 2018, we will be building retaining walls which are necessary due to the lowered tracks. The community is coming around and starting to work with us to mitigate impacts to their businesses. The article comes out on Monday.

Route 22A

I gave an interview to VT Digger regarding including 22A improvements into our capital program for 2017. Digger was trying to portray this as responding to a Global Foundries request while I indicated that this stretch of roadway had been studied by the RPC with several recommendations for improvements, that local communities had requested improvements and this road has more truck traffic on it than the classification of such a road - minor arterial - typically carries. We are looking at rebuilding and widening a 14-mile section that is the narrowest of the 30-mile stretch. We estimate it will take 4 to 6 years to construct the project.

NOTES FOR STAFF

H.560 DUI and Bike Safety

The House Judiciary Committee is all over the map with the DUI/Bike Safety bill and are now thinking of enhancing the texting while driving points and fines. I indicated to the sponsors that we don't support all of the changes in their bill and if they wanted to see something on bike safety we should pull out those elements that the administration agrees to and include them in the TBill. The bill sponsors, Jewett and Burke, agreed and we are now going through the bike provisions and determining which ones we support. Testimony on the bike language will begin next week in HTC.

S.241 Marijuana

I testified on this bill in Senate Appropriations and the main concern was reconciling the funding in the bill with the funding AOT is providing through the Governor's Highway Safety Program for driving impaired enforcement efforts including expanding the ARIDE and DRE programs and funding for lab equipment and technicians. The committee was pleased that GHSP was providing \$3.5 million towards impaired driving enforcement activities.

Driving License Suspended

I testified on this bill this week and requested that the committee change their position and eliminate all of the non-driving related suspensions. I cited several behavioral science studies that demonstrate that penalties don't change behavior; only the actual threat of getting caught changes behavior and that maintaining the current system in the face of empirical evidence was a waste of taxpayer funds. Hopefully they will eliminate these provisions from the final bill.

Transportation Fee Bill

House Ways and Means are pulling the fees, P&U Tax and the shrinkage proposal out of the larger fee bill and creating a stand-alone Transportation Fee Bill. I had objected to the earlier name they wanted to call it, a Transportation Revenue Bill. I'm chasing down what we did with motorboat registrations at the request of the SOA.

Champlain Parkway & Lightly Contaminated Soils

Staff attended the monthly coordination team meeting with the City. DEC staff attended a portion of the meeting to discuss the issue of lightly contaminated soils. Discussions between the City, DEC and VTrans will continue regarding this topic. VTrans will coordinate internally regarding the soils management plans for our soils responsibilities (C2 section stockpile). Michele will follow up with a letter to the City regarding their ability to advance future projects, after the Parkway has been completed, if transportation system needs arise. VTrans will update VRS on the ROW/Rail Rights status and process and the time frame we will be constrained within once we have the final valuations.

DEC Water Quality Coordination

On February 16th DEC convened the interagency group advising the Department on the development of the Municipal Roadway General Permit. DEC reviewed the numerous public outreach efforts, the fee schedule and a summary of the requirements timeline. The requirements are anticipated to include the preparation of a town by town Municipal Road Stormwater Management Plan. The Plan will consist of a 5-year inventory and prioritization as well as remediation plan or capital budget for each prioritized site not meeting the standards.

Construction Report

We have 6 active work zones: 5 bridge, and 1 rail. We are still determining how many active work zones to expect for 2016. I hope to have that in the next couple of weeks.

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Deborah L. Markowitz
Agency Secretary

Trey Martin
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: February 19, 2016

Subject: ANR Weekly Report

Governor Level Issues:

One-Half Acre Stormwater Report: The Vermont Clean Water Act requires DEC to recommend in a report to the Vermont Legislature what permit threshold for operational stormwater permits should be needed to meet the requirements of the Lake Champlain TMDL and the Act. Currently, the permit threshold is one acre of impervious surface. DEC's recommendation is to drop the threshold to one-half acre. Lowering the permit threshold is an important means of reducing the cost of Lake Champlain clean up, and preventing degradation of high-quality waters statewide. A large proportion of the cost of restoring Lake Champlain results from the need to account for future growth. As estimated in the Lake Champlain TMDL, we anticipate 4,100 acres of new impervious surface over the next 20 years that will fall below the current permit threshold of one acre. Under the current regulatory structure, phosphorus from this new development will need to be addressed by retrofitting existing impervious surfaces, an estimated increase of \$123M (~\$30,000 per acre managed). Lowering the permit threshold for future growth to one-half acre of impervious surface will save money. Managing the phosphorus component of new development is likely half as expensive as retrofitting existing developed land. Consequently, if lowering the permit threshold were to capture 25% of the estimated 4,100 acres of future, and otherwise, unregulated development, it would result in a cost savings of approximately \$15.4M (1,025 acres managed x \$15,000 per acre). A legislative change would be needed to implement the one-half acre recommendation and DEC would need two additional staff to handle the permitting increase. Commissioner Schuren is talking with Tom Torti, Ernie Pomerleau, David White, ACCD and Vtrans about this recommendation. At this point, all are neutral.

Former ChemFab (North Bennington): DEC is in the process of investigating possible PFOA contamination of drinking water wells in the area of the former Chemfab plant located in North Bennington, Vermont. PFOA is the most significant contaminant of concern associated with Teflon manufacturing facilities and is associated with the situation being reported in neighboring Hoosic Falls, New York. DEC has retained Weston & Sampson to do sampling and has reached out to Vermont Department of Health and New York DEC to assist with information. We are sampling drinking water wells in the area of the plant, including private residences, the wastewater treatment plant supply well and the public water supply for the Village of North Bennington. Preliminary results and evaluation will be available in the next couple of weeks. Senator Campion has been actively involved in the matter locally and the Bennington Banner has spoken with staff about DEC's actions. **We currently have no evidence indicating improper management at the facility, but it has the potential for being a significant issue.**

Entergy Certificate of Public Good for Construction of Second Spent Fuel Storage Pad (Public Service Board Docket 8300): On Thursday, Entergy and ANR filed an agreement with the Public Service Board in the Certificate of Public Good (CPG) proceeding for the construction of the second spent fuel storage pad. Under the agreement, Entergy has agreed to conduct a site investigation for potential releases of hazardous materials in the area where the fuel pad will be located and clean up any contamination. Entergy has also agreed to comply with federal and State hazardous waste regulations for waste generated as part of the project. The technical hearings will take place on Tuesday, February 23 and Wednesday, February 24.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Solid Waste Franchise Fee (H.602): HNRE is taking testimony this week on H.602, a bill to exempt out-of-waste trash from the solid waste franchise fee (SWFF). DEC opposes the exemption because it would result in a loss of nearly \$70,000 to the solid waste assistance fund. The fund supports DEC solid waste program costs, Green Up Day, and grants to towns and solid waste districts to handle hazardous waste. A win-win might be possible, if DEC's budget is made whole. HNRE discussed the issues surrounding the bill and decided to move forward a \$4/ton increase to the SWFF, with a sunset in five years, when the Universal Recycling law is fully implemented. \$0.17 would cover DEC's budget gap. The remaining increase would be used as grants to businesses, solid waste districts and municipalities. A \$4/ton increase would generate \$2M/year, meeting the recommendation of the legislatively-mandated, industry-led Solid Waste Infrastructure Advisory Committee. The SWFF is currently at \$6/ton, was established in 1989, and has never been increased. The HNRE committee straw vote was unanimous. Speaker Shap Smith supports the concept, as do small haulers Triple T and TAM. Meyers is neutral and Casella is opposed.

Stormwater Utilities: House Transportation has scheduled testimony this week on VTrans' and DEC's joint proposal to establish in statute a 50% credit for VTrans payments to stormwater utilities, and to authorize payments from the Clean Water Fund in support of stormwater utilities. HFW&WR has also taken testimony on this concept; Rep. Krebs stated that he is opposed to amending the Clean Water Fund unless H.518 passes.

Clean Water Fund Board Membership (H.518): HFW&WR voted this bill out of committee on February 3. ANR opposed the bill. It is sitting in House Appropriations.

Water Quality Classifications (H.517): HFW&WR voted on the water-classifications bill last week but has kept the bill in committee due to concerns raised by GMP and small hydro operators, regarding hydro dams. DEC reached out to discuss a possible compromise.

DEC Permit Process Improvement (S.123): SNRE has indicated that it might vote out S.123 later this week. DEC met with VNRC, CLF and MMR representatives to attempt a compromise bill. Environmental groups are not supportive of on the record review, even with robust administrative process. In its place, the parties are discussing: requiring preservation of issues for appeal, admitting the record below into evidence in environmental court proceedings, shifting the burden of proof from applicant to the appellant in environmental court proceedings, moving some permits from Type IV to Type II, and allowing citizen suits.

Clean Water and Drinking Water State Revolving Funds (CWSRF & DWSRF) (H.610): DEC testified several times this week before HFW&WR and House Corrections and Institutions. The committees seem to be getting comfortable with the bill. Some of the outstanding issues are: (1) drafting a consolidated priority system for clean-water grants and loans and (2) drafting the guidelines for a report on whether to expand CWSRF loans to private entities.

Capital Budget Adjustment, Sections 11(d)(7) (Municipal Pollution Control Grants): DEC provided testimony on the Capital Budget Adjustment bill in Senate Institutions several weeks ago, and will provide testimony in House Corrections and Institutions this week. Below is a summary of the change in DEC's request since last fall.

- Fall 2015 proposal: \$2.077M in pollution control grants for seven planning advances. Planning advances must be paid back in full once construction commences. The projects included four CSOs (Burlington, St. Albans, Burlington, Hartford), two pollution abatement projects (Colchester and Ryegate), and one phosphorus project (South Burlington). The goal of the allocations was to accelerate the number of projects ready to apply for construction loans.
- Late 2015, DEC re-opened the CWSRF eligibility lists for FY16 so that the seven projects mentioned above could apply for subsidized planning loans through the CWSRF. Although these loans are immediately repayable, they are subsidized at a rate of 50%, making them a better option than planning advances for most municipalities.
- By extending CWSRF subsidized planning loans to these seven communities, DEC can support both planning activities and fulfill a portion of its FY16 grant obligations. DEC proposes to allocate \$2.077 million towards six municipal clean-water projects listed in the 2015 Capital Bill, which were funded in FY16 at 6% of the maximum grant allowed

by statute. By allocating an additional \$2.077 to these six projects, the State would be funding these projects in FY16-17 at 43% of the maximum grant allowed by statute. This includes four CSO projects (Rutland, St. Johnsbury, and two in Springfield); a wastewater treatment facility project in Brattleboro; and a sewer extension in West Windsor.

- DEC's strategy of using CWSRF subsidized loans for planning needs, and allocating \$2.077 towards existing grant obligations, will enable DEC to support more projects and offer assistance to more municipalities.

Press Issues/Releases:

F&W Press Release Headlines: Cleaning Bird Feeders Help Keep Birds Healthy; Wildlife Events Planned for March; Ice Fishing Festival Draws Record Attendance; Special Snow Goose Harvest Opportunity; and Waterfowl Blinds Must Be Removed.

Forestry Bill: Commissioner Snyder was interviewed for a recent VT Digger article about the forestry bill.

WDEV: This Thursday Commissioner Snyder was a guest on Bill Sayre's "Common Sense Radio" show, discussing current legislation involving Vermont's forests and forest products industry.

Significant Events/Meetings:

U.S. Supreme Court Stay of EPA Clean Power Plan (CPP): On Tuesday February 9, the U.S. Supreme Court granted an application for a stay of EPA's Clean Power Plan (CPP) as applied to existing electricity generating units (EGUs) that emit carbon dioxide. Almost two dozen states and several industry groups, who have challenged the EPA rule in the D.C. Circuit Court of Appeals, requested the stay after the D.C. Circuit denied a similar motion. States required to submit a compliance plan under the CPP have, under the rule, until September 2016 to submit initial plans, September 2018 to submit final plans, and then must begin meeting emissions targets by 2022, with an estimated 30% reduction in CO2 emissions by 2030. With a stay in place, it is unlikely that states will need to meet this fall's deadline, as any ruling from the D.C. Circuit is unlikely to be handed down before the fall. The Supreme Court ordered that the stay be lifted only if they decide not to take up an appeal of the D.C. Circuit's decision, or, if they do take up the appeal, after they issue their decision. Vermont does not have a compliance obligation under the CPP because there are no affected EGUs within the state. Vermont is, however, a member of RGGI and is working closely with the other RGGI states in considering how the CPP will affect the RGGI program. The RGGI states plan to continue business as usual, as the RGGI program pre-dates the CPP and the current CPP litigation and stay order have no legal or practical impact on the full functionality of the RGGI program.

EPA Region One Call on Lead in Flint, Michigan Drinking Water: Curt Spaulding, EPA Region One Administrator, talked about lessons learned which included: the need to stay vigilant; small changes in source water's chemistry can change the corrosivity of the water dramatically; need to pay attention to consumer's complaints; and the public's expectations are rising. EPA Headquarters is preparing an action plan in response to the mistakes made in Flint which should be out next week. The action plan will probably contain items that will impact the way that the requirements of the Safe Drinking Water Act are implemented in the States.

Grant Award for Lake Memphremagog: The US Department of Agriculture has selected the Conservation District/DEC \$650,000 RCPP application for funding. The Orleans County Conservation District is the principal applicant and will be the lead on the project. The focus of the project is to support agricultural BMPs in the Memphremagog Basin. The Lake is impaired by phosphorus pollution and will also be subject to a phosphorus TMDL. The project will target priority watersheds identified by assessments supported by Ecosystem Restoration grants and conducted by the state and regional partners.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation (DEC)

E-Waste Update: We are on schedule for implementing a new contract. The E-waste RFP process allowed potential bidders to submit questions regarding the RFP by January 29. Questions were received by three entities and program staff prepared a written response which was posted to the RFP website on February 5. Program staff are preparing the bid review documents that will be finalized prior to the bid opening, scheduled for February 23.

Enterprise Content Management System (ECMS): The ECMS Core Team is developing a contract with assistance from DII (Enterprise Architecture and Procurement staff). Once the contract is complete we will move into contract negotiations with the vendor. This week the focus remains on contract development with the Core Team presenting a status update on contract development to the larger project team next week. The independent review (IR) consultant has been introduced to the team and has held several interview meetings with a variety of project team members over the past two weeks. Questions exist in regard to labor cost for purposes of IR analysis and those will be explored before a final IR report is presented to DII's Chief Information Officer. Work also continues in regard to the six pilot programs as we tighten up workflow documentation, create a records matrix for each and identify a Record Schedule appropriate for each of the pilot programs.

Potential Division Audit: The Watershed Management Division met with the State Auditor staff to discuss the possibility of a programmatic audit of the Division. The Auditor's Office is conducting a risk assessment to determine whether to proceed with an audit. The discussion focused on how the Division conducts monitoring, the use of citizen monitoring data, the process involved in identifying and listing impaired waters, the role of tactical basin planning in

identifying and prioritizing projects, implementation, follow-up monitoring to show progress and tracking pollution reduction over time. We are waiting to hear whether there will be an audit of this work this year.

Keurig Tool: Staff met with consultants from Limnotech to discuss the Keurig Water Management Tool. We have good agreement on a design that can be hosted with existing ANR IT infrastructure, and be maintained with existing Division and IT resources. This is a good step forward. We learned that Limnotech has already signed a contract with Keurig for their part of the partnership.

2016 Watershed Grant Program Funding: In conjunction with DF+W, CWIP met with members of citizens review committee to evaluate the 41 proposals (total request \$265,000) submitted for 2016 Watershed Grant Program funding. Fifteen proposals were selected to be awarded the \$90,000 in available funds. The committee's recommendation is being provided to DF+W Commissioner for endorsement. Grant agreements will be negotiated after DF+W Commissioner go ahead.

Clean Water Fund: CWIP is working with the Treasurer's Office and VAAFM and VTrans agency staff to schedule a series of six stakeholder meetings on the subject of long-term financing for the Clean Water Fund. Those meetings will occur between March and June.

Fish & Wildlife (FWD)

Tragedy on the Lake: After an unfortunate turn of events Saturday night, Senior Warden Thiel was called upon by VSP to advise them on safe travel and best course to investigate a truck through the ice in Swanton. Thiel took the VSP and their equipment and dive team to the location via the safest way he knew and ended up locating the body himself.

Dam that Dam: Staff provided a letter of support to the Upper Connecticut River Mitigation and Enhancement Fund and comments to the US Fish and Wildlife Service in favor of the proposed removal of the East Burke Dam by the Connecticut River Watershed Council. This dam blocks the upstream movement of aquatic organisms and creates an impoundment, which contributes to water temperatures that are too high for brook trout.

Temperature Affects Quality Too: Staff participated in a meeting with VDFW and VDEC staff to review the current water quality standards for water temperature and discuss possible improvements. Water temperature is a major factor influencing the distribution and abundance of aquatic populations and therefore protections under the water quality standards are critical to their long term persistence.

Forests, Parks and Recreation (FPR)

Land Transactions: Title work on the Jim Jeffords State Forest property continues and we are on track to close on this acquisition by the end of the month. An event is being planned for early June to commemorate this acquisition.



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

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: February 19, 2016
Subject: Weekly Report

Priorities:

Working with SAC to clarify costs associated (or more importantly not associated) with S. 241.

Administration

Continue to work closely with the AOA on budget matters, both '16 and '17.

CJS

Forensic Lab -

All 24 existing lab positions currently filled

2 analysts currently training in Alcohol and another 7 cross-training in Latent Print analysis.

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

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

Continue working with DOH and VSP to obtain NARCAN and train lab analysts in use in the event of accidental exposure.

OTM -

VEWS is the Vermont Electronic Warrant Management System. This is a system that was developed by the Burlington Police Department. The system is used to electronically manage arrest warrants that are issued by the VT court system. Today, VEWS supports work in Chittenden County, however, many users across the state are aware of VEWS functionality and they are interested in gaining access to this system. This has inspired the discussion about DPS taking over the support of VEWS and expanding the capabilities to the entire state. We are scheduling a meeting with the VEWS user community to begin discussion about how to join forces and share the burden of support. I believe that this type of collaborative approach will become more and more popular, and necessary, as consolidation of efforts within Law Enforcement and Criminal Justice occurs within Vermont.

Brandon Doll, VSP Sergeant working in OTM, will be leaving OTM to be a station commander at the Middlesex Barracks. Brandon manages all of VSP's technology projects. Brandon's departure will introduce a significant amount of overhead to OTM in supporting the transition of another VSP trooper

joining OTM. This position requires 6-12 months of ramp-up time in order for someone new to become proficient in this role.

We are continuing efforts with Karen Gennette with CRG to amend the current CRG contract for SAC services. The amendment will add clarity and definition to the contract deliverables and due dates.

DEMHS

HM Team conferred with FEMA R1 on 02/18 regarding status of all pending HMGP applications. Final Local Hazard Mitigation Plans, as adopted, were approved by FEMA for Charleston, Killington, Brattleboro, Middlebury, Bridport, Landgrove, Winhall, and Dorset was approved pending adoption. This brings the percentage of Vermont communities with approved LHMPs up to 45.8% (up 2.6% since last reported).

Recovery and Mitigation Section Chief met with VTrans and ANR personnel on 02/16 to discuss VTrans proposals for revising local transportation codes and standards. The agenda memo from VTrans notes: "The group (at VTrans) felt overall that the pressure, and thus the need to incentivize, specific and more rigid 'codes and standards' in order to satisfy the FEMA PA program was no longer a driver. It's VTrans experience working with towns post Irene that reimbursement for resilient projects is not clearly connected to the specific content of the code and standards."

Interview Team met on 02/17 to prepare for State Hazard Mitigation Supervisor interviews next week. 12 applications were received for this vacant position.

Northern Exercise Planner facilitated a Tri-Town Concept and Objectives Meeting with Waterbury, Duxbury, and Mooretown on 2/17.

Connected with Vermont League of Cities and Towns to notify communities of DEMHS spring flood outlook meetings. VLCT emailed towns directly and included information on its web site.

VT ALERT discussion and presentation with BGS/AHS, City of Winooski and Village of Marshfield

Staff from Senator Leahy's office contacted Recovery and Mitigation Section Chief regarding status of Brownington's HMGP generator application, which was denied by FEMA Region 1; forwarded a copy of the Second Appeal which was submitted by the Director on behalf of Brownington, Manchester, and Pittsford on 01/26/16.

Fire Safety

The Division received \$10.2 Million in new plan review construction valuation collecting \$56,500.00 in permit fee revenue.

Members of the National Fire Protection Association (NFPA) are here to present all the code changes to the 2015 safety standards.

On February 14, 2016 there was a boiler explosion at a duplex in Bennington. There was substantial damage to the dwelling and fortunately no one was home otherwise we may have had injuries. The insurance company is investigating the incident and we should have more information on the specific cause. When our inspector showed up it should also be noted the insurance company had already taken the parts of the boiler which we would consider evidence.

Our new web page platform is looking real good and we will be ready to go live at the end of the month.

Mike Blaise is an electrician from southern Vermont who has been a chronic complainer for years. He recently reached out to a couple of legislators complaining about the permit process among other things. An attempt to schedule a meeting with him next week has been made to try to iron this out.

Director testified at House Gov Ops on the DFS portion Fee Bill and it appears they will send this through although a couple of members did not agree with the plan review fee increase.

Vermont State Police

A Troop

FF

8 Total Arrests, 3 DUI.

St. Albans VSP was called to assist Swanton PD with a missing male who was last seen driving his truck on Lake Champlain. On Sunday morning, 0200 hours, the truck was located by a BP helicopter. It was partially submerged through the ice. The dive team and troopers from the St. Albans barracks worked closely with Swanton PD, Fish and Game, and the Coast Guard to recover the body of the deceased male.

Assist to BCI to locate the subjects from both the Cabot and Marshfield armed robberies.

BCI

Investigation started into the death of a three year old at a daycare center. Child was found in a stream behind the daycare center after a worker took a number of kids outside. Family members arrived to pick the child up and workers were unable to locate the child. Child was revived and died the next day at UVM Medical center.

Asslt case at CRCF. Correctional Officer assaulted while attempting to transport an inmate to another area of the facility.

Inmate at CRCF alleging she was sexually assaulted by a CO during her stay at the jail in 2014. This CO was investigated previously for similar instances and that case is going to trial this month. This allegation is consistent with the other allegations. Same MO.

Sex Asslt complaint assigned to D/Tpr. Female alleged she was raped by her former roommate.

Accidental death in Franklin Cty. Male found to be very ill and was taking marijuana and cocaine at a regular basis. Death Ruled to be an overdose and accidental by OCME. Family of the deceased advised the deceased was using drugs heavily even during his illness.

Excessive Speed incident on the interstate. On duty detective estimated speed of the vehicle to be traveling approx. 120 mph. Operated charged with offense and issued citation.

Inmate at jail found to be in possession of drugs. Detective investigating.

Civilian Background investigation assigned.

Work on robbery investigation with B Troop. Three suspects arrested and lodged. Investigation continues with possibly more charges coming from intel gained through the interviews

B Troop

FF

17 Total Arrests, 6 DUI.

St. Johnsbury Troopers assisted BCI throughout the week with their investigation and arrests related to the four armed robberies in the area. The investigation also solved a residential burglary from Sutton, VT, where the offenders stole several firearms from the residence. The firearms were recovered by BCI with the use of a cooperating individual.

Power was out in the towns of Barton/Orleans and parts of Brownington on the 14th. Troops signed on to work shift on their days off to assist with shelters and helping to check on elderly or those in need. Power was out approximately 12 hours during this cold spell.

On 2/8/16 Derby Troops investigated a fatal collision on 91 north bound in the town of Coventry. Investigation suggest subject fell asleep while driving home from work in the morning.

BCI

Armed Robbery Suspect arrested and 3 other people arrested as Accessories. This cleared the Cabot, Hardwick, Barnet and Greensboro armed Robberies.

Death Investigation 76 yr old female in Craftsbury at an assisted living home. Natural

Death Investigation 54 yr old male in Burke. Natural

Death Investigation 58 yr old male in Burke at the ski area hit a tree while skiing –Accidental

Death Investigation 97 yr old female in Charleston. Natural

Death Investigation 56 yr old male in St. Johnsbury shot himself in the head. –Suicide

Death Investigation 25 yr old male in Barnet Shot himself in the head – Suicide

Allegation made by father of child that that the mother has touched the child's penis while zipping up his pants. Parents are not together. DCF is aware and a similar allegation was investigated 2 yrs ago.

Arson Call in Richmond, VT not suspicious

C Troop

FF

5 Total Arrests, 4 DUI

Presentation to the entire student body at Proctor Jr/Sr High School on the Importance of Self-Esteem and Goal Setting.

Responded to a report of a subject consuming alcohol while driving, located the vehicle and arrested the operator for DUI

BCI

Two SOR photos taken at VSP-Rutland

Follow up with Rutland Town shooting; supplements and financial records.

Attend hearing for Leicester attempted murder X4; Timothy Foley; court adopted agreement for hospitalization.

Assist Det. with witness interview related to Roxanne Roberts untimely death.

New case/Natural Death in Benson; natural death of a sixty-four year old male at his residence with the cause being an esophageal tear from alcoholism.

New case/Natural Death in West Rutland; natural death of a seventy-three year old male at his residence with the cause being lung cancer

Case follow-up on Hart homicide: interview Josh Preseau, case book/box organization, copy CDs/videos

Meet with ATF regarding pending cases.

Planned CNU activation in Williston for high risk warrant

New Case: Death investigation- 23 female in Rutland Town believed to have overdosed on Heroin. Numerous interviews and follow up.

Additional follow up on Schaff missing person case.

Assisted MCU with evidence submittal in Sarah Hunter cold case.

Clan Lab Activation in Shelburne, VT. One pot cook at Day Inn.

Executed wire warrant on Leicester robbery. Follow-up interviews and surveillance conducted.

Assisted uniform with fraud complaint.

New Case: Disorderly conduct between two inmates at MVRCF.

Requested by Deputy State's Attorney to collect statements from witnesses of drug case at MVRCF.

New Case: Public Speaking. Town of Clarendon. Mill River Union High School.

New Case: Sex Offense. Town of Mendon. It was reported a 20 year old girl was sexually abused on New Year's Eve 2016. Victim Interviewed.

Completed 2016-2017 Strategic Plan Assignment.

New Case: Agency Assist. Town of Fair Haven. Conducted courtesy interview for Detective Hewitt of the Fair Haven Police Department. The victim did not disclose sexual abuse.

Follow up interview with victim for weight of evidence hearing.

Follow up statement from victim for WOE hearing.

Follow up interview with offender on sex assault case. No charges to be filed due to age of offender at time of offense.

Service of APO on offender of sex offense case.

D Troop

FF

9 Total Arrests, 3 DUI.

Arrest for Possession of and Trafficking of Cocaine (253 grams seized).

911 call I91 NB MM4 of an operator losing her vision-rescue transported to BMH.

One vehicle crash into a bridge, injured driver was stuck in car and later found to be DUI/Alcohol.

Assist NIU-Vehicle stop-operator DUI/Alcohol-both female passengers had narcotics on their persons-total of 145 grams powder and crack cocaine seized-all arrested.

Vandalism done to building on the Townshend Dam. Subject fired multiple 45 caliber round into the new building at the Townshend Dam. Shell casings and a bullet recovered at the scene.

Investigated case where an employee was taking money from the register

BCI

New Arson fire Bellows Falls.

Meeting with EMS reference active shooter program modifications.

TSU – Assist DEA with attempt to take armed suspect into custody.

New PREA Case- Inmate reportedly had sexual intercourse with nurse while incarcerated at SSCF. Mtg. at Dover PD regarding possible prostitution ring.

Child Abuse case, 11 yoa male student came to school with severe bruises on both legs below the knees, and a number of other areas. DCF did the ECO.

Investigation for consensual sexual intercourse between minor and adult.

VT/ MA DCF intake, juvenile sexual assault in Rockingham.

Restitution Hearing in Windham County for Plymouth Town embezzlement case. Possibly new charges stemming from Audit done.

Assisted Lexington PD with DNA extract for missing person.

TSU – Homeland Security grant research and write up.

Got search warrant signed for case. Controlled call will be from MA.

Depo. for child homicide in Burlington (old CUSI case).

TOPS

NIU assists.

Federal transport.

Assist to A3 on armed robberies.

Major Crime Unit:

Strategic plan ideas submitted as requested by Lt. Miller.

Hunter homicide, submitted evidence to the VFL for testing.

Rashed homicide, reviewed surveillance videos, prepared report for NYSP/ Discovery "C" submission, digitalized, itemized and submitted to SA - Meeting with Prosecutor - Reviewed surveillance video for accurate timeline – NIU discovery, reports – latent print inquires / scheduling.

Grega Homicide – Video tape of crime scene, transported to Barre for repair.

Continued work on Hart case; case management, interviews.

Computer Crimes Unit:

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

Several mobile phone extractions regarding drug cases.

Current Cases: 4

Pending Cases: 3

New Cases This Week: 0

POLYGRAPH:

6 Pre-employment polygraphs for OPD

Prepared for criminal exam for Derby Detectives. Child death investigation. Female called and cancelled the polygraph.

Prepared for Interview and Interrogation class at academy.



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Justin Johnson, Secretary

PRIVILEGED AND CONFIDENTIAL MEMORANDUM TO THE GOVERNOR

TO: Governor Peter Shumlin

FROM: Secretary Justin Johnson

DATE: February 19, 2016

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Waterbury: Six of thirteen AHS moves into the new Waterbury Complex have now been completed. The next group scheduled to move in is the Department of Human Resources on February 22nd. The current focus remains on: completing construction, punch lists, change orders, installing modular offices, MEP commissioning, Building Envelope Commissioning, training of BGS Maintenance Staff on critical equipment and systems, project close out documents (As-Builts and O&M Manuals) and BGS signage installation. Vermont Correctional Industries shipped four custom desks for the AHS Secretary's office area on Wednesday. Signage continues to be difficult. VCI delivered the next batch of required signs. We will be checking today for quality control and completeness for installation later this week.

Welcome Center Audible Alarm Plan: We are working with Security/GBS to determine what the next steps are for Audible Alarm installation and will develop a plan for implementation. There is no new direction and the Welcome Center Staff is still deciding what is needed.

Emory Hebard Condo Association: Work continues. Representatives from Neville toured the building with Al Simard and his team. Reviewing systems and seeing the site with the proposed property manager. We are working on finalizing the contract draft with Jeff and sending appropriate documents to Neville Companies.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

Separate Report

HUMAN RESOURCES

Legislative/Policy Update:

Met with Rep. Sweaney ahead of testifying in her committee next week about position management and the position pilot.

Reviewing H. 808 which deals with accommodations for pregnant employees. House General would like to move the bill. We will likely have a number of comments and recommendations.

Monitored H. 187, the paid sick leave bill, on the House floor.

Coordinated with Legislative Council on two matters. The first was regarding the administration of a paid sick leave benefit for session-only legislative employees. The second dealt with the termination of the option for legislators to purchase State dental coverage at 100 percent of the premium. Both matters were dealt with to the satisfaction of DHR and Legislative Council.

Testified on S. 184, State Ethics Commissions, before Senate Government Operations. Chair White later told our GC she is not likely to pursue further in its current form.

Testified in House Government Operations on H. 530 (amending definition of personal services contract) and worked with Sue Zeller and AGs office on language.

Working on a legal summary of drug use policies in the workplace. This is in response to inquiry from Senate Appropriations which came up during budget testimony.

Communications Update:

Benefits and VTHR are collaborating with DII to revise benefits related documents sent to beneficiaries. The current documents are confusing and out of line with State marketing standards.

Significant Meetings/Events:

Met with representatives from National Life regarding the upcoming (July 1, 2016) move to a nicotine free campus, identified concerns related to smoking in public easements such as sidewalks and the rumor that VSEA is organizing a protest/march for Thursday, February 18.

Preparing for negotiations with Vermont Troopers Association, to begin February 19.

Fact-finder's report from State – VSEA bargaining process is due on or before February 25. Anticipate that if VSEA sees the report as favorable to their position, they will go public with the content (even though traditionally it is kept confidential to allow parties space to negotiate).

INFORMATION AND INNOVATION

Significant Events/Meetings:

- Richard provided budget testimony to Senate Appropriations on Tuesday, February 16th. Committee questions centered on how DII charges were calculated, and they seemed satisfied with the answers. Senator Kitchel let us know the committee was very happy with the \$1M project report. Senator Campbell also let Richard know he thinks we are doing a good job and was repentant regarding some of his comments over the last year, e.g. his statement that inferred DII was a fiefdom within state government. He seemed genuinely pleased with Richard's testimony and DII's performance.
- James Nash, DII Finance Director, met with Representative Peter Fagan in the Statehouse Cafeteria on Tuesday, February 16. Purpose of the discussion was to go through certain details of the DII Budget testimony. There are no major fluctuations in the Demand and Allocation funding for the CIT fund, so details behind the categories of the budget were discussed, e.g. specific components of DII spend for application support or the IT Service desk. Representative Fagan also showed interest in certain account level detail from the Vantage Budget Detail report. We will be following up with additional detail.
- Richard very briefly testified to House Ways & Means on Tuesday morning as a follow-up to testimony from last week. However, between those two testimonies, errors in the reporting from the vendor (VIC) had been discovered that misrepresented fees paid by the public by a factor of 4. As a result, Richard, in consultation with Michael Clasen, testified in the follow-up testimony that until we had accurate data from the vendor, we would not be asking for any changes in the fee bill. There is no financial impact to the state based on this issue. I did volunteer to come back once we had done a thorough assessment to ensure the accuracy of VIC's reporting. Currently, the web portal report delivered to the legislature has errors in regard to publicly paid fees, but Ways & Means has been informed.
- Following the testimony from Justin Johnson to House Gov Ops, Richard had a hallway conversation with Rep. Sweaney to lend my support to his testimony and speak to some key benefits for IT. I also followed up with Deb Damore on data she could provide to Justin that might further support his case.

Evolving Issues:

Web Updates:

- The new site for the Criminal Justice Training Council is now live at vcjtc.vermont.gov
- The new site for Vermont Local Roads is now live at localroads.vermont.gov
- A meeting of the Web Portal Board to discuss the contract extension and amendment has been scheduled for 3/11.

LIBRARIES

Issue Updates:

2/12 - Pre-K16 Council Meeting: I attended the meeting and was glad to have the opportunity to hear the extended presentation by Rebecca Holcomb and AOE. Focus was on the consolidation effort, career/tech centers, and also a report on school discipline. I will send copies of print handouts up to

Justin. The discussion about Tech Centers did not include any information or discussion on public videoconference services (VIT transfer). My only comments to the group were related to the need for continued communication with those who are stakeholders in the work they are doing (i.e., out-of-school learning that takes place in libraries.) Sharon Colvin, our Youth Services Consultant, has been an active member of one of their subcommittees.

Transfer of State Library Collections to VSARA: Tom McMurdo (Collections & Digital Initiatives Librarian) has been working with State Archivist Tanya Marshall and her staff on coordinating transfer of parts of the State Library collection to Middlesex. I have made the decision to move (1) all state documents of interest now housed in our “climate controlled” room, and (2) the microfilm archive of Vermont historical newspapers. We would retain ownership of the latter collection (the only complete archive in the world) and we will continue to pay costs of microfilming current GT newspapers. It is the gem of our collection, but our reduced hours have limited public access to this collection, popular with researchers of all kinds. No date for the moves, but I hope it will happen before the end of the FY. We will negotiate with them the transfer of our 2 digital microfilm machines. They were in the market to purchase two of these (\$20,000), but ours are a few years old and I am considering that they purchase ours for \$10,000 and we would use those funds for microfilming newspaper backlog.

Federal Documents at State Library: The State Library has been a partial federal depository library for well over 100 years but I have made the decision to end our program of accepting print publications. We will continue as a partial depository for electronic federal documents. We are in the process of submitting the required paperwork.

TAXES

Legislative Update:

Estate Tax: In crunching numbers, staff found an issue with the drafting of S.55, the estate bill that passed the Senate. There were some anomalies in the weeds of calculation that ended up hurting resident estates and favoring non-resident estates. We traced the problem to trying to paste new words on to the very old statute. So the fix, which makes the new statute even simpler, did take some extensive drafting. We spent some time talking to MN staff about their experience drafting estate tax changes and forecasting revenues. We think we can argue that the proposal is revenue neutral adopting the federal structure at the current exclusion level of \$2.75M. We are meeting with the advocates tomorrow to see if the strategy is just to drop the step up of the inclusion in out years, which is Rep. Ancel’s excuse for not moving the bill. Andrew Maclean has been asked to testify on Tuesday.

Marketplace Fairness: Senate Finance has joined Ways in Means in looking at the NCSL package of model sales tax nexus provisions that would be unconstitutional under current Supreme Court law. Turns out we also still have on the books some provisions that get to the same unlawful place, but have never been enforced. We have asked the AG’s office to estimate the cost of defending a lawsuit.

VEGI: The auditor has asked us to document our resources in administering VEGI claims. In excess of one FTE.

Property Tax Yields: As is usual, Ways & Means is looking at the rate/yield bill, and playing with all sorts of old ideas, such as limiting house site value (ironically, they upped the house site value for higher earners to increase the slope last year), lowering the cap on adjustments, spending penalty thresholds, unfunded mandates, etc.

Operations Update:

Tax Season: Refunds: We have additional information on suspicious filings under the IRS breach, as well as a critical mass of employer W-2s. So starting tonight, we will ramp up the number of returns that we are processing. We will ramp up further if we have a good percentage going through without hitting the fraud filters, but we will not be at full steam until March 1 at the earliest. At this point, we are \$20M behind our refunding level of last year, and even in the best case scenario, we will be running 50% behind our refund levels at month end. Right now our biggest restraint is the manpower to do manual reviews of flagged returns – we have contingency plans to shift staff from other divisions to this task if necessary.

PRIVILEGED AND CONFIDENTIAL

TO: Secretary Justin Johnson

FROM: Robin Lunge, Director of Health Care Reform

DATE: February 19, 2016

SUBJECT: Weekly Report

All Payer Model
DVHA Implementation

DVHA is moving full speed ahead to implement the all-payer model. The major lines of work are preparing an RFP and working with HP to ensure that DVHA can make capitated payments to an ACO by 1/1/17. The APM governance group (Hal, Steven, Lawrence, Justin, Robin, and Andy) should expect a briefing on progress and the criteria for a go/no-go decision by mid-March. The Governor should expect a detailed briefing by the end of March.

ACO Merger

The two smaller ACOs announced at the 2/18 GMCB meeting that their board of directors have voted to merge with One Care Vermont to form a single ACO, called Vermont Care Organization. Todd Moore indicated on the record that the One Care Vermont board of directors will vote soon on a merger.

Federal Negotiations

Vermont received a counter proposal from the federal government on its proposed all-payer model term sheet. The federal counter-proposal contained approximately six areas of further discussion. All issues seem to be resolvable; however, the negotiation team still has deep concerns about the potential end of Medicare participation in the Blueprint for Health. Staff will draft a more formal update on the negotiation after a series of meetings with the federal government next week.

2/12 and 2/17 Vermont/Health First NY

SIM/VHCIP

CMMI finally released partial approval for clinician payments as part of our sub-grant program. Due to a whistleblower call in November 2015, we were required to hold certain payments to ensure there are no duplicate payments to physicians. CMMI is still reviewing three of the sub-grantees, but they are allowing us to start paying the remaining sub-grantees. Complete resolution to this issue is expected in the next few weeks.

We are still awaiting approval from CMMI for a series of contracts and will escalate next week if that is not obtained by Monday.

Programmatically, we are working closely with the APM Team and Michael Costa on the Medicaid Pathway, which is a way to ensure we continue to innovate within Medicaid and launch new reforms within AHS that will be complementary to the APM Model.

09-03/Managed Care Organizations

Bill is up for testimony in SHW on Wednesday. After meeting with Ginny Lyons and Claire Ayer, AoA is recommending that further study be done on alignment of ACOs, MCOs, and Medicaid with report due late 2017 or early 2018.

Legislative

H.524 1332 SHOP Waiver – Passed the Senate in concurrence. Public meetings on Monday, 2/22 and Thursday, 2/25. Comment period closes on 3/11 at which time we will compile comments and state responses and send to feds.

2/17 House Health Care - VHC update on exchange alternatives

2/17 Senate Health and Welfare - ACO principles and universal primary care

Devon testified that the health care reform principles adopted in Act 48 of 2011 remain in law and the administration views these as principles to follow for all health care reform efforts.

2/17 House Appropriations - SOA HCR budget testimony

Other

2/17 Health care team meeting with the Governor

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: February 19, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates:

Jim Giffin testified on the Senate's Omnibus liquor bill. It does create a 51st category of licensure for a 'farm distiller'. We support the concept, but oppose the creation of another unique licensure category.

Basically just a marketing issue, everything the distiller wants to do, he already can.

One VT brewer wants some new language that we are investigating if legal from a federal perspective.

Press Issues/Releases/Contacts: None

Significant Events/Meetings:

Some Board members met on 2/17 for third round Deputy Commissioner interviews. There are currently three remaining finalists.

Summary of Key Department Activity:

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

Staffing: - Nothing noteworthy.

IT POS system: Draft RFP out for internal comment.

Warehouse: We continue to work with BGS on the much-needed repairs to product storage areas, and wiring for security cameras.

Licensing: We identified this week that one distiller was two years behind in paying his spirituous liquor tax, another six months behind and several late for the last quarter. We assume they also have not paid their sales tax, and will be checking with the tax department.

Letters of notification: are being sent to the following manufacturers notifying them that due to non-payment of taxes their licenses are in jeopardy and that we will not buy any product for resale until they are current.

SUMMARY

Nothing reported yet from for 4th quarter 2015

Eden Ice Cider

Saxton's River

Stone Cutter Spirits

Nothing reported since 2014

Dunc's Idea Mill

Nothing reported since June 2015

Smuggler's Notch

They will be on the next agenda for Board action for failure to pay their liquor tax.

We will be following up to establish a better internal process and potentially take their license(s) away. Meanwhile we are notifying them that we will not purchase any of their product for resale until they become current with their tax liabilities.

Commissioner's Commentary:

Finalist for the assistant commissioner position will be identified by February 23rd.

An Initial group meeting with manufacturer representatives has been scheduled for 3/7/16 to do an introduction.

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Chuck Ross, SECRETARY**

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are needed to see this picture.

**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

To: Gov. Peter Shumlin
From: Chuck Ross, Secretary of Agriculture
Re: Weekly memo
Date: February 19, 2016

Secretary's Top Issues

- Animal Health Staff are continuing to call poultry producers to schedule voluntary farm visits to complete an Avian Influenza Assessment and review disease preparedness planning recommendations.
- Five more prospective milk processors have contacted dairy staff this week. Staff will be meeting with them to discuss the regulations.
- Animal health attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report. They also provided free-of-charge metal ear tags to a new, small dairy producer who is interested in making sure his animals are tagged with official identification.
- At the Northeast Organic Farming Association of Vermont (NOFA-VT) Annual Winter Conference, the Agency of Agriculture Produce Program Team (Abbey Willard, Kristina Sweet & Shelley Mehlenbacher) collaborated with the New England Farm Bureau to lead a workshop on the Food Safety Modernization Act (FSMA) Produce Safety Rule. The workshop, which had over 25 attendees, provided an overview of the Produce Safety Rule, timeline for implementation, and an online decision tree tool to help farmers determine whether they need to comply.
- Agency management personnel met with legislative counsel to provide input to a bill introduced by the Committee on Economic Development regarding regulation of liquor distilled in Vermont that incorporates maple sap and other made-in-Vermont agricultural products. The Agency of Agriculture does not have the resources to create an inspection and compliance program for this commodity but can provide support to the Department of Liquor Control as they do the same; this message was conveyed to legislative counsel and he will share the feedback with the Committee.

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**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

To: Gov. Peter Shumlin
From: Chuck Ross, Secretary of Agriculture
Re: Weekly memo
Date: February 19, 2016

Status of Governor's Priorities:

Legislative Activities and Issues:

Agency management personnel met with legislative counsel to provide input to a bill introduced by the Committee on Economic Development regarding regulation of liquor distilled in Vermont that incorporates maple sap and other made-in-Vermont agricultural products. The Agency of Agriculture does not have the resources to create an inspection and compliance program for this commodity but can provide support to the Department of Liquor Control as they do the same; this message was conveyed to legislative counsel and he will share the feedback with the Committee.

2/16/16

H. 779 on farm enterprise bill- VNRC, the Vermont Farm Bureau, and Green Mountain Dairy Farmers Cooperative were present.

House Agriculture and Forestry Products took testimony from the VAAFM on H. 779- on -farm enterprise bill. Stephanie Smith explained the multi-year process.

- a survey,
- stakeholder meetings, and
- a report on challenges, opportunities and strategies to address challenges faced by producers and municipalities in the state.
- Legislation to provide a consistent playing field was one of many strategies mentioned in the report, which also included education and technical assistance.
- Many questions were raised about the Act 250 process and when jurisdiction attaches. Ms. Smith deferred to Act 250. A question was raised about the Vermont product origins law. Chairperson, Rep. Partridge asked what organizations may have different thoughts about the bill- VNRC, VAPDA, VLCT were listed among those organizations.

The Agency attended a Vermont Planners Association meeting to provide the intent of the On-farm Enterprise bill- H. 779 on Friday, 2/19/16. Concerns expressed about the bill included comments on drafting, allowing expansion of on farm enterprises without enough local regulatory oversight, the broadness of “agricultural accessory use” definition, and placing the burden on local officials to check that thresholds related to the importation of ag products year to year are not exceeded.

One of the suggestions by the VPA committee is that Chapter 117 already provides all the regulatory authority necessary to regulate these uses- guidance to municipalities is what is needed. Or make these enterprises on farms- including the sales, storage, and processing of imported of agricultural products by right uses on the farm still require site plan review (parking, lighting, access, vehicle, circulation, landscaping and screening, signs).

S. 202- Universal Meals Program Ethan Allen Room VAAFM Staff: Abbey Willard and Ali Zipparo Present: Sen. Starr, Sen. Zuckerman, Sen. Sirotkin, Betsy Rosenbluth, Faye Conte, Michael O’Grady, Laurie Colgan (Agency of Education)

- Pilot program proposal to get more schools to take advantage of free meal program for all students in school, via federal child nutrition program (CEP).
- Currently 51 schools participate in CEP in Vermont. There are roughly 300 schools in the state. In total, 30% of Vermont schools could qualify for this program, but there is a need to convince programs that it is financially viable and worth the initial administrative effort. This pilot would provide TA and administrative funding for 4 pilot schools to enter program, with a reserve fund available in case school meal program lost money.
- The goal is to provide enough TA to schools to ensure that they are taking advantage of all programs that can boost viability by increasing the quality of the meal program, which will increase participation, enhancing viability. This is very important for CEP schools, because it ensures that participating schools are successful in running a viable program, in addition to seeing the benefits of feeding all students for free, regardless of socio-economic status.
- Agency of Education Child Nutrition Programs director, Laurie Colgan testified that the Farm to School Grant Program greatly impacts school meal programs, allowing for TA that otherwise wouldn’t be available, and funding to purchase kitchen equipment that would not otherwise be possible. Farm to school programs, in general, increase the quality and viability of child nutrition programs. Agency of Education Child nutrition programs seems farm to school as complementary to their goals and mission.
- Zuckerman proposed a penny tax on tobacco, which would generate \$226,000 per year for farm to school, emphasizing the need to identify a long-term revenue source for farm to school. • Senator Starr asked if this should be a pilot program or a one-time personnel fund, to hire a person to work on getting all qualifying schools to enroll in CEP. Willard testified that it was better to work intensively with a handful of schools, to make sure they are getting all of the interventions and TA they need to be successful, allowing concentrated financial data to be collected and analyzed. This kind of TA assistance also fits in well with the current farm to school grant program TA structure. VAAFM also has a very good working relationship with Agency of Education, so this would be an opportunity to enhance that relationship around a new initiative.

2/18/16 House Agriculture and Forest Products H.778 FSMA

- VAAFM was asked to provide background on our national and state level efforts engaging Food Safety Modernization Act's (FSMA) produce safety rule.
- We shared our engagement over the past 3 years
- The impact on VT state produce operations
- The objective of our state produce program including market access, public health, and education before and while regulating
- We provided industry feedback we've received to date of their support for a state-level education and inspection program
- We offered the broad implementation timeline (2017 for On Farm Readiness Reviews and compliance dates beginning 2018-2020)

- Offered up the Produce Safety Continuum concept for review and discussion as well as the stages of development of our program
- We also provided the three educational workshops that we are offering in March& April in Burlington, Rutland, and Montpelier

Committee members asked questions about the following:

- How this proposed program aligns with our current GAP certification program and the RAPs and SFO efforts
- Does the Agency have a farm inventory (available or collected over time)?
- They hoped our ARMS survey efforts would also collect data on produce operations in addition to livestock farms
- They were curious about funding the OFRR, and timeline of access to federal \$\$, the probably of assessing program fees, and our relationship with Extension.
- They were interested in more SPECIFICS on what producers will be required to comply with under the rule
- They asked how many positions would be needed at VAAFM to implement the produce rule- we offered 3-4 positions
- We were asked if we have a registration requirement and if we anticipate offering a certification to participating covered farms

2/19/16

Senate Agriculture

S. 205 energy generation facilities on primary ag soils and forest land

The Committee heard from Aaron Adler reviewing changes in draft 2.1.

- the PSB will give due consideration of 9(B) and 9(C) and forest health and integrity.
- the right and duty for the VAAFM to comment on energy siting applications, 150 kW or greater.
- Jon Copans testified that this compels the Agency to participate when there are no impacts- it was suggested that the bill compel participation only when there are impacts “primary agricultural soils”. The bill also includes the ability for billback to provide some resources to the Agency. It was raised that even if the Agency only participates on applications with impacts it would cause the Agency to review all application to determine if there are impacts.
- Jon Copans commented that Act 250 addresses permanent impacts, solar is not permanent and the impacts are small. Sen. Starr was concerned the stormwater runoff could impact the soils by causing erosion- there could be impacts over time.

Significant Meetings/Events:

- Assistant State Veterinarian attended a Vigilant Guard Exercise planning meeting with the Agency of Commerce and Community Development to review roles in an upcoming drill. Animal Health staff will assist ACCD in exercising the use of their damage assessment collection form and entry of collected information into their database.
- Animal Health Section staff hosted staff from the NY AG + Mkts and USDA APHIS for a meeting held in Middlebury. Topics discussed included NY concerns about livestock exports from Vermont to NY without official ID. Further discussion revealed that since the VT animals were going to an official tagging station in NY, the responsibility of tagging would actually be at the tagging station in NY. Meeting participants also discussed livestock dealers that work in NY and VT and their resulting animal disease traceability responsibilities spanning both states. Staff from NY and APHIS stated they have documents from a large livestock auction market in NY which show two individuals acting as livestock transporters in VT without having the necessary license. Follow up will be conducted by Animal Health Staff.

- Animal Health Staff are continuing to call poultry producers to schedule voluntary farm visits to complete an Avian Influenza Assessment and review disease preparedness planning recommendations.
- A meeting of the Livestock Care Standards Advisory Council was held. Among other topics, the Council discussed H.679, a bill related to animal sheltering, at the request of the House Committee on Agriculture.
- Dairy staff has been contacted by 5 more prospective milk processors this week. Will be meeting with them to discuss the regulations.
- Also had an inquiry about goat milk and meat farming.
- There was a dairy farm reactivated in Plainfield. Farm had been out for a couple years.

Evolving Issues:

- Kristin Haas, State Veterinarian, continued to make plans with the Maine State Veterinarian to host a veterinary training for the Food Armor Program that would be open to veterinarians in northern New England and would take place in early June. Implementation of this program in VT will help reduce the incidence of violative antibiotic tissue residues found at slaughter in Vermont-raised livestock.
- Dairy section continues to refer Dairy Farmers to Ryan Patch with questions about the new water quality rules.
- Farm and plant inspectors continue to do their assigned duties.
- Animal Health Section has initiated an initial investigation regarding swine imported without ICVI's, permits, owner shipper documents and proper identification. Importer may also need to be licensed as a livestock dealer and may be mislabeling his product.

Summary of Key Agency Department Activity

Agricultural Development:

Produce Program Team Meeting with Massachusetts Department of Agricultural Resources

- Produce Program Team—Abbey Willard, Kristina Sweet & Shelley Mehlenbacher—met with the Massachusetts Department of Agricultural Resources (MDAR) Commonwealth Quality Program (CQP) team in Boston to discuss Food Safety Modernization Act (FSMA) implementation, learn about the development and future directions of the CQP, and assess how the program could serve as a model for a Vermont State Produce Safety & Market Access Program.
- The CQP is a voluntary program that integrates food safety, environmental stewardship and market access for Massachusetts produce growers as well as the forestry, aquaculture, lobster, dairy, and maple industries.
- The team will meet with the CQP team again in March at the 50-State National Association of State Departments of Agriculture meeting on FSMA implementation and discuss the possibility of collaborating on a suite of New England quality brands.

Produce Program Team Meeting Workshop at Northeast Organic Farming Association of Vermont Winter Conference

- Produce Program Team (Abbey Willard, Kristina Sweet & Shelley Mehlenbacher) collaborated with Roger Noonan of the New England Farm Bureau to lead a workshop on the Food Safety Modernization Act (FSMA) Produce Safety Rule at the Northeast Organic Farming Association of Vermont (NOFA-VT) Winter Conference in Burlington.
- The workshop provided an overview of the Produce Safety Rule, timeline for implementation, and an online decision tree tool to help farmers determine whether they need to comply.
- Over 25 conference attendees took part in the workshop; participants asked key questions about overlap between the Produce Safety Rule and the FSMA Preventive Controls Rule and how the Produce Safety Rule may impact farmers in making decisions to diversify or scale up their operations.

Food Safety, Animal Health and Consumer Protection:

Animal Health

Field staff...

- Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.
- Provide ADT Supplies for transporters and dealers in Windham County, Addison County and New York State.
- Assisted the Humane Agent from Addison Co. Humane Society regarding the welfare of sheep and goats in Shoreham Vermont.
- Participated in a webinar covering Scrapie disease in small ruminants and research on the disease carried out by ARS – USDA Agricultural Research Service. The Animal Health Section works with USDA Veterinary Services to collect Scrapie testing samples from sheep and goats presented for slaughter in VT.
- Took part on an ADT webinar. Discussed Cooperative agreements and Trace Performance Measures.
- Planning a joint inspection with NY AG and Markets Inspector with a dealer that operates in both states.
- Provided free of charge metal ear tags to a new, small dairy producer who is interested in making sure his animals are tagged with official identification.

Dairy

Dairy Section continues to perform required regulatory activities and to pursue enforcement actions as warranted.

Meat Inspection

- Meat inspection received its budget allowance from USDA FSIS
- Assistant Director, Dr. Katherine McNamara is working as a planner for Vigilant Guard.
- Meat Inspection is updating the humane handling template for establishments to use in writing their plans.

Weights and Measures

- Marc Paquette, Weights and Measures Specialist, presented an informational talk on gas pump skimmers to a meeting of the Retail Grocers at the statehouse on Tuesday.
- David Tremblay has come on board in Consumer Protection as an Agricultural Production Specialist. David's duties will include apiary, USDA GAP and agricultural product inspection.

Agricultural Resource Management Division:

Plant Industry – Entomology

On Thursday, February 18th Alan Graham, State Entomologist, participated in a regional conference on bed bug issues in urban areas. The meeting was in Bellows Falls and participants included fire chiefs, health officers, social workers, town municipal workers, emergency services people, a librarian, and town officials. The towns of Rockingham, Brattleboro, and Springfield were represented. Alan Graham made a presentation and worked with two discussion groups. The following topics were discussed: the increasing number of bed-bug infested apartments, the lack of coordinated services, the difficulty in managing bed bugs in low income housing, the need for organizations to develop bed bug protocol, the need for protection of emergency workers and others entering infested apartments, and ways to prevent people from reusing infested furniture from dumpsters. Economically stressed Vermonters in apartments have limited options for managing bed bug problems.

LOTTERY

Confidential message for Governor Shumlin:

Media contact for Powerball \$1M prize winner on Thursday.

Legis contact - presented lottery budget to HAC on Tuesday - in general in seemed acceptable. Increase in marketing spending seems unlikely to me based on their comments. Presented lottery rules change to LCAR on Thursday with quick approval. Lottery board chair testifies in Senate Econ today about S.252.

Sales and operations continue to be good. I submitted an amendment to extend ticket printing contract with Pollard Banknote for an additional \$3.9M over two years.

I will be out of state on Monday and Tuesday next at national lottery org in Iowa.

Greg