

From: Springer, Darren [Darren.Springer@vermont.gov]
Sent: Saturday, October 24, 2015 9:46 AM
To: Springer, Darren
Subject: Fwd: Weekly Reports - Executive Privilege 10 23 15.pdf
Attachments: Weekly Reports - Executive Privilege 10 23 15.pdf; ATT00001.htm

Sent from my iPhone

Begin forwarded message:

From: <Darren.Springer@vermont.gov>
Date: October 23, 2015 at 11:15:30 PM EDT
To: <GPS@vermont.gov>
Cc: <Justin.Johnson@state.vt.us>, <Susan.Allen@vermont.gov>, <Lawrence.Miller@vermont.gov>, <Scott.Coriell@vermont.gov>, <Sarah.London@vermont.gov>, <Laura.Gray@vermont.gov>, <James.Pepper@vermont.gov>
Subject: Weekly Reports - Executive Privilege 10 23 15.pdf

Highlighted Weekly Attached.

Quote of the week, courtesy of Louis's Fish and Wildlife Warden: "Checked a couple groups of moose hunters and saw a couple of nice moose taken. Aside from being dead they looked pretty healthy."

Gov - see in ACCD upfront the short piece on additional desire by Orvis and Britton Lumber for Enterprise Fund money. I know you are talking with Orvis about Windham grants with Pat next week. Earlier today I sent you Pat's latest on the the other four currently proposed Windham grants. She knows you were not thrilled initially with any of them.

Update on Vivitrol in AHS section upfront. Pilots underway soon.

VTrans - Chris has the latest on Brattleboro project, I have asked Shana to schedule him to come in sooner rather than later to talk with us about this and make sure we are doing everything possible to get it done.

ANR has brief status update on Ranger 20 MW solar projects. I did talk with their CEO today, he was fairly upset as we might expect, but also seems to live in an alternative universe where towns are supporting their projects (they aren't, at least not yet), where ANR is signing MOU's with them (they are not, I checked), and where grid can handle their power no problem (I reaffirmed today with Kerrick that is not the case). I am going to meet with him next Weds.

Some updates on DLC modernization work in their section, Lawrence has latest if you need more there.

Sue, Scott, and Sarah, a few notes of interest for each of you in here.

Sue - Education section a request from Rebecca for some thinking about good candidate for State Board. Could you please flag this for Jess G at Monday staff meeting.

Thanks, hope everyone has a good weekend.
Darren

WEEKLY REPORTS

Checklist
10/23/15

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 Agriculture – Chuck Ross
- 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 – Jim Giffin

TBD

- Department of Labor – Annie Noonan
- VT Commission on Lottery – Greg Smith

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: October 23, 2015
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- Gov →
- **Enterprise Fund:** After the press about the Monday E-board meeting we have received calls from two companies asking for Enterprise fund help. One is Britton Lumber who is struggling to come back after a fire eliminated their mill. The other is Orvis. We are telling these companies the money is spent a few times already, the projects approved have been 12-24 months in the planning, there are clear requirements in the legislation. **Revision is also asking and Jonathan Blanchette may bring this up in Montreal on Monday.**
 - **GS Precision:** We are progressing well. There are concerns for timely review of stormwater and wetlands permits which are now being filed. The lateness is due to Schneeberger's delay in decision-making. I have talked to Alyssa Schuren and she is expediting these reviews.
 - **VEGI:** VEPC approved incentives for the Canadian prospect and Revision on Thursday. This will add 140+ jobs to the NEK! The Canadian prospect incentives were approved contingent upon the Emergency Board raising the Subchapter 5 cap for 2016. As you know, they chose not to do this on Monday so we will have to pull them back in mid-November to take that action. **Fred Kenney reports:** VEPC board gave Final Approval for VEGI incentives for Revision Ballistics, Newport (\$619,007, including Subsection 5 Enhancement for economically disadvantaged regions of the state) and Revision Military, Essex (\$167,295). VEPC Board gave Initial Approval for VEGI incentives for a Canadian prospect project in St Johnsbury (\$694,711 including Subsection 5 Enhancement for economically disadvantaged regions of the state).
 - **Vermont Wood Pellet:** Plans are progressing VWP's next plant in Gilman at the former Dirigo paper site. We are holding two finance meetings this week to discuss the full financial package. Challenges are the inability to offer personal guarantees and an aggressive timeline. I think these issues can be resolved.
 - **VLITE:** Plans are progressing for the VLITE board to consider investing in new renewable energy related private sector businesses. This is a point I have been driving since we started. We are talking with fresh tracks Capitol about managing a "business Accelerator" program for renewable energy's and related enterprises. VLITE may invest as much as \$400,000 to support 3 to 6 businesses. The hope is these businesses will be successful and we can realize royalty or returns on investment to help recapitalize our funds to continue to do good work advancing the comprehensive energy plan.
 - **EB Five:** I've been drinking from the firehose again this week!

LUCY LERICHE, DEPUTY SECRETARY

- **CONFIDENTIAL - Department of Public Safety:** DPS is experiencing some angst around VCGI's diminished support for the Department. VCGI had provided staff support on contract to the department, but as their needs grow, VCGI can no longer support at the same or increased level. Some bad feelings from DPS for which Lucy is trying to mediate a satisfactory resolution.
- **Porter/Vermont Ski Areas Association Toronto Press Event:** Lucy attended with Deputy Commissioner Cook. A great turn out of press and a good number of Vermont resorts were represented. Jay continues to offer Canadian at par, which is very popular. Bookings at the Snow Show were sounding strong. Looking for some good press to come.
- **Legislative Agenda:** Pat and Lucy met with Commissioner Peterson and Laura Gray and others to discuss areas of overlap in ACCD's legislative agenda. We have some things to work on together, including work around a solution to taxation for the category of the "sharing economy," as well as some potential efficiencies in the administration of the VEGI program. Otherwise, ACCD awaits direction from the Governor's Office to further develop our proposals.

Sue ↑

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

- **GIS Data**
 - **New/Updated Data and Web Services:** Ivan is preparing dFIRM data (digital Flood Insurance Rate Map) for provision as a seamless set of state-wide data layers. Currently dFIRM data is being served as separate data sets for each county or town (for counties and towns that have effective dFIRMs). The new seamless data layers will allow users to work with dFIRM data without having to fetch each dFIRM individually for each locality of interest.
- **VCGI Imagery Program**
 - **LIDAR:** Mike is in the final sprint, determined to finish the FFY2016 BAA LIDAR proposal process. The final proposal is due October 23rd.! We are also pursuing \$450,000+ from the Clean Water Fund split between FY16 and FY17 to fund finishing the Ct. River Valley.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **French Sales Mission:** Megan returned from the French Sales Mission where Maine, New Hampshire, The White Mountains Region, and Vermont presented to 20 tour operators including 4 trainings of sales staff. Although there is a great deal of follow up to be completed, Megan was communicating with Vermont properties in “real-time” throughout answering questions and fulfilling requests as they came up. The high points for them were the photos of the Cheese and Brewfest, the fact that we had 400 miles of road paved this summer (many motorcycle tours are booked every year in New England from France) and that we have no billboards. They were also very pleased that the new Taconic Hotel in Manchester is a Kimpton Hotel which is a favorite brand of the French traveler. We all stressed how easy Montreal is as a gateway to our region. They agree and like to add Niagara Falls onto those itineraries. This international market is our third most active after Great Britain and Germany (excluding Canada).

Steve Cook, Deputy Commissioner

- **Toronto Snow Show:** Steve worked at the winter snow show in Toronto last week with Porter Airlines and Ski Vermont. Lucy Leriche attended as well. Great turnout.
- **Charlotte:** Steve will meet with Gene Richards of Burlington International Airport to present a marketing plan in Charlotte, NC to promote Allegiant Air service to Vermont this upcoming winter.
- **Brand USA:** Megan and Steve met with Brand USA Representative Julie Armstrong to discuss the recently completed UK in market promotional videos. These videos included partners Stowe Mountain Resort, Smugglers Notch, Woodstock Vermont and Southern VT. These videos will be distributed in UK markets and be displayed on www.discoveramerica.com

COMMUNICATIONS ♦ Laura Peterson, Director of Communications

- **World’s Best Foliage Campaign:** Laura and team issued the final fall foliage report. Our season went out with a (snow) bang. She helped the Weather Channel coordinate a late season live shot, with Grafton Village cheese, syrup, cider donuts and other Vermont fall favorites.

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

- **Meeting and Presentation:** Sky, Mary, Pat, Lucy, Heather and Steve all met with Justin Johnson and Andy Pallito last week to discuss the future of Vermont Life. The meeting went quite well, with Vermont Life presenting a PowerPoint about the magazine's mission, history, current and previous financial status, and ROI. Both Justin and Andy were receptive to the presentation and understanding of Vermont Life's value and impact on the state's marketing efforts and economic development.
- **Digital Media:** Sky went to the Digital Media Conference to help interview participants for Economic Development Marketing videos. Social media engagement with Vermont Life has been very strong lately. We have a very large and continuously growing social media audience:
 - More than 2,700 people responded to our poll asking readers which of two potential covers they preferred for our Winter 2015-2016 issue.
 - Nearly 6K people viewed a video of snowflakes coming down.
 - 1.37K likes on a photo of Quechee Gorge
 - 1.48 likes on foliage photos from Waterbury Reservoir

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

Joan was at the IIUSA conference in Dallas for EB5

FINANCIAL SERVICES ♦ Dan Towle, Director

- **American Society for Healthcare Risk Management (ASHRM):** Dan Towle, Director of Financial Services, was in Indianapolis for the ASHRM conference. The State of Vermont exhibited at this conference that ran from the weekend through Tuesday. This conference brought together a large number of Risk Managers from hospital and doctor's groups. Over 2500 people attended this conference. The health care sector continues to be one of Vermont's fastest growing areas. Vermont's largest competitor in the healthcare sector, the Cayman Islands, sent over 20 representatives to the conference. Several prospective meetings occurred that may result in new business for Vermont.
- **Innovative Physician Solutions (IPS):** Dan met with the CEO of this Arizona based RRG to discuss the status of their redomestication to Vermont and to discuss other opportunities for growth. Their redomestication application will be submitted in the next few days. They are considering forming a third captive with several affiliated hospitals. A first quarter of next year formation is possible for that one.
- **Western Litigation:** Dan met with the President of this firm and one of their key lawyers. They are a claims administer for the healthcare industry. The meeting produced two potential healthcare related leads for Vermont. They were also able to introduce Dan to one of the mentioned prospect's CFO. The CFO who just joined their organization had formerly run a Vermont captive at his previous employer and is a graduate of Norwich University. These two facts are both very good news for Vermont in following this prospect.
- **Coverys:** Dan met with the Risk Manager of Coverys. They are a commercial carrier that has a Vermont captive, a Washington DC Captive and a Cayman captive. Dan discussed with them ideas for how to consolidate operations into Vermont to create some cost savings and additional synergies.
- **Hawaii Captive Insurance Council (HCIC) Annual Conference:** Dan will be in Hawaii next week attending this conference. Hawaii is one of the oldest active domiciles in the US along with Vermont. Dan hopes to get some potential redomestication prospects out of this conference and has several meetings set up in advance of it.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

Vermont Economic Progress Council

VEGI

- VEPC Board voted to terminate VEGI incentives authorized in 2011 for WCW, Manchester due to failure to meet Year 1 performance requirements by the end of Year 3.
- Worked with Cabot Hosiery, Flex-A-Seal, Precyse, Triad Design, Vermed, and Maponics to prepare Final Applications for submittal by November 13 for December 3 VEPC Board meeting.
- Worked with Imerys Talc, Ludlow to file Initial Application for December 3 meeting.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

- The PTAC Team held a *GSA Schedules Workshop* at the Fairfield Inn & Suites in White River Junction on October 20th. Jerry Smith, Director of OSBDU GSA, and Carrie Cuevas, Master Industrial Operations Analyst GSA, presented to small businesses about GSA Schedules.
- Brenda Plastridge held an *Understanding your Bid-Match* workshop in Newport on October 21st.
- On October 21, Robin Miller gave a PTAC presentation to the District Transportation Administrators and explained how we are assisting Vermont small businesses with doing business with their Agency. She also invited them to attend the PTAC workshops that will be given throughout the state in regards to the Agency of Transportation's Maintenance Rental Agreements proposals that will be coming out in November.

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Thursday Brett and I will be meeting with Orvis and Tuttle Law Printing who have shown interest in our services and possible VTP grants.
- Friday I will be at the TechJam to help cover the ACCD table as well as meeting some of the 58 employers who will be there along with Brett.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **Solar Siting Task Force:** Met with Commissioner Recchia and Deputy Commissioner Copans of PSD to discuss the Solar Siting Task Force and better understand the goals, issues, and potential direction in order to help support moving this forward over the next few months.
- **Electric Vehicle Charging Station Ribbon Cutting:** Joined representatives from Green Mountain Power, Springfield on the Move, the Springfield Chamber of Commerce, the Springfield Select Board and Claremont Savings Bank to celebrate the newest edition of EV charging stations in downtown Springfield. Great turnout and support for this project funded primarily through the Downtown Board with funds from ANR!

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **VTrans, Strong Communities, Better Connections Grants:** ACCD, in partnership with VTrans, announced \$200,000 in grants to expand the transportation system to serve the needs of more people while fostering economic vitality for our businesses and communities. An enthusiastic response to the announcement on the Vermont Planner's listserv stated, *"I'd just like to mention how awesome it is that ACCD and VTrans are collaborating on a grant program! I've been hoping for this (and probably talking about it) for years. Because land use and transportation are integrally connected!!! It's great to see Vermont getting this on an agency level. Way to Go!!"* Grant funds are for cities and towns outside of Chittenden County (which has its own program). Applications are due January 15, 2016.

State Designation Programs

- **South Burlington, District Expansion:** CP+R and VEGI teams met with City staff to provide input on the City's plans to expand the boundaries of their New Town Center (NTC) and Neighborhood Development Area (NDA) designations to include the University Mall property and a few other adjacent parcels. If the expansion is approved by the Downtown Board, it will enable an expansion of the existing TIF district. The City plans to use both the TIF proceeds and the designation program incentives to support new multi-story developments proposed for the mall property.
Gary met separately with the "downtown" group that was recently formed in South Burlington to help with plans for City Center and provided a training on the Main Street approach to help guide them moving forward. The group represents property owners, businesses, local organizations and residents and will work collaboratively with the city on the City Center project.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

- **HUD Reports:** Ray has generated and submitted a Labor Standards Semi-Annual Enforcement Report from Grants Management system to Bill Pickett, HUD regional labor relation office for review and approval. There are no issues of restitution or other outstanding non-compliance to report.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

State Architectural Historian

- **CCTA Transit Center, Burlington:** Devin, Laura and Dale met onsite with Steve Carlson, CCTA, to discuss the re-planting of trees in the cathedral landscape adjacent to the project area. The landscape, designed by renowned landscape architect Dan Kiley, has been rejuvenated by trimming the trees, aerating the soil and removing a concrete sidewalk that cut across it. The Catholic Church has agreed to replant 4, and possibly 5, trees in areas where the original trees have been removed. This will mitigate the effects of removing a row of trees on the east edge of the property to accommodate the new Transit Center.

Project Review

- **Bolton:** Jamie was asked by Forest Parks and Rec to participate in the selection of proposals for purchase of the Lafreniere property in Bolton. There were three timely proposals received for the historic farmstead being conveyed out of state control. Due to associated deed restrictions, the new owner will need to work closely with VDHP for plan approval of any future alterations proposed in the future. BGS now has 60 days to execute a purchase & sales agreement with the selected buyer. Once that is in place, a public announcement will be forthcoming. We are just thrilled this significant property is being adopted and the preservation of the house is on the horizon.

State-Owned Historic Sites

- **Coolidge Site:** Strong visitation and store sales continued through the last week of the season. Guests were thrilled with the extended foliage display and fine weather. The particularly high number of individual travelers may have been prompted by the new brochure rack cards that were distributed to area information centers, chambers of commerce, and lodging accommodations. Although the site officially closed on October 18, we will host 16 post-season motor coach groups through the 25th.
- **Bennington Battle Monument:** Week 26 along with week 25 was our peak for foliage time, the views and the colors were spectacular and kept most people in awe of the view. The Monument had **over 2360 visitors, a lot from Germany and Australia for overseas and Texas, Alabama and Missouri for the US. There were a total of 15 motor coaches for the week.** Over the weekend there was a Girl Scout bake sale with hot cider and donuts, something all visitors appreciate. Now that the days are a little slower we are working on decorating for the 'haunting' and hoping for an 'Indian Summer'.
- **Roadside Historic Markers:** On October 11, the Italian American Club of Rutland celebrated their centennial anniversary with the unveiling of their roadside historic marker. The Club is on Center Street in Rutland, swing

on by to take a look! Twelve markers have been placed this year commemorating dams, depots, mills, the iron industry, and prominent Vermonters. The popularity of this program has grown since its founding in 1947 (yes that is 68 years ago) and we have thirteen new markers in the process for next spring. Thank you Matt for all of your help with the markers.



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

- Many parks have rent anniversary dates of January 1 and about half of the lot rent increases in any year occur in January. Because sixty days’ notice of an increase is required this means the increases are filed in October. To date, Arthur has reviewed lot rent increase notices for 34 parks, four of these are over the 3.0% threshold that could trigger mediation.
- Unfortunately, efforts by the residents to purchase the Katy-Win Mobile Home Park in Johnson as a new resident owned cooperative were not successful, in part due to concerns about a steep slope in the park and the cost to stabilize this. Last Friday, the park was sold to Chip and Kevin Spillane, who also own the Triple L MHP in Hinesburg and Mount Pleasant Communities MHP in St. Johnsbury. Arthur was contacted by both seller and buyer.
- The Vermont Council on Homelessness met Wednesday. The group spent nearly the entire meeting discussing the various Family Supportive Housing Program pilots that have been functioning in several regions of the state for the last two years. These programs work with chronically homeless families to align supportive services with a housing subsidy and an available apartment. While the program has shown incredible success (85-95% of families who find housing through these pilots are still housed two years later) there are numerous challenges as various program requirements and timelines make it difficult to align services and housing. Also, programs like Temporary Assistance for Needy Families and Social Security do not provide enough funds to cover the maintenance cost of a subsidized housing unit, meaning additional subsidies are required even when a housing project is built to be ‘affordable’ at \$500-\$600 per month of rent.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Recovery Work

- HUD has approved the extension and amendment request for CDBG-DR 2 funding. This is good news as several projects were waiting to proceed and need to complete construction before winter.

Existing Grants

- **City of Rutland:** The Northwest Neighborhood project (\$1.25 million in VCDP funds) has been breaking ground on demolition of blighted properties and infrastructure improvements. Here is some of the progress:



Potential Projects

- **City of Rutland:** Staff attended a funders’ meeting at the Hickory Street Community Center for the Hickory Street Phase III project. Many attended including representatives from VHCB/HOME, VHFA, Housing Vermont, Rutland Redevelopment Authority (RRA), Rutland Housing Authority, VT House of Representatives, and local

residents. Brennan Duffy from the RRA gave an overview of the City's current priorities for housing and economic development. Rutland is focused on the Northwest Neighborhood/Project Vision as well as developing the northern section of the Rutland Plaza Shopping Center. Several local residents and elected officials emphasized the need to complete Phase III, which would cost approximately \$4 million and replace 1970's public housing with 22 new affordable rental units. VHCB and VHFA had concerns about this project in terms of being the City's top priority. VCDP funds were used for Phase I and II (56 rental units and a community center) and it was understood by Rutland Housing Authority and other funders that VCDP funding was not available for Phase III.

- **Town of Richmond:** Staff provided guidance on VCDP requirements and timing approaches for the Richmond Creamery redevelopment project located in downtown Richmond. Gristmill Builders, from Stowe, is the potential buyer of the derelict property and their plan is to demolish the current creamery structures and construct a net zero mixed-use development with office, commercial and residential space. Staff advised the developers to sign an option agreement, not a purchase agreement, and to begin the Environmental Review process immediately in order to be eligible for VCDP funds. Historically, the redevelopment of the site has been unsuccessful due to the complexity, cost, and limitations. The brownfield site requires extensive clean up due to the following sources of contamination: asbestos, lead paint, mold, ammonia, PCB's, PAH's, and metals. The developers will be working closely with the Town and plan to submit a VCDP Slums and Blight application for the February 2016 CD Board Meeting.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

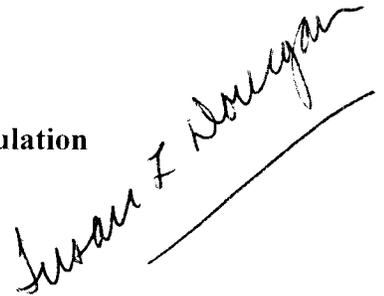
- **Local / Vermont Food Campaign:** With Laura Peterson, Heather met this week with representatives from the Agency of Agriculture and the Vermont Sustainable Jobs Fund (Farm to Plate) to discuss various initiatives underway to market Vermont food products. As the Agency of Agriculture has now secured grant funding to develop its own marketing program, possibly to achieve some of the goals of the 'Made in Vermont' initiative, this working group is very focused on coordinating efforts and sharing research, in the context of respecting existing branding, so any new visuals or outreach campaigns developed do not compete, dilute or confuse messages ultimately reaching consumers, either in Vermont or out of state.
- **Creative Services:** Thanks to the added capacity of having Erin come on board, the CMO was able to assist several state entities with design-related projects this week including the Dept. of Environmental Conservation (vehicle service technical assistance guide); Dept. of Forests, Parks and Recreation (biomass wood heating fact sheet); Division for Historic Preservation (achievement certificates); Dept. of Economic Development (video titles) and the Vermont State Craft Centers (website updates, events posting).

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

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: October 23, 2015
Re: Weekly Report



Insurance Division:

A potential new domestic life insurance company received a Certificate of General Good (CGG) from DFR and recently completed its initial startup capital requirement. The new company is now preparing its application to DFR for a Certificate of Authority (COA), which will allow it to conduct the business of insurance in Vermont. COAs are granted only after an extensive review of business plans, pro-forma financials and corporate governance. It also must undergo an actuarial analysis, public notice and a hearing, and be issued an order and findings by the Commissioner of DFR. A potential company can expect the COA process to take six months to a year or more to complete.

Captive Insurance Division:

Captive insurance company license number 1,049 was signed this week. That brings the total for this year to 20 compared with 16 for all of 2014 and there are more in the works. Skye Hawk Re LLC has been formed by Sutherland Asset Management Corp. of New York City. It is a real estate finance company that acquires, originates, manages, services and finances commercial loans. The loans range from \$500,000 to \$10 million and are used by small businesses to purchase small multi-family, office, retail or warehouse properties. The captive's initial purpose will be to help Gann Mae and Freddie Mac provide aggregate excess of loss credit insurance for portfolios of fixed rate residential mortgage loans.





Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: October 23, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

PA Structure Public Hearings, Rutland and Morrisville – Act. 56 includes a provision requiring the PSD to produce a report for the legislature on the structure of our Public Advocacy division. The report should include an evaluation of models employed in other states along with significant engagement with stakeholders. Two public hearings were mandated. Both were held this week, on Tuesday and Wednesday in Rutland and Morrisville respectively. The hearings provided an opportunity for persistent critics to come out and express their frustration with the what they perceive to be inadequate advocacy from the PSD on behalf of Vermonters. As would be expected, the CVPS-GMP merger and the VGS pipeline were brought up consistently, along with concerns about the trend towards MOU's and settlements vs. full litigation of matters before the PSB. In addition to public meetings, the Department is also doing a series of direct interviews with stakeholders. The Department is considering scheduling two additional public hearings in mid-November and is due to provide a final report to the legislature by December 15.

Solar Siting Task Force – The Solar Siting Task Force held it's 3rd meeting on October 22. Attendance was lighter than previous meetings with only three members of the public providing comments at the end. VTDigger was present but has yet to report on the meeting. Peter Rothschild from New Haven and Chad Farrell from Encore Redevelopment provided their perspectives on siting issues and challenges. Task Force members were asked to come to the next

meeting on November 3 with a list of opportunities to improve the siting process and their proposed fixes.

Swanton Selectboard Meeting – Commissioner Recchia travelled to Swanton for a selectboard meeting to discuss the Swanton Wind proposal. Feedback after the meeting is that his participation was well-received. Rep. Marianne Gamache was present.

Georgia Mountain Community Wind – Docket 7508 – The Department filed comments replying to GMCW’s response to a noise complaint made by Melodie McLane, a nearby resident. GMCW argued that no further Board action is necessary because the McLane residence was used as a monitoring site during the Project’s first-year sound monitoring sessions, and no CPG noise limit exceedances were recorded. The Department recommended that GMCW submit an additional analysis, using data gathered during first-year monitoring under weather, meteorological, and operational conditions similar to the time of the McLane complaint, to determine whether there was a reasonable possibility that sound levels at the residence were within 5 dBA of the Project’s 45 dBA outside sound limit. The Board-approved GMCW sound monitoring protocol requires attenuation testing and/or additional monitoring in response to a complaint if there is a reasonable possibility that sound levels were within 5 dBA of the limit.

Ranger Solar Rule 4.100 PPAs – Dockets 8586, 8587, 8588, 8589, 8591 – On October 20, Ranger Solar filed a response to the Department’s and utilities’ motions to dismiss the petitions. The Department is evaluating the response and considering whether a reply is warranted.

VY 30-Day Notice License Amendment Request – NRC 50-271-LA-3 – The ASLB issued an order withdrawing Entergy’s LAR without prejudice, but with conditions attached to the withdrawal. The ASLB’s conditions were (1) Entergy must provide written notice to Vermont of any new license amendment application relating to the decommissioning trust fund at the time such application is submitted to the NRC and (2) Entergy must specify in its 30-day notice if the disbursement includes one of the six line items (those six line items are (1) a \$5 million payment to Vermont as part of a settlement agreement; (2) emergency preparedness costs; (3) shipments of non-radiological asbestos waste; (4) insurance; (5) property taxes; and (6) replacement of structures related to dry cask storage, such as a bituminous roof) or legal expenses to which Vermont objected in its admitted contention. The ASLB terminated the proceeding.

VEIC Petition to Use Energy Efficiency Fund Monies as Collateral for RUS Loan Program – Docket 8486 – VEIC filed a proposal for decision requesting the Board to enter an Order approving the stipulation between the Department and VEIC that was entered into in July. The Department supports an Order approving the stipulation. Next steps will involve VEIC negotiating the loan document language with RUS and submitting those documents for PSB approval.

Investigation into the Construction of a Meteorological Tower in Swanton – Docket 8561 – The Department filed discovery on Travis Belisle’s testimony on October 12. Responses are expected on October 26. On October 10, the Board issued an order denying (without prejudice) the Langs’ motion to intervene, requiring that a new motion with additional supporting information may be filed no later than October 16. The Langs filed a revised motion on the 16th that included

information demonstrating they have a specific, particularized interest that cannot be represented by the Department and which warrants participation as intervenors. The Department will be filing a letter in support of their motion by the end of this week.

GMPSolar Williston – Docket 8562 – On October 19, the petitioner requested that the Board suspend its review of the Project as a § 229 special contract between GMP and Global Foundries, but proceed with the Section 248 review of the Project independent of any agreement between GMP and Global Foundries. We understand that GMP, GMPSolar-Williston, and Global Foundries are considering a new net metering agreement associated with the proposed facility and may seek Board permission to proceed under § 219a(k), but no such agreement has been reached to date. The petitioner responded to the Department’s discovery requests on October 19. The petitioner is preparing a protective agreement to protect allegedly confidential information to be disclosed in the discovery process.

Meetings/Calls this Week:

Oct 20 – Act 56 PA Structure Public Hearing
Oct 21 – VEC, Act 56 PA Structure Public Hearing, CEP Montpelier Public Hearing
Oct 22 – Solar Siting Task Force Meeting
Oct 23 – 2015 National State Liaison Officers Conference

Meetings next Week:

Oct 26 – 2015 National State Liaison Officers Conference, CEP Public Hearing
Oct 27 – 2015 National State Liaison Officers Conference, Entergy VY meeting
Oct 28 – 2015 National State Liaison Officers Conference
Oct 29 – VIT w/Representative Keenan, CEP Public Hearing
Oct 30 – VEDA Annual meeting

Media: Planning Director Asa Hopkins discussed the CEP on Vermont Edition on 10/19. Rutland Herald coverage and an editorial on the public hearing on the structure of the Public Advocacy Division. Coverage of VGS eminent domain filings for the Addison Natural Gas Expansion project.

Public Official Contacts: Rep. Tony Klein, Rep. Gamache.

Everything Else:

PERD

2015 Comprehensive Energy Plan

- Upcoming Public hearings:
 - 10/26 Bellows Falls
 - 10/29 Rutland
- About 60 members of the public attended the CEP public hearing in Montpelier. About 20 people provided public comments and most of those focused on the need for a carbon tax.
- At EAN annual meeting, summarized the TES-based modeling of the path to 2050 as presented in the CEP.

Energy Efficiency Utility Activities

- *TEPF Clearinghouse (EEU-2013-10)* – Contract development in process. A draft contract was sent to the Contractor for review. The Board adopted the Department’s cost allocation recommendation which shall be allocated between the unregulated and regulated fuel sectors such that 69% of said costs shall be paid from thermal energy and process fuel efficiency funds available for unregulated fuel efficiency services under 30 V.S.A. § 209(e)(1) and 31% of such costs shall be paid from funds available for regulated natural gas efficiency services under 30 V.S.A. § 209(d)(3). The Board noted that this decision may require adjustments to applicable budgets in two pending proceedings (EEU-2013-01 and EEU-2015-02). In EEU-2013-01, VEIC on behalf of itself and the Department requested \$500,000 unspent TEPF EEU Funds be set-aside for Clearinghouse expenses, for which the Board has not issued an Order. In EEU-2015-02, the Department on behalf of itself and VGS proposed to add VGS’s share of Clearinghouse costs in its recommended 2016-2017 EEU budget, after the Board determines the Clearinghouse budget and cost allocation. The Board has not issued an Order regarding VGS’s budget yet.

Energy Efficiency Utilities - Avoided Costs

- Cost and Value of EE Analysis – Through conversations with EVT, BED, GMP and VELCO (and a non-trivial amount of digging into ISO tariffs and market rules) PSD has determined that the MW of capacity that utilities must buy over a commitment period (at the FCA clearing price) will be lower because of energy efficiency. The specific amount of MW that utilities will avoid having to purchase is a function of the demand savings of the EEU measure portfolio at the time of the system-wide hourly peak (effectively the early summer afternoon). ISO-NE calculates each capacity zone’s contribution to this system hourly peak and assigns them the corresponding share of overall capacity load obligation that they must purchase. Thus, everything that EE is saving in capacity market costs depends on the performance of the EEU portfolio in one hour in the summer. Neither EVT nor BED has granular enough information to know the hour by hour distribution of portfolio savings but they can fairly safely be assumed to be the same as for the peak period as a whole. This could be one reason to begin characterizing measure savings on a more granular costing basis.

Vermont System Planning Committee

- Attended Quarterly Meeting. Slides found here:
http://www.vermontspc.com/library/document/download/5186/20151014_vspcslides_v1.pdf
 - VELCO presented regional issues update. High on the list was the prospect of large solar project developers (now 6 20 MW projects on the table) seeking PURPA status that would exempt them from curtailment and potentially force other distributed generators offline in event of over-supply.
 - VELCO initiated discussion on whether there is need for an overhaul of docket 7081 MOU framework that establishes VSPC process and responsibilities. There are several reasons why a rethinking of VSPC duties is appropriate: a no-load-growth environment, ISO-NE now dominates transmission planning, FERC order 1000 opens up transmission investment to competition (unclear what this will look like).
 - PSD suggested that VSPC could be reconceived as place to work through the

planning issues associated with the need to orchestrate and optimize DER. In a sense VSPC is already doing this “around the edges,” but there could be value in stipulating a new direct responsibility.

SEP

- SEP Competitive “HELIX” grant – Submitted revised budget forms and information to DOE for recently funded Home Energy Labeling Information Exchange (HELIX) grant and participated in negotiation call with DOE staff. This three-year regional \$786,103 project will support the market valuation of home energy efficiency by researching, designing, developing, testing and deploying the publicly accessible HELIX database to make Home Energy Scores accessible to local Multiple Listing Services (MLSs) and other market interests. Making this data readily accessible is critical to the inclusion of Home Energy Scores in home appraisal, marketing, and sales.
 - SEP Grant – Vermont Clean Cities Coalition (EV Workplace Charging)
 - Awarded VTCCC additional \$15k. Brings total award up to \$35k. As a result of the additional funds, VTCCC is expanding their EV workplace charging incentive program to include the following incentives:
 - \$525 for a non-networked single port (L1 or L2)
 - \$1050 for a networked single port (L2)
 - \$1575 for a dual port (L2) networked or non-networked unit.
- VTCC is providing EV parking signage to program participants. VTCC is also conducting general outreach to employers regarding workplace charging.

Thermal Energy Finance Pilot – Heat Saver Loan

- Submitted quarterly report from the Department to VLITE with details on program activities. VLITE has said that PSD can submit a request for additional IRB funds to continue supporting the pilot. Staff will prepare a proposal for internal review prior to the November submission deadline.
- Sent follow up email to fuel dealers and heating contractors re: HSL brochure. Received requests for about 2000 flyers, which have been ordered and will be shipped out upon arrival next week.
- Made updates to the HeatSaverLoan.com website
- Presented program status report to the CEDF board; now that the full year one data are in for the program, staff will submit a more detailed HSL report next week

Net Metering

Net Metering Activity 10/10/15 – 10/16/15

	Registrations	Applications	45 Day Notice	CPGs Granted
Count	52	5	0	53
kWAC	340	430	0	902
Ave Size kW	6.546	86.04	0	17.025

Cumulative Capacity of ALL Formal Notices Submitted**			
Year Total to Date		Total Since 1999	
2014 kW	2015 kW	1999 – 2015 kW	% of 15% NM Cap
27,163	44,240	121,903	~ 81.3%

****Note: These totals now include systems of all sizes, and include those systems for which 45 day notices have been filed as well as those for which formal permit applications have been filed.**

Engineering

Docket 7250 Deerfield Wind

Engineering received a third-party decommissioning estimate from Reed & Reed for the Deerfield Wind project. This third-party estimate was higher than the original estimate filed by Deerfield Wind (\$2,050,000 versus \$1,877,400). Engineering will follow up with Reed & Reed regarding assumptions used for the estimate.

Finance and Economics

Electric

GMP: Rate Design and Rate Integration Filing—GMP filed its proposed new rate design on May 4 that focuses on integrating the legacy rates and tariffs of GMP and CVPS into a single set of rates and tariffs for the combined company. Staff prepared testimony that addressed three primary issues—reducing the number of different time of use rates; shortening the phase-in to avoid an estimated \$60 million of cross subsidies; and requesting a schedule for another rate design to be implemented after a full rate case or with GMP’s base rate filing following the expiration of its current alt reg plan. It was decided not to file the testimony but push out the due date to pursue a settlement that will address these topics plus accommodate a downward rate adjustment for Omya. The new due date for testimony or a settlement MOU is October 30.

Hyde Park: Filed a 108 Petition for Approval to Issue up to \$3.5 Million of Clean Renewable Energy Bonds, to finance the construction of its proposed Waterhouse Solar Project. The bonds will be issued through the U.S. Department of Treasury's Clean Renewable Energy Bonds ("CREBs") program which provides a 75% interest subsidy for bonds issued to construct qualified renewable generation facilities. Staff has begun a review of the petition. A date for the Department’s recommendation has not as yet been established but Hyde Park would appreciate an expedited approval to close before year end.

Stowe Electric: Financing Petition (Pursuant to 30 V.S.A. §108(c)) for approval to issue up to \$3.5 Million of Clean Renewable Energy Bonds to finance the construction of a 1.0 MW solar electric generation facility located on Nebraska Valley Road in Stowe. The bonds will be issued through the U.S. Department of Treasury's Clean Renewable Energy Bonds ("CREBs") program which provides a 75% interest subsidy for bonds issued to construct qualified renewable generation facilities. A date for the Department’s recommendation has not as yet been established but Stowe would appreciate an expedited approval to close before year end. Staff

will complete its recommendation this week.

Natural Gas

VGS: 2016 Annual Base Rate Adjustment – Docket 8583; VGS’s annual base rate adjustment proposes a rate reduction of \$2.5 million or 3%, effective on a bills rendered basis beginning November 1, 2015. The Department filed the Consultant’s Report on September 18, 2015 and an affirmative recommendation. The Board is scheduled to issue a final order on October 23, 2015.

EEU

EEC 2016 – Rate Calculation – Staff prepared the EEC 2016 Rate Calculation for Burlington Electric (BED) and all other utilities that were forwarded to the PSB this week. Rate increases for the EEC fall between 6% and 10%. Board staff requested and has been provided with the worksheets supporting the rate calculations.

Regional

FERC’s 2015-2016 Winter Energy Market Assessment

- FERC’s Office of Enforcement released a presentation that included significant discussion of natural gas issues in the northeast. The most significant conclusion was that pipeline bottlenecks in the northeast are declining due to capacity expansions with resulting decreases in the price differential between areas containing Marcellus shale gas and the northeast. FERC staff’s analysis indicates that the spread could be halved since last year and narrow considerably in the next few years.
 - This conclusion is at a fairly high level and does not provide sufficiently granular information to determine the potential impact on New England (as compared to the northeast generally). However, this information may be used by opponents of proposals to build gas pipelines subsidized by electric ratepayers.
 - The presentation does note that ISO-NE is still predicting that the loss of any major non-gas-fired generation or any significant disruptions in gas supply will create a major challenge for ISO-NE.

Clean Energy RFP Status

- Massachusetts, Connecticut, and Rhode Island have developed an RFP for renewable energy. The RFP has been approved for release by the Rhode Island Public Utilities Commission and the Connecticut Department of Energy and Environmental Protection. Massachusetts Department of Public Utilities approval is still pending.
- The RFP defines Qualified Clean Energy as Class 1 renewables (primarily new wind and solar projects) and also large hydro, which does not count as Class 1 renewables for the three states. The Massachusetts and Rhode Island authorizations are for Class 1 resources only. The Connecticut approval covers Class 1 resources and also up to

approximately 170 MW of large hydro. Massachusetts law allows utilities to enter into contracts for any type of resources but does not require prior approval of the RFP.

- The RFP allows offers of:
 - Qualified Clean Energy and/or RECs via a Power Purchase Agreement – This is the typical type of RFP where the outcome is a contract between the utility and the renewable developer for purchase of energy, RECs, or both.
 - Qualified Clean Energy and/or RECs via a Power Purchase Agreement with a transmission project under a FERC tariff – This is similar to above except that, under the contract, the utility would also pay for the costs of a transmission project, with the transmission developer required to file for FERC approval of the tariff.
 - Qualified Clean Energy and/or RECs via a transmission project with a performance-based tariff guaranteeing delivery of qualified clean energy. Under this model there is no contract but instead the utility pays for transmission under a FERC-approved tariff and the tariff requires that a certain amount of Qualified Energy be delivered across that line. The benefit from the utility’s perspective is that the PPA does not show up on the utility’s books as a liability. It does not appear that this model has ever been used and it is unclear whether FERC would approve such a tariff.

Northern Pass Status

- On October 19, Eversource filed its application with the New Hampshire Site Evaluation Committee. The new cost estimate is \$1.6 billion for the 192-mile 1,090 MW line, of which 60 miles is proposed to be placed underground. The proposal includes a \$200 million Forward NH Fund which would be used for unspecified “community betterment, clean energy innovation, economic development and tourism” projects
- There is still uncertainty as to whether Eversource’s existing transmission easements allow an additional line in some portions of the right-of-way, which will likely lead to continued litigation.
- Governor Hassan appears to have provided some support for the project – on August 18, after the announcement regarding the revised proposal that included an additional 52 miles of undergrounding and some rerouting, Governor Hassan issued a press release that the reroute was an improvement over the previous proposal and provided “tangible benefits” to New Hampshire. (full press release at <http://governor.nh.gov/media/news/2015/pr-2015-08-18-northern-pass.htm>)

TDI-NE Status

- On October 20, the PSB held hearings on the TDI-NE proposal. All parties had reached settlement and the PSB had only a small number of questions for TDI and PSD witnesses. The hearing lasted less than one hour.
- The TDI-NE project has an estimated cost of \$1.3 billion and the PSB is expected to issue an order in December or early January. TDI-NE has not received a final System Impact Study from ISO-NE that identifies all upgrades needed to maintain system stability and reliability. The stipulations signed by TDI-NE prevent construction of the project until all ancillary upgrades needed to maintain reliability have received 248 approval from the PSB. Given that the 400 MW Anbaric Grand Isle Intertie project is ahead of the TDI-NE project in the ISO-NE interconnection queue, and therefore is assumed to be in service for purposes of the study, the scope of the ancillary upgrades are not clear at this time.

Public Advocacy

VY – No Docket – The State is finalizing its “finance petition” to the NRC, seeking review of Entergy’s planned uses of the VY decommissioning fund. The State is tweaking the petition in light of the ASLB’s recent order in the VY 30-day notice LAR proceeding (see below). The State hopes to file the petition early next week.

Waste Confidence Rule – NY v. NRC II (DC Cir.) – New York AGO forwarded the State a draft of its reply brief in the DC Circuit appeal for review and comment. The State has no major concerns with New York’s positions. The reply brief must be filed by October 23.

VY Second ISFSI – Docket 8300 – Entergy filed rebuttal testimony in the proceeding. The Department is reviewing the testimony. Discovery requests on the testimony are due November 4.

Irasburg (Blittersdorf) MET Tower Penalty Investigation – Docket 8585 – The Department received copies of a notice of appearance and letter authorizing a pro se representative for the town in the proceeding. The town did not, however, file a motion for intervention, as required by Board rules, because it assumed the other parties’ representations that they would not oppose the town’s intervention obviated the need to file such a motion. The Department has attempted to contact the town’s representatives to alert them to this procedural deficiency, but have received no response yet. The Department’s response to the town’s filings is due October 30.

GMP Rate Design – Docket 8525 – Department and other non-petitioner testimony was due Oct 21. Rather than filing testimony, the parties sought (and the Board granted) an extension until Oct 30, noting that we are working toward a settlement that resolves all issues in the case. The hope is to have a settlement among all parties (DPS, GMP, Omya, GlobalFoundries). The Department is not challenging major components of the filing, as it was generally done in a reasonable manner. Items that will be included in the settlement presently will likely include: next rate design in 3.5 years (or 2.5 years) rather than in 5 years; commitment regarding use of smart rates/consistency with CEP in the next rate design; some further consolidation of residential TOU rate classes after this proceeding but before next one (i.e., in 1.5 or 2 years); revision to Rate 5 (Omya) to provide some benefit to Omya effective after the lock period (i.e.,

after 1.5 years); some sort of school pilot program – either shadow billing or some limited participation in a more dynamic rate schedule; a requirement for GMP to file a plan to market and evaluate Rate 14 (CPP rate) in advance of next rate design.

GMP Innovative Projects – No Docket – Per its alternative regulation plan, GMP offers Innovative services (e.g., heat pumps) and accounts for costs and revenues above the line. GMP is in the process of filing its first status reports on these programs. The drafts GMP provided to the Department are lacking in significant detail. A meeting was held to discuss this issue on Oct 20 and a general agreement was reached that the two side would work to develop a protocol (likely outside the Base Rates proceeding) to review costs/revenues associated with these pilots as well as to evaluate their effectiveness and success.

VGS Base Rates filing – No Docket – The Department’s recommendation on VGS’s base rates filing was filed on October 16. The Department supported the agreed upon resolution to this year’s proceeding, as well as the consultant’s report already filed.

VEC Petition for Declaratory Ruling – Docket 8551 – On October 2, the Board issued an Order granting intervenor status to Michelle DaVia and requesting that any responses to VEC’s motion to strike portions of Ms. DaVia’s testimony (on the basis that it disclosed confidential legal advice) be filed by October 15. On October 15, the Department filed a letter supporting VEC’s request to strike portions of Ms. DaVia’s brief on the basis that the information cited appeared to be protected by the attorney-client privilege. An additional period of discovery to accommodate Ms. DaVia ends on October 9, and a status report is due to the Board on November 13.

Barton: Rate Case: On October 20, Staff received Barton’s draft Cost of Service and prefiled testimony, that may be filed with the Board on October 21, indicating an approximate \$505k or 20% overall rate increase it would like to phase in over a two year period. 18% or \$437k rate increase the first year and a 2.4% or \$68k rate increase in the second year. Staff is beginning its review.

Investigation into Barton Electric’s Use of Bond Proceeds – Docket 7719 – Barton will be requesting an amendment to the original order to obtain authorization for the issuance of 30-year bonds. The Board will likely open an investigation to proceed independently of the amendment proceeding. The investigation will address possible penalties for Barton’s misuse of \$1,850,000 of Long-Term Tax-Exempt bond proceeds.

Lyndonville Electric Section 108 Petition – No Docket – Just over a year ago LED filed a Section 108 petition for financing repairs at its Vail hydroelectric station. LED requested that the Board stay its review because LED was reconsidering the scope of the project and its cost. LED has done that and is now going to refile the petition and testimony with the new information.

GMPSolar Hartford – Docket 8580 – The Department participated in an uneventful site visit and public hearing. Motions to intervene are due by October 26.

GMPSolar Richmond – Docket 8564 – The petitioner responded to the Department’s discovery requests on October 19. The petitioner is preparing a protective agreement to protect allegedly

confidential information to be disclosed in the discovery process. On October 20, the Board denied Allco Renewable Energy's Motion to Intervene. Allco sought intervention primarily to protect its rights as a Qualifying Facility under PURPA. The Board ruled that Allco could protect its stated interest through alternative means and that § 248 does not contemplate review of avoided costs calculations or potential competitive effects of proposed energy generation projects within the state electricity market.

Brockway Mills Application to Net Meter an Existing 485 kW hydro facility – No Docket – On September 8, Brockway Mills applied for a CPG to net meter the existing hydro facility. The Department filed comments on October 1 stating that further process is required to resolve the question of whether allowing this existing facility to engage in net-metering, rather than other means of offering their output, will result in an economic benefit to the State and its residents. The Department received the petitioner's response on October 13. Briefly stated, the petitioner makes the following arguments: (1) public policy issues are outside the scope of § 248 review; (2) the Department's position disregards the right of the off-taker to engage in net metering; (3) the Department has not shown a significant issue because its concerns are general or speculative; and (4) it is unfair to require the Petitioner to bear the burden of a policy debate. The Department is in the process of preparing a response.

The outcome of this Petition will likely set precedent for other small hydro facilities coming off PURPA contracts. The Department is currently considering two other petitions of this nature: (1) Emerson Falls Hydro, a 230 kW hydroelectric facility in Saint Johnsbury; and (2) Winooski Hydroelectric Company, an existing 893 kW hydroelectric facility in East Montpelier seeking net metering treatment for 500 kW under § 219a(k).

TDI New England Clean Power Link Project – Docket 8400 – The Department participated in the technical hearing. The PSB informed the parties of its preference for a jointly sponsored draft PFD. The jointly sponsored draft PFD (or in the alternative initial briefs) is due in three weeks. The Department has already reviewed/edited previous versions of the petitioner's draft PFD and anticipates being able to work with the petitioner towards jointly sponsoring a PFD.

Vermont Solar Farmers 2.2 MW Solar in Bondville – Docket 8443 – The Board accepted a stipulation between the Petitioner and the Department to increase the amount in the Decommissioning Fund and issued a Final Order for this project on October 9.

GMP New Haystack Substation – Docket 8541 – The Department is reviewing responses from GMP to our second round of discovery requests. We intend to discuss the project with ANR to understand any issues they have and then to schedule a meeting with GMP to discuss whether we will support the project. If so, it is our intention to enter into a stipulation, accompanied by supporting testimony. The deadline for a stipulation for this project was October 21, but parties have agreed to push it out until November 2, with a technical hearing to follow the week of November 9.

VEC Substation in Alburgh – Docket 8378 – The Department conducted a follow up site visit with our aesthetic expert as well as representatives of VEC to determine whether the project complied with CPG conditions related to aesthetics. The Department's conclusion is that the project is in compliance and no further mitigation is necessary. However, there was one potential

improvement to the aesthetic appearance of the project that VEC expressed a willingness to explore. The Department will be following up on that.

Telecommunications

Proposed Successor VIT Network Bridge – PSD staff learned that the VT agency of education does not intend to operate its video conference bridge after June 2016. The VIT successor network had been planned to be tied to this bridge. Since the bridge will not be operational, PSD staff has been evaluating other alternatives, including a.) extending operation of either the VIT or the AOE bridge, b.) operating on an internet based bridge, and c.) operating on a bridge provided by the University of New Hampshire. Extending operation of the VIT or AoE bridge would require technical support and software maintenance, and PSD staff has requested quotes for this.

Proposed successor VIT Technical Support – PSD staff is inquiring with two vendors to get quotes to provide a.) technical support and b.) software maintenance for the 18 codes to be installed at the career training centers.

Comcast Remote Origination – PSD staff met with staff of the Rutland public access channel and saw a demonstration of a live full-motion video feed sent over the internet from the Rutland city hall to the PEG access studio. The devices were set up to send a constant stream of audio and video data over a 5 Mbps data rate service over the internet. The Rutland channel contracts for technical support with an outside vendor that configured the devices for optimum operation, and this apparently took some experimentation by experienced technicians.

Comcast Program Guide – PSD staff met with Comcast technical staff at the Rutland cable head-end station. Comcast technical staff explained that the channel line-up for the program guide is tied to the actual modulators in use at the head-end. Allowing public access channels to insert content data into the program guide would require the program guide territory to coincide with the public access territory. These do not overlap now. Comcast engineers assert that a program guide is tied to a channel lineup from a set of many modulators, which are themselves quite expensive. Essentially the claim that creating multiple program guides would require duplicating the headend for each separate program guide.

Rochester – VanuCoverageCo Dispute – CoverageCo purchased backhaul service from Comcast to serve the resiliency point in Rochester. CoverageCo used the town's account number and address when it signed up for service. Rochester began receiving bills which it believed were erroneously attributable to the town. Staff expressed concern to CoverageCo in September about this issue, but CoverageCo failed to act. This week staff contacted Comcast and had the error corrected. The town is not liable for the charges. CoverageCo has since notified Comcast to change the billing address to Vanu's corporate headquarters in Massachusetts.

CoverageCo Site Modifications – CoverageCo submitted its proposal to alter the EDA funded sites. Staff will need to meet with CoverageCo in order to understand its proposal as it consists of a list of 165 sites, some of which are EDA funded and some of which are "incentive" or "Base" sites. Staff has begun work on EDA grant amendment.

USF Bank Statements – RolkaLoube provided the Department with bank statements it had requested. The Department had to make several requests, including through a demand letter, to get the records. The Department also had to call the Bank and request that the statements be prepared on Rolka’s behalf. Notwithstanding, the statements have helped Solix verify assessments and Rolka’s records. The Department received no other information from Rolka.

USF Audit – The auditor completed a draft audit of the fund. The audit will not be finalized until Rolka provides a management discussion and analysis letter. Solix was asked whether it could provide the letter and it declined citing a lack of history with the fund. The MD&A is an integrated part of the fund’s annual financial statements. The purpose of the MD&A is to provide a narrative explanation, through the eyes of management, of how an entity has performed in the past, its financial condition, and its future prospects. Staff circulated the draft audit and a copy was received by Finance and Management.

Connectivity Report – Staff is drafting the Connectivity report in preparation of the first Connectivity Board meeting. It appears from a preliminary numbers that there will be very little money available for Connectivity this year. Staff identified about \$5,600.00 that can be added to the Connectivity Fund in addition to the \$1.9 million that was set aside last year.

Oneida Road Line Extension – Staff received two inquiries from residents on Oneida Road in Danville. The VTA funded a cable line extension on the road last year. Construction has not begun. Staff reached out to the company and discovered that it is awaiting make ready from GMP. Staff told Charter that if they run into make ready delays to please notify the Department.

FairPoint Service Quality Investigation (Docket 8390) – Division staff are reviewing and preparing to file a response to comments received from a group called the Design Access Network ("DAN"). DAN submitted comments that were critical of the MOU and listed a series of generalized grievances regarding general telecommunications law and Board rules, pole attachment issues, and regulation of the internet.

Comcast CPG Renewal (Docket 8301) – Telecom and CAPI division staff have completed the community needs assessment meetings. The Board will hold a public hearing on Wednesday, October 21 over VIT. DPS staff are also preparing discovery requests for Comcast, which must be filed by October 28.

FairPoint Pole Attachment Complaint (Docket 8470) – FairPoint and Comcast filed separate proposed schedules with the Board. The Department submitted a filing that supported Comcast's proposed schedule as it allowed for more discovery and time for the parties to prepare testimony and briefing.

VTel Calais 248a Petition (Docket 8535) – The Town of Calais intends to use a full day to depose VTel's witnesses. The depositions are scheduled for Thursday, October 22. DPS staff will attend the depositions. DPS has not received deposition notices for its own witnesses, and does not intend to depose witnesses for any of the other parties. The Board has also scheduled a site visit to be held in the morning of October 30.

VTel Cabot 248a Petition (Docket 8549) – The Board has requested that the parties propose a new series of dates for the technical hearing because the various parties have had conflicts with all of the previous dates previously proposed by the Board. The parties are currently attempting to come to agreement on a proposed date for the technical hearing.

Verizon Waterbury 248a Application – Division staff has retained an RF expert to review the application. Division staff are also attempting to retain an aesthetics expert to review the proposed facility. Verizon has agreed to extend the time for filing motions to intervene and other substantive filings until January, 2016.

BYO Wireless Request for CPG Withdrawal – Division staff filed a letter with the Board that supported a request from BYO Wireless to revoke its CPG. The CPG was issued in January, 2015, and BYO has never had any customers in Vermont.

Other § 248a Applications – The Department filed favorable recommendation letters with the Board in response to the following applications:

- U.S. Cellular application for *de minimis* modifications to a 134 foot tower in Dover. DPS had previously recommended that the Board not issue a CPG to U.S. Cellular because the initial application was incomplete. U.S. Cellular submitted a revised application.

Consumer Contacts- Connectivity staff has worked with many consumers this week on a variety of connectivity issues. Consumers contacted the division with questions about service provider options, cell tower location and broadband funding. One consumer reported a loss of cellular service along the Route 113 corridor between Chelsea and Thetford. That corridor is designated to be covered by a project funded through the former VTA. Staff has been working with the provider to establish what caused the loss of signal.

EDA- Staff worked collaboratively to complete an Amendment to the Financial Assistance Award for proposed changes in cell placement sites to the EDA Vermont Cellular Resiliency Project. This amendment is required based on the change in scope of the project that would result from moving the cell sites.

VTRS Data- Staff compiled VTRS financial data to be included as part of the USF report.

VIT – Staff continues to solicit information from vendors for the provision of technical support for the 18 codecs owned by VIT. During the past week staff has learned that two Polycom codecs are EOSL (end of service life) and are ineligible for inclusion in a tech support “managed care” package. VIT has advised staff that as budgets became tighter through the years and equipment aged, they paired the agreements down to only the bare minimum. VIT felt it was more cost effective for them to keep a spare codec in stock and purchase refurbished units than to cover all codecs with a service contract. Staff is investigating how/if codecs that are no longer supported can interface with the AOE bridge and/or other cloud-based bridging services provided by companies such as Blue Jeans. Staff continues to seek feasible resolutions and cost implications related to VIT technical issues. In addition, staff continues to break out data on 2014 non-VSC use of VIT services to identify future need any ‘unintended consequences’ of

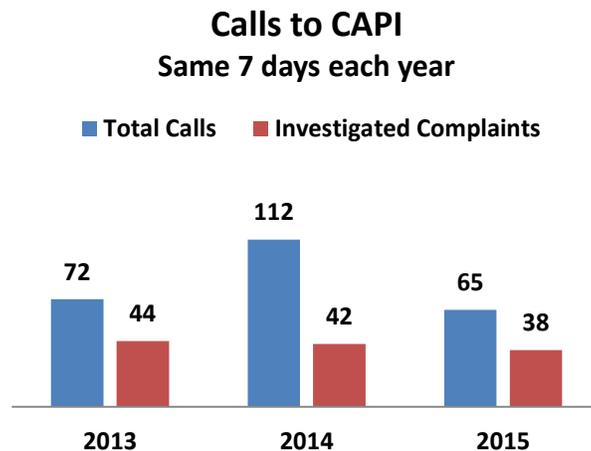
migrating to a new video conferencing structure – such as the possible impact on the Vermont Judiciary. Staff is reaching out to the Court Administrator’s office to learn the status of a proposed video arraignment pilot project purported to save \$500,000 in transportation costs. One third of VIT revenue in 2014 (other than VSC) came from the provision of video conferencing services for depositions and legal hearings.

ConnectME – Staff attended a webinar to better understand how Maine plans to roll-out their 2016 Community Broadband Planning grant initiative. Maine Public Advocate Tim Schneider described that Maine’s future focus on broadband deployment will center on using the c.\$1MM available annually through the **25%** surcharge on cable and phone bills to provide technical assistance to “broadband-ready communities” and non-profit organizations. Schneider also discussed Maine’s adoption of a more ambitious broadband ‘definition/standard’ to be 10/10 symmetrical which effectively increased the % of Maine’s population of those un/underserved by broadband from 5% to 80%. Under the new definition of broadband, that 80% un/underserved population will now be eligible to receive grant funding from the ConnectME Authority.

CAPI

Please note that this report covers activity from Sunday to Saturday, October 11–October 17, 2015.

CALL DATA



CONSUMER COMPLAINTS

- ❖ 3 Comcast cable subscribers about losing Bravo and TBS channels without advance notice
- ❖ 2 VTel battery back-up complaints
- ❖ 1 complaint regarding FairPoint disconnecting DSL service to change the name on an account
- ❖ 1 complaint that Solar City won’t work with the consumer’s utility provider

- ❖ 1 utility inquiring what means the company can use to collect unpaid charges for a generation meter

A consumer called CAPI stating that he is trying to get a line extension to his home in Orange and Charter will require him to pay to upgrade existing facilities as part of the line extension. This is the third complaint of this nature we have received in the past few months. The previous complaints dealt with Comcast service. These complaints are still in process and CAPI is getting assistance from Telecom.

POST CPG WIND COMPLAINTS

1 noise complaint about Lowell Mountain from a consumer who owns a camp in Albany. GMP investigated and found no abnormalities in operating conditions

OTHER DIVISION ACTIVITY

Comcast CPG renewal Docket 8301- CAPI and Telecom conducted two meeting in Burlington as part of the Community Needs Assessment. Final edits have been made to the scientific survey. The Center for Rural Studies plans to start contacting consumers in the Comcast service area on November 1.

FCC SNAP (State National Action Plan) call- CAPI staff participated in a monthly FCC call which included discussion on a recent FCC order regarding battery back-up for VOIP services. This is an issue that consumers contact CAPI about frequently. The requirements include disclosure to consumers that a technical solution for eight hours of standby backup power is available for consumers to purchase at the point of sale, and that within three years the providers will also be required to offer an option for 24 hours of standby backup power. Other disclosure requirements provided at point of sale and annually address purchase, maintenance, and compatibility with provider equipment, of battery backup. CAPI and Telecom plan to discuss plans for outreach efforts to Vermont providers shortly.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: October 23, 2015

Secretary's Message

I recently met with Chancellor Spaulding and Tricia Coates to discuss how we can increase participation in Reach Up's Post-Secondary Education (PSE) program and the Vermont State College System. Reach Up participants who graduate from the PSE program have twice the income of regular Reach Up leavers and are less likely to return to Reach Up. According to a 2012 report 56% of parents on Reach Up were on Reach Up as children. The PSE program is seen as a way to end generational poverty.

L C O V

We are making good progress bringing Vivitrol as a Medication Assisted treatment tool to our state. This week, the Drug Utilization Review Board (DURB) made an important change regarding Vivitrol. Previously, in order for Medicaid to cover Vivitrol in our state, an addict had to first fail with Buprenorphine before they could go on Vivitrol. Vermont Medicaid has changed its prior approval to remove this requirement. As a result, we have created a best practice requirement which involves an addict to use the pill form for five days, in order to monitor any allergic reactions to the medication, which includes pneumonia. Additionally, the first training for Vivitrol is taking place on October 30th. We are expecting to begin our three pilots soon at our correctional facilities.

I've continued to get out in the field and visit our district offices, trying to meet with all the staff. Most recently, I visited our St. Albans district office. My sense is that morale is pretty good. Staff highlighted a program that we are trying to bring to the rest of the state which is unique to St. Albans. This program is the Vermont Juvenile Drug Treatment Court. This program works with youths from thirteen to seventeen and is essentially a partnership between the judges and DCF. Youth who get in trouble with drugs get sent to this court and are required to go through three step down stages in order to finish the program:

1. The youth must attend court once a week, for drug screening and conditions are set forth and monitored.
2. As youth show improvement, they attend every other week.
3. Stage three requires youth to come in once a month.

An important aspect of this program is that parents must attend with the youth through the three stages. This program has resulted in excellent outcomes for youth. In a number of these cases, the actions of this court have kept youth in the community instead of being sent off into residential facilities.

AHS Highlights:

AHS-CO:

Seriously Functionally Impaired (SFI)

There continues to be several people designated as SFI in Corrections who are past their minimum but who are not able to be released because there is no adequate community plan for housing and services. In addition, there are many who get released who remain difficult to serve. The State SFI team is recommending a therapeutic forensic unit attached to Corrections that can stabilize and treat people in a Corrections setting. They are also recommending a step-down housing program that will be highly supervised and will assist with community integration. Other discussions regarding possible legislative changes include indefinite parole which is used in other states for people who reach their maximum and who remain dangerous. Many other states also have laws that allow people to stay in Corrections past their maximum if they are deemed dangerous.

VDH:

New England Node – National Clinical Trials Network/National Institute on Drug Abuse

Dartmouth was awarded a grant from the National Institute on Drug Abuse to become part of a network of 13 research entities testing new interventions for to treat drug abuse. This award will enable Dartmouth to bring new treatment practices to New England. Vermont, Maine and New Hampshire are site partners; selected providers in Vermont will benefit with funding and technical assistance to improve their practices. VDH is a program partner and we will benefit from treatment system improvement processes. Lisa Marsch, Ph.D., is the Director of the project; she is a UVM graduate and current Dartmouth professor.

DMH:

Vermont Psychiatric Care Hospital

VPCH census is 22 this week. Overtime rates and the use of mandated overtime have been decreasing significantly as recruitment and traveling nurse availability has improved at VPCH. The hospital will be hosting Tina Champagne, a nationwide expert in sensory modulation, a clinical technique and trauma informed practice for assisting patients experiencing behavioral dysregulation and improving self-regulation skills. This continuing education opportunity will include other Level 1 hospital personnel as well.

Emergency Departments

During this past week, there were 23 people in need of inpatient psychiatric beds and 18 have been admitted to inpatient care. Of the five individuals remaining, three have been waiting less than 24 hours. One individual has been waiting an extended period of time under an order of hospitalization from the court, and while needing long term care services, does not have a mental illness or need for hospital services. An alternative placement is being developed and should be ready very soon. The Bennington County State's Attorney has indicated that she will object to any placement other than a locked, involuntary placement, but both the AAG and Public Defender are in agreement that a less restrictive alternative is available and appropriate. The State's Attorney may go to the media if she believes she is not being given the opportunity to weigh in on placement. As the few remaining beds at VPCH open up, we are seeing a decrease in both the number of people waiting in Emergency Departments and individual wait times.

Sweet Scott

DAIL:

DAIL Management Team Meeting with Joyce Manchester from Joint Fiscal

The DAIL Management Team met with Joyce Manchester to review and discuss her recent issue brief on the prevalence of SSDI among young people in Vermont. It was a very interesting conversation and generated some additional theories to explore, one being related to our high rate of employment among young people with disabilities and the alternate view that SSDI vs. exclusive use of SSI might actually indicate success as it requires a relevant work history. As a next step, DAIL will generate some talking points for ongoing conversations with the legislature and other interested stakeholders.

DOC:

Heroin found at Northeast Correctional Complex

At approximately 1545 on 10/20/15 the superintendent of the Northeast Correctional Complex was notified that four bags of heroin had been found in Charlie unit. An officer noticed suspicious activity between two inmates and saw one inmate trying to pass something to another inmate. The officer retrieved what he believed to be four bags of heroin and contacted the Correctional Facility Shift Supervisor. The substance in one of the bags was tested and found to be positive for heroin. The inmate was taken to the Restrictive Housing Unit pending further investigation. Vermont State Police was contacted and was able to dispatch 2 K9 units to the facility to search for further heroin.

Population

The Department's incarcerated population averaged 1791 for the previous week. The Department's incarcerated male population averaged 1647 for the previous week. The out of state population is currently at 270. The female population averaged 143 for the previous week.

DCF:

Disability Determination Services' End-of-Year Statistics

Disability Determination Services (DDS) is an office of 50 state employees and contractors that make medical eligibility decisions for Vermont residents who apply for the Social Security and Medicaid disability programs. In FFY2016, DDS surpassed all of its workload and productivity targets with better than 97% casework accuracy and an average case processing time that was 20 days faster than the national average. For the year, the Vermont DDS processed over 9,000 cases and ranked in the top four states nationally for both timeliness and accuracy as measured by the federal quality assurance review. Through their hard work, mission focus, and program expertise, the DDS staff provided high quality, prompt service to Vermonters with disabilities throughout the year. Despite the small size of the Vermont DDS, several of the staff also served on national workgroups to improve disability program policy, training materials and systems software support for the national program.

Agency of Human Services Secretary's Office

U.S. Repatriation Program

The recent repatriate to Vermont is now an inpatient at the Brattleboro Retreat. He asked for the placement. He is being treated for both mental health disorders and substance abuse. Because he is covered under Medicaid and receiving care, his case has been closed in the ISS Repatriation Program.

Collective Impact Conference

The AHS Field Service Directors attended the Collective Impact Conference on Tuesday, October 21 hosted by the United Way of Chittenden County. The conference was a presentation of how to do the collective impact approach in a community and how to assess the community's level of readiness. Collective Impact is seen as a strategy to engage stakeholders in the AHS strategic planning process and a way to accomplish the five Agency goals.

Budget Process

DVHA, DCF and DOC had their first budget meetings for FY17 with the Agency of Administration and the Department of Finance and Management. AHS is working to develop options that will lead to a level fund budget across the Agency of Human Services for FY17.

Vermont Department of Health (VDH)

State Board of Health

On October 23 the State Board of Health will hear an appeal of the VDH Food and Lodging Program's Intent to Revoke, Samosaman's Natural Food Fair Stand License. VDH alleges numerous and continual violations of their Health Regulations for Food Service Establishments, including preparing food in an unlicensed facility.

VDH Survey with \$2

↳ SUR

We received inquiries from two legislators regarding the VDH Survey with \$2 enclosed. This Behavioral Risk Factor Surveillance System Survey (BRFSS) is the primary source of state-based information on health risk behaviors among the adult population 18 years of age or older living in households. For several years we have been sending an advanced letter to households selected for the landline portion of the BRFSS. Survey response rates have declined over time and we wanted to know if providing an incentive would impact our responses. In 2014 and 2015, we have been doing a pilot project where half of the letters include a \$2 incentive. The cost of incentives is about \$9,000 per year. VDH will not use incentives in 2016 because the improved response rates are not sufficient enough to make the incentives a cost effective use of funds.

Department of Mental Health (DMH)

VPCH Continued

Commissioner Reed responded to questions received from Senator Ayer and Representative Pugh that included a report on current census above, the number of traveling nurses at VPCH (18 currently), vacant positions for nurses under active recruitment (18 vacancies of 40 positions), and current starting salaries for entry level nurses at VPCH compared with the Vermont Veterans' Home.

Response detail (if desired): VPCH Psychiatric Nurse I - PG 21, step 1 is \$22.71 which includes the 15% market factor adjustment. VPCH has been given the flexibility to Hire-into-Range vacant nursing

positions so that recruitment for new nurses up to Step 8 (\$28.93) can occur in order to offer competitive salaries pending the final recommendations of the classification committee.

Veteran's Home Registered Nurse - PG 21, step 1 is \$26.71 which includes a 28% market factor adjustment.

Department of Disabilities, Aging and Independent Living (DAIL)

Meeting with the Alzheimer's Association

DAIL met with representatives from the Alzheimer's Association to discuss the revitalization of the Governor's Commission on Alzheimer's disease and Related Disorders (ADRD). The Commission generated a report several years ago with over 70 recommendations and we discussed how to best imbed those recommendations into a more strategic approach to healthy aging in Vermont. A key to that will be partnerships across the Agency to address Alzheimer's as a public health issue. It would be exciting to consider how the issue of healthy aging could become a larger state platform for the Governor this year, particularly with the shift in demographics in Vermont towards an older population.

Department of Corrections (DOC)

NECCD Conference

The New England Council on Crime and Delinquency will hold its 76th Annual Training Institute in Burlington from October 25-28, 2015. Over 340 participants, including vendors, instructors, and invited guests will attend. These participants come from 12 states and two countries. Al Cormier, Superintendent of the Northeast Regional Correctional Complex is the President of NECCD. Heather Simons, Director of Training and Professional Development served as the program chair. The Department of Corrections provided the program planning and coordination for the event. We expect to have positive media coverage.

McGee possibly facing new charges

Ronald McGee (1/28/59) was convicted of 1st Degree Murder in 1991 and was given a 25 years to life sentence. He was released on furlough in March of 2008. In January of 2014 he was granted parole. On 10/20/15 he was arrested when a female overdosed at the Richmond Park and Ride. That event lead to a search warrant for McGee's residence. During his arraignment the following day he was released and those charges were dropped. The parole officer in this case has been in contact with the State's Attorney in this case and he may be re-charged after new affidavits from the police are filed. McGee was lodged on a violation of parole.

Department for Children and Families (DCF)

Act 60 22c Legislative Report

In 2015, the Legislature passed Act 60 into law aimed to improve the State's approach to preventing child abuse and neglect and protecting children from abuse. Section 22(c) of this Act directed the Commissioner of the Department for Children and Families (DCF) to develop a plan to implement the following policies, procedures, and practices:

- (1) Increase the number of required face-to-face meetings between Family Services Division (FSD) social workers and children;

- a. In FFY 2014, FSD achieved 90% face to face contact — meeting the federal goal of 90% for the third year in a row. An unprecedented number of accepted reports of abuse and neglect and increase in the number of children in custody have resulted in workload strain. In FFY 2015, FSD had 81% face-to-face contact, a substantial drop from last year.
 - b. Increasing face-to-face visits from one to two per month is not possible given the existing pressures and workload concerns. Leadership will continue to support staff in maintaining in-person contact with children.
- (2) Increase the number of required home visits and require unannounced home visits by FSD social workers; and
- a. It is FSD policy to call to make an appointment for cases assigned to the assessment track. Cases in the investigation track – including all accepted reports of sexual abuse and severe physical abuse – more often make use of unannounced visits.
 - b. There are concerns related to unannounced home visits: they require many hours of staff time without the guarantee of seeing a child/family; repeated attempts to meet with the family can require overtime if needing to be conducted in the evenings or on weekends leading to social worker fatigue and burnout; and these visits are more likely to escalate into a confrontation with the family and social worker leading to significant safety concerns.
 - c. FSD is currently unable to increase unannounced home visits due to needed staffing resources. FSD is instead focusing on increasing the visits at a child’s residence and crafting a plan of services to support child safety.
- (3) Require that all persons living in a household or who will have child care responsibilities be assessed for criminal history and potential safety risks whenever a child who has been removed from a home is returned to that home.
- a. FSD has implemented a policy to adequately assess criminal history and safety risks that includes all persons living in the household who will have child care responsibilities.
 - b. Staff will access the Vermont Child Protection Registry, SSMIS, Department of Corrections, and VCAS, as needed. Criminal histories will be checked for each individual 16 years and older; FSD staff may also conduct background checks on household members younger than sixteen, if indicated.

This legislative report was submitted on 10/20/2015.

Given the division’s current capacity, FSD will continue to focus on essential duties and tasks, as defined in state and federal statute and regulation. During the past year, FSD has piloted the use of temporary Human Services Aide positions in districts that have experienced a high level of vacancies and difficulty hiring Social Workers. Those districts have found that Human Services Aides can be immediately helpful in assisting with lower level duties that do not require the education and training of a Social Worker.

Child Protection Oversight Committee Meeting

← Sue, Sarah

The Joint Legislative Child Protection Oversight Committee met on October 20. Commissioner Ken Schatz, Deputy Commissioner Cindy Walcott of Family Services, and other DCF staff were in attendance. The following information was presented to the Committee:

- The Committee reviewed the CHINS process with Judge Brian Grearson, and posed questions about the legal standard used in child placement and removal decisions.

- Deputy Commissioner Walcott highlighted issues related to a new requirement to notify Special Investigative Units and law enforcement about potential crimes increasing workload concerns for law enforcement partners. The Committee indicated interest in a potential clarification of legislative intent on this issue.
- AHS Chief Operating Officer Dawn O'Toole and Commissioner Schatz highlighted ongoing efforts to address worker safety including reviews of building security, worker training, and threat tracking. A social worker also testified before the Committee regarding concerns around communication of active threats to all building occupants, lack of cooperation for after-hours escorts from law enforcement in certain towns, and the need for consistent deployment of security guards at all FSD buildings.
- Commissioner Schatz presented highlights from a legislative report on the resource needs and workforce implications of increasing face-to-face visits with children (both announced and unannounced), as well as conducting criminal record checks for all individuals living in a home when a child is reunified back to a home where he or she was abused. The Committee was appreciative of the steps taken to conduct criminal record checks, and wishes to see a greater number of face-to-face visits due to the relationship between child well-being and worker safety. The use of case aides was suggested to increase the number of contacts with the family.
- Commissioner Schatz and Deputy Commissioner Walcott presented data on calls to the child protection line, number of children in custody, and other key child welfare outcomes; this information will be presented to the Committee on a monthly basis.
- Deputy Commissioner Walcott and two outside experts presented information on the prevalence and needs of children who are born to opiate-dependent parents. The Committee members were particularly concerned with the long-term impacts of medication-assisted treatment on children, and were surprised to be told by experts that there are no documented long-term effects on children after exposure to opiates in utero and/or during breastfeeding.

The Committee will meet again on November 4th with plans to discuss mandated reporter requirements in Act 60, long-term monitoring of parents with opiate addiction after reunification, worker safety, and the report from the CHINS working group.

Department of Vermont Health Access (DVHA)

Blueprint for Health

On October 19 the Blueprint, together with OneCare Vermont, co-hosted their semi-annual conference called “Building New Partnerships.” The event was presented with help from Community Health Accountable Care (CHAC) and Health First. This was a unique collaboration, pointing towards the rapidly developing collaboration between these organizations. Hospice Care, a priority for many ACOs, was the featured topic of the morning sessions. The UVMMC Medical Director and the United Way Executive Director presented after lunch, sharing their organizations’ work on rehousing the homeless. Afternoon breakout sessions featured stories of new and effective collaborations between primary care, other health services, and social and economic services that are meeting local client needs.

Regular meetings with ACO/Provider Network partners are currently focused on finalizing the structure of the performance payment, in particular the scoring system that will assign scores to outcomes on ACO core quality measures, enabling translation of those outcomes to payment amounts due to each practice (beginning January 2016).

ICD 10 Update

On 10/14/15, during the CMS ICD-10 forum conference call with State Medicaid Agencies (SMA), CAPT Godwin Odia, CMS Medicaid ICD-10 Lead, announced his great pleasure in reporting that the SMAs ICD-10 conversion is resulting in an overall outstanding smooth transition, with very little issues. He described that this could not have been accomplished without the extensive dedication and support from each State Medicaid Agency to this overarching project. Vermont Medicaid has hit the ground running!

Since the conversion on 10/1/15, there have been very few system issues, which were corrected immediately, and only a small number of provider claim processing coding problems. The coding problems, which were anticipated, were addressed immediately with provider outreach and support. DVHA is monitoring several metric tracking indicators on a daily basis, thus to identifying any ICD-10 system and/or provider claims processing issues.

Vermont Health Connect Project Update

User Acceptance Testing (UAT): Two critical defects were identified in the UAT efforts. Optum and Exeter are working on fixing and retesting the defects to implement into production on Tuesday. The implementation was initiated on the Tuesday evening with user validation activities occurring on Wednesday. The defects were resolved and the implementation was initiated and the system came back up online Wednesday afternoon.

Additional post Release 2 deployment validation will be performed with MVP, Delta & BCBS; targeted for completion by 10/31 to address items that had failed specifically with one carrier but had passed with others carriers.

The State is working closely with Exeter and Optum to clean up data issues within the system which may impact the four batch renewal jobs and passive renewal file generation. Eight scripts have been developed, tested, and run in production to clean up the impacted cases. This resulted in the majority of impacted cases (92%) being corrected for step one of the renewals batch jobs.

Optum executed step two of the renewals process on the complete renewal population list (est. 21,500 master cases) and provided an error report to the SoV on Sunday that contained 2261 master cases that have missing data. VHC operations is working to analyze what the specific missing data is and will potentially reach out to consumers if additional information needs to be collected for renewals.

SHOP Direct Enrollment for 2016: On Tuesday, VHC received formal approval on the proposal delivered to CMS for the 2016 plan year in addition to several minor recommendations on documentation and the website.

Vermont Health Connect Operations Update

VHC Operations continued to perform Change of Circumstance (CoCs) up to the deployment of renewals functionality on the evening of Tuesday. VHC continues to work with Optum to understand the population that will need to be manually renewed and began this work on Wednesday following User Validation Testing.

The State continues to process paper applications and manual verifications.



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

**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: October 23, 2015

Media Contacts:

- Howard Weiss-Tisman, Brattleboro Reformer, requested a copy of the State Board of Education minutes from October 20, 2015.
- Steve Zind, VPR, interviewed Rebecca on Thursday about financial literacy in Vermont schools, following a national report giving Vermont a D.
- Tiffany Pache, VTDigger, requested information on the location of the next State Board of Education Meeting (Union Elementary School, Montpelier).
- Lisa Loomis, Valley Reporter, requested data on the NECAP Science Results for Washington West SU.
- We requested and were granted a correction from VTDigger for their article quoting Melissa Riegel-Garrett, which referred to her previous job and not her current post at the Agency as the Prek Coordinator.
- Logan Crawford, WCAX, was provided with truancy rates for all Vermont schools.
- Katy Savage, Vermont Standard, interviewed Jill Remick and Brad James regarding the impact of Act 46 on districts that opted not to hire paraeducators at the SU level as outlined in Act 156.
- April Burbank, Burlington Free Press, requested a copy of the letter from the State Board of Education requesting positions.
- Sam Rosen, VPR, interviewed Tom Alderman, Director of ISL High School and Adult division, on Vermont Edition about successful implementation of Personal Learning Plans under the Flexible Pathways Act (Act 77).
- Garrett Heyns, WCAX, requested a photo of Vermont Teacher of the Year Susan Koch.
- Josh O’Gorman, Vermont Press Bureau, confirmed Rebecca’s participation in the White House Summit “Reach Higher”.
- Sam Rosen, VPR, requested an interview with Vermont Teacher of the Year Susan Koch.
- Tim McQuiston, Vermont Business Magazine, requested a photo of Vermont Teacher of the Year Susan Koch.
- Nicholas Aresco, LSCTV, interviewed Josh Souliere about Barnet Schools’ recognition as an Exemplar PBIS school.

- Tiffany Pache, VTDigger, requested and was provided with information regarding the number of child care programs currently approved under the STARS program.
- Andrew Ujifusa, Education Week, interviewed Deputy Secretary Amy Fowler about the Innovation Lab Network of CCSSO.
- Howard Weiss-Tisman, VPR, interviewed Jill Remick regarding the State Board of Education Agenda.
- The Rutland Herald, interviewed Jill Remick regarding the Teacher of the Year program.
- Tiffany Pache, VTDigger; Josh O’Gorman, Vermont Press Bureau; Charlotte Albright, VPR; attended the State Board of Education meeting Tuesday.

Updates for the Governor:

State Board:



Ask: I strongly recommend you think early about who will replace Sean-Marie Oller on the board. There are not many people on that board who can really lead it, and it is a bit of a challenging board. Peter Peltz in particular has been off message, voting one way then speaking another. I think part of the problem is that he does not seem to understand the difference between a supervisory union and a supervisory district. It is creating a lot of confusion and fueling a lot of erroneous press. We need to make sure someone can keep the board disciplined and on task.

Thetford Academy/working for a regional solution:

Thetford Academy has applied for a waiver to continue to be approved as an independent school meeting public school standards under the new Education Quality Standards. They don’t meet these standards on several grounds, as the standards were designed to promote K-12 continuity and oversight. That said, Thetford Academy is a good school with a strong public mission. A waiver would allow them to charge a higher tuition than they can as an independent school. They have a high tuition currently, and technically, should have lost the privilege of charging it. We have held off on pushing this issue, because we want a good regional solution. Two issues:

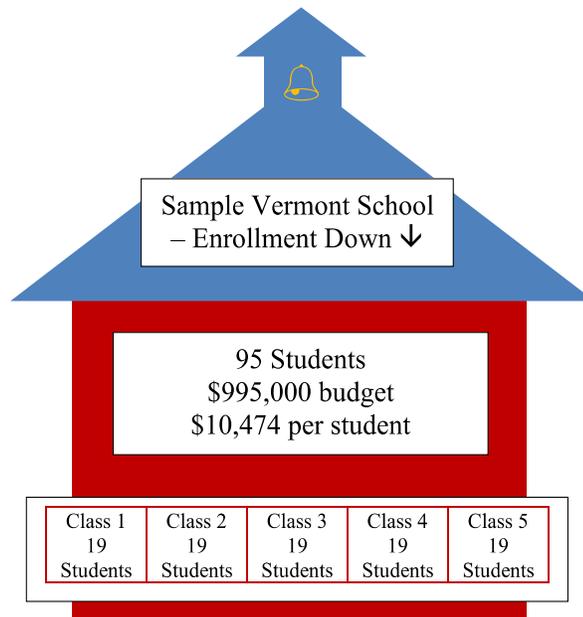
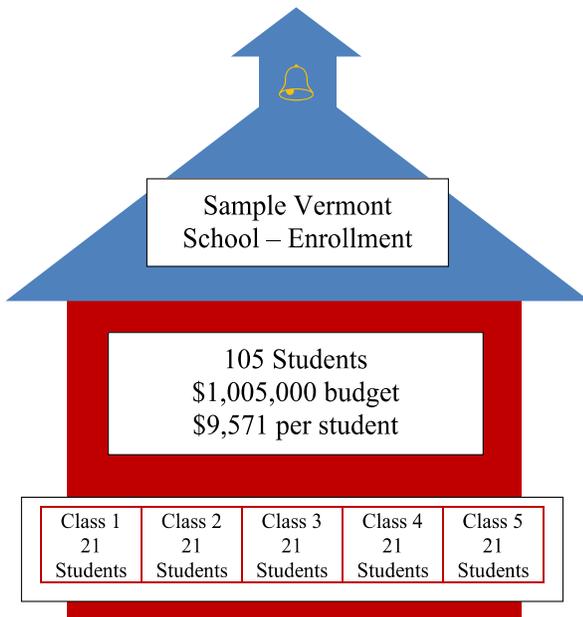
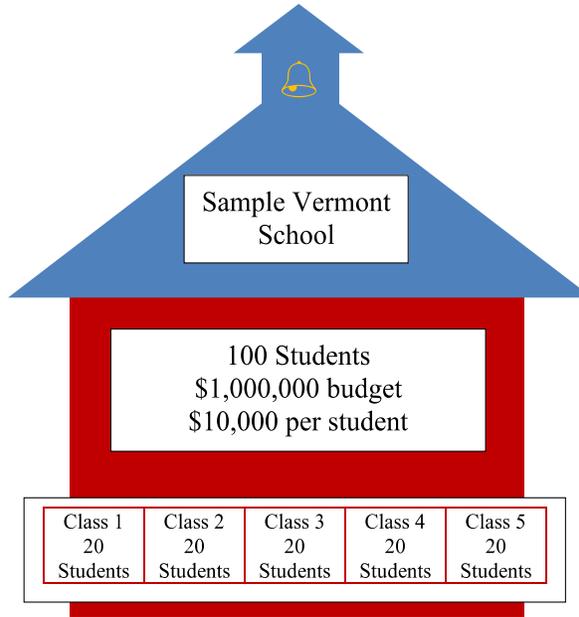
1. I think there are too many high schools in the Upper Valley. They are currently in a zero sum game that is eroding quality. I would like to see if Thetford Academy can be part of a regional solution that may involve closing one high school. Rivendell is open to this concept, and to closing their high school and tuitioning students to Thetford Academy, but they may need a little help from the NH Legislature to allow Orford students to do this. We are checking this out.
2. We can’t approve Thetford Academy as an independent school meeting public school standards, because we do not have the capacity to approve and review it as a stand alone, let alone the other schools that might seek to do this. It would also remove any downward cost pressure. I would like to wean them off this and put back in some cost controls. If they partnered with Rivendell to take those students, that would expand their enrollment and tuition revenue, and thus render this issue moot.

Republican push that I think will be very costly

The House Republicans plan to submit a bill that allows schools systems to both operate and offer tuitioning to all students at the same grade level. The basic economics of this are unsustainable—it is the school equivalent of trying to have your cake and eat it too. 1) this has proved extremely expensive, 2) uncontrollable tuition costs have forced profound cuts in the operating program that jeopardize quality and hurt kids, 3) has resulted in protracted decline that ended up closing the school. Below is a graphic put together by the Elmore and Morrystown Board study group that gives

an example based on real students and dollars as the Elmore board grappled with its options. Despite the chaos in VTWatchdigger, we have been reinforcing 1) only the district gets to decide if it wants to operate or tuition—that is entirely the district’s choice (unless they run a bad school, in which case the SBE can shut them down and force them to tuition) and 2) that the district should pick a lane, or it is placing unnecessary demands on the education fund.

Enrollment in Operating Schools
Spending and per Pupil Costs



Meetings:

Tuesday:

- State Board Meeting

Wednesday:

- Reach Higher FAFSA event at the White House – got some ideas for boosting post-secondary attainment

Thursday:

- Spoke at the VSBA and VSA fall forum
- Keynote at a UVM event for outstanding teachers

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, October 23, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Gov

Brattleboro IM 091-1(65)

I am meeting with PCL President Luis Ventoza on November 12 at the project location to receive PCL's revised project schedule for the bridge. Opening the bridge to full traffic in the fall of 2016 is clearly in jeopardy at this point but I will examine every possibility to try and achieve the late 2016 opening. PCL is racking up liquidated damages, so they are motivated to finish as quickly as possible. I will find out all of the factors that are causing these delays on the 12th but they are probably related to the labor shortages of skilled tradespeople in the region as well as the forms taking longer to create than originally planned in their project schedule. Once I know the revised schedule, I'm going to meet with the selectboard prior to the start of session and inform them of the revised schedule. On the plus side, the traffic congestion strategy for Exit 3 works to minimize delays on the interstate for departing Sunday traffic. We will continue to deploy the strategy over the winter during ski season. I have VTrans staff focusing on PCL delivering a quality project.

Route 22A Corridor Project

This project, which consists of a 15-mile reclamation and widening of the highway, passing lanes and truck pull off areas was added to the VTrans program as a candidate project. This will give us the ability to begin developing the project starting in July of 2016 based upon your decision on whether this investment meets the State's strategic objectives as it relates to Global Foundries.

Winter Operations

We currently have 35 vacancies for snow plow drivers which include 12 employees who took the retirement incentive. It is challenging for VTrans to find qualified applicants that meet the job requirements. They need to have a CDL and pass a drug test, and the wages we pay for this work -- drivers start at low end of \$13.81 an hour for a Step 1, Paygrade 14 Apprentice Maintenance Worker, or a Journeyman with experience could come in at \$15.17 an hour -- present additional challenges. Municipal employees who

do the same work typically make \$1 to \$2 more an hour. We are developing several contingency plans to deal with this worker shortage which is the largest we have seen in many years this late into the season. I will keep you informed on how we are going to deal with this issue as winter approaches.

NOTES FOR STAFF

Railyard Enterprise Project

Final recommendations for alternatives will be discussed at the next Steering Committee meeting on October 29. Continued discussions with FHWA regarding the NEPA process. This is a priority project for Mayor Weinberger and his development plans for the south end of Burlington.

Middlebury Airport Safety Project

Met with the FAA to discuss State flexibility to limit growth at the airport to satisfy neighbor noise concerns. Short answer is once the State accepts federal FAA funds for an airport, the State is duty bound to continue to improve the airport especially as it relates to safety improvements as are planned for Middlebury. The State also cannot deny any safe aeronautical activity business from locating at the airport. The neighborhood group will not be pleased with these answers, but the selectboard has longed planned for economic growth at the airport and this runway lengthening. Today, along with Michele Boomhower, I'm meeting with the Middlebury selectboard Chair Dean George, Town Manager Kathleen Ramsey and Town Economic Development Director Jamie Goucher to discuss where we are with the project. Project public meetings will continue to be held before the selectboard and the project still has to go through Act 250, so there will be plenty of opportunities for the neighbors to communicate their concerns to their selectboard.

Connecticut River Rail Line

VTrans Rail Section organized a tour of the Conn River Line following an invitation to accompany a Vermont Rail Systems passenger car which was returning to White River Junction from Canada. The House and Senate Transportation Committee members were invited to participate; both Chairs and three other members of the Committees joined VTrans and VRS staff. The tour included highlights of economic development projects along the line, recent infrastructure investments, viewing of the track leveling machine and the "Tie Gang" in action replacing ties. The massive Ryegate culvert project which traverses under Route 5 and the railroad was also reviewed. The Committee members appreciated the opportunity to see the investments that have been made on the line and the impacts they have had on economic development.

Driving while License Suspended Task Force

Preparations for the next Task Force meeting on October 28 are underway, including agenda development and distribution. Staff participated in a meeting held by Sarah London to review a glitch in the reporting system which advises law enforcement in the

field of the status of a person's number of license suspensions. DMV, the Judiciary, and law enforcement are working collaboratively to assure that no member of the public is inadvertently charged with criminal DLS until the reporting system can be repaired. DMV issued a bulletin today to law enforcement advising them of this situation. DMV and Judiciary staff are working together to fix the problem.

Potential for New Industrial Park next to Highgate Airport

VTrans Aviation Director met with Swanton Selectboard, Chamber of Commerce, Economic Development Corp and RPC on a proposed industrial park next to the Franklin County State Airport. RDC Director, Tim Smith, will be reaching out to leadership at ACCD and VTrans to discuss the project.

Outreach and Recruitment

Civil Rights staff participated in last week's 17th Annual Women Can Do! Conference at Vermont Technical College in Randolph Center. As always, this event was a huge success, with approximately 575 girls from 55 high schools and tech schools spending the day exploring non-traditional careers in science, technology, engineering, math and the skilled trades through participation in more than 40 hands-on workshops. Senator Peter Welch was also on hand in the morning to make a few welcoming remarks and show his support for this event. VTrans had several workshops at the event hosted by women VTrans employees.

116 STATE STREET
MONTPELIER, VERMONT 05620



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

Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: October 23, 2015

Secretary's Top Issues

Required Agricultural Practice rule meetings in Addison and Chittenden

This week the Agency of Agriculture released the first draft of the Required Agricultural Practice (RAP) rule. This rule replaces the previous rule which was titled Accepted Agricultural Practice Rule. The roll out of this rule went to all the known partners and legislators. The Agency has presented a brief presentation on the rule to two St. Albans Dairy Cooperative meetings which included about 80 farmers. The audience in Addison county was mostly unreactive, and the Franklin county farmers were the complete opposite. Farmers in Franklin are much more on edge about all the water quality efforts from the Agency and hence the tone is of concern and lots of questions. Tonight the Agency is going to meet with the Farmer's Watershed Alliance in Franklin county to try to keep the dialogue going and the education going both ways.

A list of all public meetings associated with the RAPs is available on the Agency website.

State Veterinarian presentation to VT Emergency Preparedness Conference

Kristin Haas, state veterinarian, gave a presentation to attendees at the VT Emergency Preparedness Conference this week. The topic of the presentation was "a One Health Approach to Emergency Management". The content focused on the importance of emergency planners and responders approaching emergencies holistically in order to best support the communities they protect. This is especially important given that for the past 30 years, the rate of emerging (new) disease detection in the U.S. is one per year, and more than 75% of these diseases are zoonotic, meaning they can be spread from animals to people. Ebola, West Nile Virus and Eastern Equine Encephalitis are excellent examples of this phenomenon, and emergency personnel should be well versed in these issues in order to protect public health in the 21st century. Attendees seemed very hungry for this type of information, and the presentation was well received. The related executive order that Governor Shumlin recently signed was also highlighted. State employees need to continue to focus on One Health issues in day to day activities and messaging.

Vermont Ag and Environmental Lab (VAEL)

On Friday October 16th the Vermont Ag and Environmental Lab held its first Governance Board meeting. Board members include 5 from the Agency of Agriculture, led by Deputy Secretary LaClair, and 5 from the Agency of Natural Resources, led by Deputy Secretary Martin. Ex officio members include the Agency of Ag Finance and IT Directors, as well as the VTC President or their designee. This initial board meeting offered a great opportunity to set the stage for the next 2.5 years of team building, creating a strategic plan, addressing increased revenue opportunities, and expanding partnerships. New Lab Director Guy Roberts presented a strong outline for all of these components of the VAEL. Per commitment to the Legislature, the Agencies are on track with the MOU between agencies, and the timeline to build the governance model needed to steer the lab towards its new home in Randolph in 2018.

116 STATE STREET
MONTPELIER, VERMONT 05620



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

Chuck Ross, SECRETARY

**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: October 23, 2015

Status of Governor's Priorities:

Press, Marketing and Communications:

State Veterinarian submitted a press release to communications employee for dissemination to media pertaining to the roll out of the educational materials for humane cattle and calf transport created by the Livestock Care Standards Advisory Council. The website version of these bilingual materials can be viewed at http://agriculture.vermont.gov/animal_health/animal_welfare/Cattle-Calf-Transport-Recommendations

State Veterinarian, Kristin Haas, provided information to WDEV listeners regarding Avian Influenza preparedness this week.

Alan Graham, State Entomologist, collaborating with colleagues at the Connecticut Agricultural Experiment Station in New Haven, CT and the Wadsworth Laboratory in Albany, NY, has published a paper, analyzing host feeding behaviors of mosquitoes during the 2012 outbreak of Eastern Equine Encephalitis virus in Vermont.

Goudarz Molaei, Philip M. Armstrong, Alan C. Graham, Laura D. Kramer and Theodore G. Andreadis. 2015. Insights into the recent emergence and expansion of eastern equine encephalitis virus in a new focus in the Northern New England USA. *Parasites & Vectors*. 8:516. <http://www.parasitesandvectors.com/content/8/1/516>

Significant Events/Meetings:

- Animal Health Specialist contacted a cervid producer in Fairlee to confirm dates for the annual inspection and herd inventory reconciliation. This producer's facility is under quarantine as he is currently non-compliant with the VT Cervid Rules.
- Animal Health Section worked with a poultry hobbyist to schedule Pullorum and avian influenza testing for his flock of 70 birds – he is taking 10 of them to a show in NY in December and needs to have a negative test for AI to meet NY import requirements. As the Section has already tested birds at this hobbyist's farm, the producer will need to pay for the testing and time/mileage of the inspector. The veterinarian completing the health certificate for the birds will also be present to learn about poultry testing as she is primarily a livestock veterinarian. This will be a good opportunity for relationship building and collaboration between the AHS and the vet clinic who services that area of VT.
- Assistant State Veterinarian will be attending the United States Animal Health Association annual meeting in Providence, RI. As a member of the Food and Feed Safety Committee, she will be attending that sub-meeting which includes a FSMA update from FDA. Any pertinent information will be passed back to the Agency's Produce Safety Team.
- Kristin Haas, State Veterinarian, presented an update of the Agency's Avian Influenza preparedness efforts at the Governor's Emergency Preparedness Advisory Council meeting this week. Much progress has been made since the last informational session at the GEPAC meeting.
- Kristin Haas, State Veterinarian, provided information on vehicle disinfection, movement permitting, and general biosecurity relating to Avian Influenza on an Ag Partners conference call this week. The call was heavily attended by the dairy and feed industries as their businesses are likely to be disrupted in the event of an Avian Influenza outbreak.

- State Veterinarian, Kristin Haas, participated in a conference call hosted by the VAAFM communications employee to present and refine the VAAFM Avian Influenza communications plan. Input is being sought from the ANR, VTRANS, and VDOH PIOs, as well as from the Governor's office, in order to finalize the Plan.

Evolving Issues:

- Assistant State Veterinarian communicated with DEC regarding ACT 148 continued implementation to discuss outreach efforts for swine farmers collecting organic waste to ensure they are aware of the meat prohibition rule that is related to the introduction of foreign animal diseases such as Foot and Mouth and African Swine Fever. Assistant State Veterinarian had received a call from poultry producers who is involved in composting and feeding scraps to poultry with suggestions regarding the placement of the Agency's policy on the DEC website to make it more visible. DEC also asked if the Agency could summarize the policy to make a shorter 'ready reference guide'. Assistant State Veterinarian met with Local Food Administrator regarding outreach efforts to institutions and their service providers.
- Fit testing for the remaining 32 VAAFM employees was completed this week in anticipation of a response to Avian Influenza. These employees will serve as the "boots on the ground" response teams in the event of an outbreak.
- Kristin Haas, State Veterinarian, participated this week in a New England regional conference call with counterparts in other states and USDA colleagues to refine the structure of an Area Command, which would be necessary if an Avian Influenza outbreak involved multiple states.
- State Veterinarian, Kristin Haas, provided support this week to a federally inspected slaughter facility that has had operations suspended by USDA-FSIS. Multiple out of state producers had their livestock at the plant and desired to pick them up and seek other options for slaughter. In order for livestock to be removed from a slaughter plant, permission must be granted by the state veterinarian. In this instance, coordination with other Northeast state veterinarians was required since the animals originated from, and were to return to, other states.

Summary of Key agency Department Activity

Administration:

Vermont Ag and Environmental Lab (VAEL): On Friday October 16th the Vermont Ag and Environmental Lab held its first Governance Board meeting. Board members include 5 from the Agency of Agriculture, led by Deputy Secretary LaClair, and 5 from the Agency of Natural Resources, led by Deputy Secretary Martin. Ex officio members include the Agency of Ag Finance and IT Directors, as well as the VTC President or their designee. This initial board meeting offered a great opportunity to set the stage for the next 2.5 years of team building, creating a strategic plan, addressing increased revenue opportunities, and expanding partnerships. New Lab Director Guy Roberts presented a strong outline for all of these components of the VAEL. Per commitment to the Legislature, the Agencies are on track with the MOU between agencies, and the timeline to build the governance model needed to steer the lab towards its new home in Randolph in 2018.

Secretary Chuck Ross and Deputy Secretary LaClair attended the tremendous celebration of Finance Commissioner's Jim Reardon's career in state government.

Land Use:

- This week, the Agency of Agriculture, represented by Lauren Masseria and Stephanie Smith attended two Act 250 Environmental Board hearings and a meet and greet with the District Coordinators. In addition, the Agency was alerted that Walmart in Derby, has submitted their off-site mitigation payment of \$87,179 to the Vermont Housing and Conservation Board (VHCB) for the conservation of farmland.
- On Monday, October 19th, the Agency attended a site visit and final hearing for Green Mountain Center (LUP# 3R1089) which took place in Randolph, VT. Due to the complexity of the project, the District Commission has requested that the Applicant and all parties file any suggested findings of fact. On November 3rd, the Agency has a meeting scheduled with the Applicant to walk through the proposed development site. The goal of the meeting is to walk through any soil areas that may have natural features which would exclude them from suitable mitigation. After the site visit, the Agency will make revisions to their letter based on any new fact presented.
- The second hearing took place on Thursday, October 22 in South Burlington for Cider Mill Phase II (LUP# 4C1128-4). Prior to the hearing, the Agency met the Applicant, the District Commission, and other interested parties for a site visit of the Cider Mill property. At the hearing, the Applicant addressed multiple criteria, including Criterion 9(B). The Applicant noted that they plan to mitigate for impacts using a local planning tool, transfer of development rights (TDR). The Agency explained to the District Commission that using an off-site parcel of land, not considered "involved land" by the Agency, to mitigate for impacts to Primary Agricultural Soils is not authorized under state law.

The Applicant may ask the District Commission to rule on “appropriate circumstances” for mitigation flexibility to allow for the payment of an off-site mitigation fee which would then be used to leverage funds to conserve farmland in perpetuity. The Agency awaits a Hearing Recess Order from the Commission.

- Finally, the Agency was made aware of the collection of \$87,179 in off-site mitigation fees for the commencement of the construction of a 160,000 square foot Walmart Supercenter (LUP# 7R0615-5) by Shattuck Hill Investments in Derby, Vermont. The construction of the retail space will impact 23.69 acres of Primary Agricultural Soils.

Agricultural Development:

The Working Lands Enterprise Board met for their monthly meeting on October 20th at the Richmond Town Hall. Agenda Items included a new board member orientation with Jolinda LaClair, Deputy Secretary at the Agency of Agriculture, updates from private and public sector board members, a presentation on Rural Enterprises and Current Use by Stephanie Smith, Chief Policy Administrator at the Agency of Agriculture, and a Grant Recipient Stewardship presentation by Reg Godin and Noelle Sevoian, also from the Agency of Agriculture. It was a pleasure to have new board members in attendance, since the expansion of the Working Lands Board due to this year’s merger with the Vermont Agricultural and Forest Products Development Board.

Upon meeting adjournment, the Board traveled to Slopeside Syrup, also in Richmond, VT, to attend the United States Department of Agriculture’s Value Added Producer Grant Recipient Announcement. Six Grant Recipients were **announced** (2 of which are previous Working Lands grantees).

Senior Agricultural Development Coordinator Alex DePillis presented “Food Waste and Manure Codigestion, Water Quality in Vermont” at the Renewable Energy from Organics Recycling Conference, covering the interaction of biodigesters, potential water-quality connections to digesters, and the potential for digesters to handle Act 148 food waste.

Secretary Ross and Senior Market Development Specialist Godin attended the Eastern States Exposition Corporators Fall Meeting in Woodstock, VT. ESE Executive Management was in attendance and reported this year’s fair results. Despite the inclement weather overall revenues at the fair were only down 4%. Executive Director Gene Cassidy reported on fair activities in great detail and spoke on the many capital projects that are in need around the fair grounds. Secretary Ross posed a question around using the state buildings more often than just through the fair. There was general interest among Corporators present. Corporators also spoke at length about creating nominating committee. Tom Beardsley will be leaving the state and his duties as secretary of the Corporators.

Senior Market Development Specialist Godin, Agricultural Water Quality Specialist Steyaart and Medium Farm Operations Coordinator Pajak attended an Open House Demonstration for the new Vertical Till Injector owned by Magnan Custom Service. The manure injector and instrumentation were purchased with a Working Lands grant and allow the Operators to properly apply manure to fields, track and adjust their manure output in real time and also print application reports. The Demonstration was attended by approximately 15 farmers and showcased the new monitoring system.

VAAFM Farm to School Coordinator Submits Full Proposal to USDA Farm to School for Statewide Conference, Scheduled for November 2016

- The conference will feature several trainings, all benefiting the economic, educational, and health impacts of farm to school
- Trainings will reach all audience types, including: farmers, teachers, school administrators, government officials, farm to school coordinators, health workers, food service managers and staff, researchers, distributors, processors, non-profit staff, and elected officials.

Senior Agriculture Development Coordinator and Grants Management Staff Attend Vermont Collective Impact Conference at Lake Morey Resort

- Organized by the United Way of Chittenden County, the conference hosted hundreds of guests, all interested in learning the benefits of collective impact work, and the incorporation of Results Based Accountability. Community partners, business leaders, nonprofits, policy makers, government at all levels, funders, advocates and other stakeholders attended.
- The conference was a very useful way of combining training on RBA with important outreach with stakeholders and partners in VAAFM’s work, including Department of Corrections.

VAAFM Senior Agriculture Development Coordinator Attends 125th Anniversary of Lund

- Executive Director Barbara Rachelson made the initial contact with VAAFM during the Vermont Farm to School Grant Program Press Conference on October 7th, inviting Farm to School Coordinator Ali Zipparo to the Lund event, to learn more about the organization's work.
- Lund provides important services to Vermont women, including those related to increasing food access and nutrition education. VAAFM is exploring ways to collaborate with Lund on increasing access to and understanding of food through agricultural literacy and engagement.
- Lund also works directly with the women's correctional facility in Chittenden County, where several interventions related to Vermont food could significantly improve the experience of the facility's residents.

Senior Agriculture Development Coordinator Meets With Director of Vermont Veteran's Affairs, Robert Burke to Discuss a Veteran Farm Training Program

- The program is an initiative that Cabot Cheese will pilot in the spring of 2016, placing Vermont Veterans on Vermont dairy farms for training and animal therapy. Cabot contacted VAAFM in September to explore partnerships with State of Vermont partners.
- Current partnerships for the program include: the American Legion, USDA (Veterans/StrikeForce/Regional offices) and a handful of Agri-Mark producers. Possible future partners could include: VAAFM, Dept. of Labor, Dept of Economic Development, and the VA.
- In a letter to Agri-Mark producers, Cabot made a good case for using agriculture to help our Veterans who have served our country:
 "“There are many talented individuals leaving the ranks of the military all the time...and many find themselves lost, lacking outlook and purpose. It's no secret that farming can be the perfect remedy as both a way to connect to the land and animals and in providing the pride of knowing you are feeding the country and beyond. There is rebirth in the growth you witness each spring and in the satisfaction of harvest each year.”"

VAAFM Leadership Commit to VDH Healthy Food Standards in Alignment with Governor's Health in All Policies Executive Order

- VAAFM has signed onto to adoption of the Healthy Food Standards, presented by the Health Department, to encourage access to healthier food option for State of Vermont employees
- This commitment to serving healthy food options aligns with the Governor's recently signed Executive Order of Health in All Policies.
- These policies also support the local food procurement in state government and state employee workplace wellness initiatives of VAAFM's Local Foods Team.

USDA Announces Specialty Crop Block Grant Program Award to Vermont Agency of Agriculture

- The Vermont Agency of Agriculture will receive over \$275,000 in Specialty Crop Block Grant Program (SCBGP) funds for eight projects to benefit Vermont fruit, vegetable, hops, maple, and added-value producers as well as increase consumer access to locally produced food.
- The Agency will sub-award grants to the Intervale Center, Northeast Organic Farming Association of Vermont, University of Vermont Extension, University of Vermont Proctor Maple Research Center, and the Vermont Tree Fruit Growers Association.
- The Business Development and Local Foods Teams will undertake two internal projects to promote Vermont Specialty Crops in Japan and build a Vermont Produce Safety & Market Access Program, respectively.

Specialty Crop Block Grant Program Site Visit to Borderview Farm in Alburg

- Vermont Specialty Crop Block Grant Program (SCBGP) Coordinator Kristina Sweet visited Borderview Farm in Alburg to view and discuss two SCBGP projects.
- Dr. Heather Darby, University of Vermont Extension Agronomist, is researching the effectiveness of cover crops in reducing pest damage with SCBGP funds awarded in 2014 and will undertake a new project to research the efficacy of biostimulants and biofungicides for downy and powdery mildew in specialty crops with SCBGP funds beginning in 2015.

- Dr. Darby reports that UVM Extension projects funded by the SCBGP have had a wide impact for specialty crop producers and businesses in Vermont and beyond.

VAAFM hosts Winston Churchill Fellow Nick Edgar from New Zealand Landcare Trust

- Nick Edgar, ED for NZ Landcare Trust, meet with VAAFM staff and food system organizations over the past week to discuss the intersection between local food system development and sustainable environmental practices
- Nick offered a webinar to interested ag staff and environmental groups on a river restoration project that NZ Landcare Trust has done in the Aorere River catchment over the past 10 years that won the inaugural Morgan Foundation NZ River Prize.
- Nick was toured by Ag Development staff to meet with farm to institution, food access, water quality, food hubs, farmers markets and institutes of higher education constituents to explore opportunities for shared learning between VT and NZ about sustainable local food production with attention to stewardship of our natural resources.

Senior Agriculture Development Coordinator Visits Two Vermont Farm to School Grant Recipients in Charlotte and Vergennes, Followed by a Visit with Rutland Area Food and Farm Link (RAFFL) with Winston Churchill Fellow, Nick Edgar, from New Zealand

- Edgar is visiting Vermont to learn more about successful food system models that can be replicated in New Zealand. Considering New Zealand's lack of a federal child nutrition program, much of Vermont's farm to school model would not be possible, however, many components related to agricultural and food literacy would benefit New Zealand school children. The possibility of a national child nutrition program in New Zealand can also be explored as a possible policy option for the future, especially given the country's childhood and adult obesity epidemic. Currently, New Zealand school children only bring their meals to school, as schools lack kitchen infrastructure.
- Charlotte Central School, a 2014 Vermont Farm to School Implementation Grantee, has a robust farm to school program, with an extensive garden and composting component. The program is largely coordinated by two community members.
- Vergennes Union Elementary School, a 2014 grantee, has a strong farm to school program, with heavy support from school leadership and the food service director. The program is championed by the school food service director and the district's wellness coordinator. 20% of the food purchased in the last year is Vermont product. Edgar was impressed by the level of involvement and resulting impact that the food service program had on students.
- RAFFL is an organization that supports the food system on several levels, including aggregation, distribution and market development. The executive director shared information about the organization's programming and mission, as well as its close relationship with the Farm to Plate Network.

Success of Fresh Fruit and Vegetable Coupon Program at Retail Establishments in NEK

- Green Mountain Farm to School in partnership with VT DCF and others, provided an update on their new FINI grant funded project to distribute \$30,000 of fresh fruit and vegetable coupons to SNAP recipients at 5 Northeast Kingdom retail establishments
- 400 booklets with \$75 worth of coupons to purchase fresh fruits and vegetables were distributed last month to SNAP recipients in the NEK
- The demand was so high that half the coupons were distributed within the first hour: recipients were lined up outside the distribution locations to accept the coupons available on a first-come first-serve basis.
- So far \$8,000 in coupons have been redeemed with outstanding testimonials from both participating families and the retail stores.
- Next step is to support the retail establishments with fruit and vegetable marketing materials

Tufts University Graduate Students to Study FSMA Implementation in Vermont

- Produce Safety Coordinator Kristina Sweet and Local Foods Administrator Abbey Willard began work with a group of Tufts University graduate students on a project to study the Food Safety Modernization Act and implementation of the Produce Safety Rule in Vermont.
- The students will work with the Local Foods Team to analyze a recent survey of Vermont produce growers and compare how other New England states are planning to implement the Produce Safety Rule in cooperation with FDA.
- The Produce Safety Rule will be final this November, and compliance dates for some businesses will begin in 2017.

Specialty Crop Block Grant Program Site Visit, "Demystifying Sanitizers in Produce Washing Workshop"

- Produce Safety Coordinator Kristina Sweet & Local Foods Team intern Julia Helms visited Edgewater Farm in Plainfield, NH to participate in a workshop on utilizing sanitizers in produce wash water.
- UVM Extension organized the workshop as part of a Vermont Specialty Crop Block Grant Program (SCBGP) funded project, “Food Safety Education and Training to Apple, Vegetable and Berry Growers”
- Participants calculated exact volumes of a commercial sanitizer and food-grade bleach to be added to plastic dunk tanks in a triple-wash system for fresh produce and practiced washing and drying mesclun greens.
- Farmers expressed concern about how the Food Safety Modernization Act (FSMA) will impact the use of sanitizers in produce wash water.

Food Safety and Animal Health and Consumer Protection:

Meat Inspection:

- Two federal establishments have had humane handling non-compliances in the last 2 weeks.
- Continuing to collate materials for the self-assessment
- Attending the national meeting for state directors of state meat inspection programs
- Federal government is operating under a continuing resolution.
- VT Meat Inspection Representatives visited a federal plant that has had Federal inspection services suspended in order to ascertain the eligibility for the plant to conduct custom- “not For Sale slaughter and processing. 1st visit resulted in 2 pages of necessary sanitary maintenance items. Follow up visit 4 days later showed mark improvement and the establishment was given the go ahead for custom slaughter and processing only. No other further processing operations such as curing and smoking may occur at this time
- Had conference call with federal officials concerning the above situation
- Received several calls from producers that have product tied up at the plant due to the suspension
- Had conversation with VT organic Farmers concerning what type of documents they should be asking for from plants that have issues. The organic certification standards dictate that the plants are supposed to relay any negative communications from any food safety agencies for evaluation to the certifying body. It was advised that they could ask for all documents including Non-compliance records
- Received call about a door to door meat sales person and were able to verify that the company is licensed with the Agency of Agriculture
- Received inquiry from the Grand Isle regional development office concerning a NY producer interested in re- opening the grand isle slaughter facility
- Working with owners of a Craftsbury operation concerning the regulations associated with retail sales and the two store exemption as compared to operating under State Inspection and the pros and cons of each

Animal Health:

- Animal Health Field Staff
 - Inspected livestock dealers in Franklin and Addison Counties. Inspections included a review of sales records, tag tracking, and sanitation of trailers and facilities.
 - Monitored the tagging procedures and record keeping at a livestock comingling facility in Enosburg Falls.

Dairy:

- Tonia Emmons started as the administrative assistant for Dairy on 10/19. Hailee May is doing a lot of the data entry training for us, which is greatly appreciated.
- An additional plant inspector starts November 9. Will be based in the White River area.
- Lockwood, Young, and Volk have had several recent discussions with possible new dairy processors.
- Cedar Hollow Farm in North Clarendon (a farmstead operation processor) has decided to end production.
- Another new processor will be starting next week and will be sharing processing facility with an established plant.
- Secretary Ross and Susan James attended the Vermont Dairy Promotion Council meeting on 10/21. This is a board of dairy farmers which determine where the funds collected through the VT promotion check-off program are allotted. Secretary Ross is the chairman of the council and James is the Executive officer. Some of these funds come back to the Agency for Dairy Promotion work.

Agricultural Resource Management:

This week the Agency of Agriculture released the first draft of the Required Agricultural Practice (RAP) rule. This rule replaces the previous rule which was titled Accepted Agricultural Practice Rule. The roll out of this rule went to all the

known partners and legislators. The Agency has presented a brief presentation on the rule to two St. Albans Dairy Cooperative meetings which included about 80 farmers. The audience in Addison county was mostly unreactive, and the Franklin county farmers was the complete opposite. Farmers in Franklin are much more on edge about all the water quality efforts from the Agency and hence the tone is of concern and lots of questions. Tonight the Agency is going to meet with the Farmer's Watershed Alliance in Franklin county to try to keep the dialogue going and the education going both ways.

A list of all public meetings associated with the RAPs are available on the Agency website.

Entomology:

- No new arbovirus detections have been reported in two weeks
- This week 92 samples were submitted for testing.
- To date this season, 3957 batches of mosquitoes collected and identified by VAAFMM.
- There have been 97 batches of mosquitoes testing positive for WNV in Vermont.
- A single EEEV positive mosquito sample has been found this year, in a trap collection from Swanton made on August 14. No additional EEEV has been detected.
- The mosquito surveillance ended on Friday, October 16.
- The final test mosquito results will be reported next week.
- The fall deer tick survey will begin on October 21.
- Ticks will be tested for three tick-borne pathogens: Lyme disease (*Borrelia burgdorferi*), Anaplasmosis (*Anaplasma phagocytophilum*), and Babesiosis (*Babesia microti*)

North Lake Farm Survey Initiative:

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. Approximately 400 farms have been identified in the survey area and surveys are being conducted by several ARM Division staff members. Over 209 farms have been fully surveyed to date, data summary is ongoing and summary materials are being developed for presentations. The following number of farms were surveyed within the last week as part of the survey initiative:
 - 11 SFOs
 - 3 MFOs

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

- Staff are processing and preparing for Farm Agronomic Practices (FAP) Program grants for fall cover cropping and other FAP Program practices. The goal of the FAP Grant Program is to encourage the implementation of soil-based practices that improve soil quality, increase crop production, and reduce erosion and agricultural waste discharges.
- Staff are conducted an inspection of a LFO in Addison County related to a complaint from several local landowners. The landowners are asking AAFM, ANR and VTrans for a multi-agency comprehensive review of farm practices and landscape drainage. We also conducted a joint site visit with ANR-DEC and a property manager representing a local landowner to discuss water testing and storm water infrastructure that could help to treat storm water runoff from farm fields and the surrounding landscape.
- Staff are working on and revising the North Lake Farm Survey Initiative Interim Report which highlights findings from the survey effort and are also helping to prepare for Required Agriculture Practices (RAPs) draft rule presentations and focus group meetings that will occur throughout fall 2015.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to work on and test the FoodSafety Water Quality database. We are currently working on enforcement actions and related data tracking.

Conservation Reserve Enhancement Program (CREP):

- Staff visited a SFO in Lamoille County to continue discussions related to CREP and livestock exclusion.

- Staff visited a SFO in Washington County to conduct CREP field work and to determine CREP eligibility with Vermont Land Trust, DEC River management, Partners for Fish and Wildlife and others.
- Staff visited a SFO in Caledonia County to oversee installation of a CREP stream crossing.

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

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

www.anr.vermont.gov



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: October 23, 2015
Subject: ANR Weekly Report

Governor Level Issues:

Over One Million Visitors! State Parks visitor numbers topped the 1 million mark the year, with attendance reaching 1,013,000 following the Columbus Day weekend. Yearly attendance numbers of 1 million or more have been reached only four other times in ninety one years.

Norwich Dam decision: We issued a denial this week in Norwich's permit application to rebuild a dam that was washed out in Irene. We recognize the importance and value the Norwich Pool has for the town, but we are constrained by the law. As you may recall, the dam blew out from Irene. Since that time the river has run unobstructed and is transitioning ecologically from a pool to a riverine condition. The Supreme Court has made clear that the Agency must evaluate the impact of the project based on its current condition - free-flowing river - rather than its former dammed condition.

This denial should not come as a surprise to the Town. We have worked with Norwich for years on this project, and we have, at every turn reminded them that there would be a high bar to rebuild the dam in light of the law. From the start we encouraged the Town to submit an application addressing the legal requirements to rebuild the dam so that we could consider their proposed plan to address the statutory requirements. They submitted at the end of August. Not surprisingly, our technical staff determined that the application does not meet the required burden to show that the project will not adversely affect public safety by increasing flood or fluvial erosion hazards. In addition, it fails to provide evidence that the project will not significantly damage fish life. We called the local legislators, the town manager and the local activist who sent me petition signatures to let them know about the decision. They were not surprised but were disappointed - but, as we discussed with them, our decision allows them to move ahead with an appeal.

Hinesburg Water System Improvements: Drinking Water & Groundwater Protection Division has issued the Town of Hinesburg a Construction Permit for improvements to the municipal water system, including two new wells, a water treatment facility, approximately 3,200 linear feet of water main and other appurtenances. The project will enable the Town to meet the drinking water demands (both quantity and quality) which have been preventing other municipal and private development projects to proceed. Construction will begin as soon as possible and will extend into the calendar year 2016 construction season.

EVERYTHING ELSE:

Significant Events/Meetings:

Lampricide Treatment: The USFWS treated the Poultney/Hubbardton Rivers with lampricide (TFM) on Oct 13 as authorized under ANC Permit #2015-C06. No significant issues were reported during the pesticide application but a number of Mudpuppy were impacted. We are collecting samples so that we could better understand why. We will be informing the Endangered Species Committee about the mortalities. Note that while Mudpuppies are not a listed species (despite a number of attempts to get them listed – most recently in 2011), they have been the poster child for the folks who do not support the lampricide treatments. I am happy to provide more information if you think it would be helpful.

CDC Grant Awarded to DOH to Promote Testing of Private Wells: With the support of the DEC Drinking Water & Groundwater Protection Division, the Vermont Department of Health (DOH) has been awarded a \$670,000 federal grant from the Center for Disease Control which will enable DOH to compile and analyze private well testing data to determine geographic areas where the aquifer quality may present an increased health risk to vulnerable populations. The grant will also be used to support water testing for vulnerable populations such as children, pregnant women and the elderly. Note that while an estimated 40 percent of Vermont households drink water from private sources, only five percent of those private wells have been tested for contaminants. Staff of DEC Geology and Drinking Water and GW Protection Divisions will assist DOH in the assessment of the data set elements.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Policy (OPP)

West Lake: NRB convened a meeting on the West Lake stream restoration project. DEC and FWD agreed that fill available on-site can be used to fill the illegal gravel extraction areas that became in-stream ponds along the Cold Brook. Some questions remain on how best to manage the new stream channel as it evolves through the filled ponds.

Ranger Solar: Ranger Solar's consultants, TRC, have been working directly with DEC district wetland ecologists to review wetland delineations for three 20MW solar projects in Sheldon, Highgate and Ludlow. It is likely Ranger will CPG petitions for the three projects in mid-November. The three projects range in area from 99 to 120 acres.

Encore/Hyde Park Electric Solar: Encore is working with Hyde Park Electric Dept to develop a 1MW solar generation project in Hyde Park. Encore filed their CPG petition for the project this week and is seeking expedited review from the PSB via the 248(j) provision for projects of limited size and scope that do not raise significant issues under the substantive criteria. An expedited proceeding is desired because the project is being funded with a municipal energy grant that requires most permits be obtained by Feb 2, 2016. However, based on an initial review of the petition it is unclear that ANR will be able to support the (j) treatment, as the project appears to involve significant impacts to class II wetland and buffer. OPP has met with Encore and the Town/Electric Department to preview this position and has offered to work with them to try to reconfigure it to avoid impacts; but given what we know at this moment, we may need to oppose the expedited process since the project does not comply with the PSB's criteria for that type of review. This position is important for both the review of this project and to maintain Board precedent that projects with significant issues go through the full Sec. 248 review and not the expedited track. Given the volume of solar projects and the increasing pressure to permit and build them prior to the end of 2016, a trend to allow problematic projects to pursue the 248(j) track would be unsustainable for ANR.

TDI Technical Hearing: The Public Service Board held a one-day technical hearing for the TDI New England Clean Power Link Project. The PSB had several days reserved for the hearing, but since TDI reached stipulated agreements with all the parties, there was no need to cross examine witnesses TDI has asked ANR to support a proposal for decision (POD) drafted by TDI, so that all parties don't need to brief the order – this will save time in the process and likely result in TDI achieving their goal of getting a final PSB order by the end of calendar 2015. ANR is willing to support a global POD, provided that the document include appropriate citations from ANR testimony necessary to build a solid record for the purposes of this project and to establish Board precedent, especially around issues related to the in-lake construction of an electric transmission line, given at least two other similar projects proposed in Lake Champlain.

New Applications for the week of Oct 12: OPLA received 6 new Act 250 applications and 1 new Section 248 petition.

Environmental Conservation (DEC)

Emergency Action Plan (EAP) development continues for high hazard dams: Using a recently awarded FEMA National Dam Safety program grant, DEC will soon complete EAPs for thirty five of the forty high-hazard dams regulated by DEC. This work was started in the early 2000s, and the most recent round will include analysis of the hydrology and hydraulics, dam break analyses and inundation mapping for three high hazard dams, in support of EAP

development for the Lake Clara Dam in Whitingham, Keyser Dam in Chelsea, and Johnson State College Lower Dam in Johnson. In addition, EAPs will be developed for three other dams with existing inundation maps. Those dams are all owned by the Hardwick Electric Department, which consist of East Long Pond and Nichols Pond in Woodbury and Mackville Pond in Hardwick. The estimated cost for this work is between \$40K and \$45K.

Recycled Asphalt Shingles: DEC staff met with representatives from Myers Recycling and VTrans, as well as Representatives Brennan and Bissonette to discuss the status of the use of recycled asphalt shingles (RAS) in VTrans projects. VTrans discussed the testing that has been done on Myers' RAS, and what work remains to develop a specification for its use. It appears that the use of RAS in hot mix asphalt is waning elsewhere, and both Myers and VTrans are more encouraged by its potential for use in shoulder aggregate. VTrans will be working to allow the use of RAS in a shoulder mix by the 2016 construction season and volunteered a Jay-Troy paving project for using RAS in the shoulder mix.

Aquatic Invasive Species Rapid Response: Lakes staff received a report of the confirmation of the invasive aquatic plant, variable watermilfoil at 4 points from a contractor who recently conducted a quantitative aquatic plant survey of Lake St. Catherine. Staff conducted an in-the-water assessment and determined that the watermilfoil species at the points was not variable-leaved watermilfoil, but the rare, native whorled watermilfoil (*Myriophyllum verticillatum*). Variable-leaved watermilfoil was first confirmed in a Vermont water body in 2008 and is known from only two Lakes – Halls Lake (Newbury) and Lake Champlain. The Halls Lake population is believed successfully controlled due to a management response by Lakes staff; ongoing annual searches have not found variable-leaved watermilfoil in Halls Lake since 2012.

Fish & Wildlife (FWD)

Completion of Open Water Creel Survey: Staff completed the open water angler creel survey in the main lake basin of Lake Champlain. Data collected during the creel survey will be analyzed to estimate fishing effort, catch and harvest of all fish species encountered, and other characteristics of the main lake fishery. Results will be compared to those of similar creel surveys done in the 1990s.

Illegal Deer Activity: Wardens have been very busy already this season. Here are a couple highlights from what they have encountered so far. Great closed season/sale of illegal venison case at the Rutland Farmer's Market made by Wardens Butler and Hungerford. There was an unfortunate case of a 61 year old male who shot his first deer... a spike... and self-reported. From Sergeant Wedin- "Deer decoy on Friday night resulting in a shooting from the road ticket. Repeat offender for the same violation a few years ago. Back then he told me the deer decoy looked fake. I let him know that he shot the same decoy."

Moose Activity: Quote from Warden Steve Majeski... "Checked a couple groups of moose hunters and saw a couple of nice moose taken. Aside from being dead they looked pretty

→
Comic relief⁴

healthy.” Lots of moose hunters checked statewide with nice animals being taken. Several moose in the 40+ inch and/or 700 pound class.

Trout Habitat: Staff worked with Trout Unlimited to strategically add large woody material to Madison Brook in order to improve trout habitat, which should result in greater trout abundance and better fishing. Neil Hilt, of VPT, joined us to film footage for a segment that will air on Vermont Outdoor Journal.

Forests, Parks and Recreation (FPR)

State v. Bacons: The Environmental Court postponed the Show Cause Hearing and has scheduled a hearing on ANR's Motion to Compel related to the Bacons' failure to provide responses to discovery requests. This hearing is scheduled for Oct 27.

Kisonak v. State: This case involves a claim filed by the Kisonaks against the state alleging negligence of State Park staff and seeking damages for an alleged dog confrontation/"attack" on their autistic daughter. The State's response is due on Nov 2. The State also plans to file a Motion to Dismiss.

State v. Davis: This case involves an appeal of Mr. Ken Davis to the Vermont Supreme Court of the Environmental Court's decision finding violations of the AMPs and assessing penalties. The State's brief is due on Nov 4.

Proposed Firewood Rules: Pursuant to 10 VSA 2681, the Commissioner is required to adopt rules regulating the importation of untreated firewood. The Department will be filing the proposed Rule with ICAR on or before Oct 26.

Proposed AMP Rule Amendments: Pursuant to 10 VSA 2622(b), the Commissioner is required to revise by rule the Acceptable Management Practices for Maintaining Water Quality on Logging Jobs in Vermont (AMPs). The Department plans to file the proposed rule amendments with ICAR on Oct 26. These rules update and include improvements to the existing AMP practices.

Private Litigation - State Employee Witnesses: FPR will be providing fact witnesses in a case involving alleged timber trespass and other matters, including AMPs. The State is represented by the AG's office. One witness, a former County Forester, will testify to factual issues regarding his visit to the Plaintiff's property and the second witness is not available to testify, but the State will certify certain documents for the use by Plaintiff in this matter. The State will object to any request for opinion or expert testimony. The testimony will occur on Oct 29.

Molly's Falls Closing: The Department is ready to close on the Molly's Falls Property with VLT. A closing is being scheduled for next week.

ANR PILOT: The ANR PILOT legislative study committee met last week and agreed upon a proposed recommendation for ANR PILOT going forward. This proposal would establish a set base payment for existing ANR lands within a community, based on the Division of Property Valuation and Review's latest valuation. New parcels would be assessed at the municipal tax rate times the town's appraised value and then added to the town's base PILOT payment. This recommendation will be fully fleshed out in the ANR PILOT report which is due to the legislature on Nov 30, and it is reflected in ANR's budget submission.

Solar and Forests: An increase in ANR permit applications for installation of solar arrays in forested areas has prompted work by the Division of Forests to identify the greenhouse gas trade-offs between keeping forestland actively sequestering carbon vs emission reductions from replacing fossil fuel generated electricity with any proposed installation of solar arrays. Sandra Wilmot is working with University of Vermont and U.S. Forest Service scientists to understand and develop guidelines for ANR on this issue.



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: October 23, 2015
Subject: Weekly Report

Priorities:

The Division of Emergency Management and Homeland Security has once again received accreditation by the Emergency Management Accreditation Program (EMAP). Vermont was first accredited in 2010 and “re-accreditation” has been an ongoing effort for the better part of a year. There are 64 standards that must be met, with subsets in each. Fewer than 30 states even attempt accreditation and achieving it is a benchmark of excellent standards and practices.

The Commissioner’s Office discussed firearms disposal with Treasurer Pearce. The immediate problem for DPS is bulging storage space in the Lab. We also spoke with BGS to inquire about secure/controlled space in BGS inventory as an option. BGS will follow-up if any is located and further discussions will ensue.

Conducted a conference call with Montpelier PD, Capitol Police, BGS, AOA, DEMHS and VSP regarding planning for Saturday’s “Rising Tide” rally in Montpelier.

Discussed with BGS using a Memorandum Of Agreement between DPS and the Military Department to transfer ownership of the recently decommissioned HazMat truck. This truck would be shipped to the Country of Senegal to further the State Partnership Program between Senegal and The Vermont National Guard. BGS approved the MOA option.

Administration

VSP is inquiring about the possibility of GHSP funding for WatchGuard project to include Body Cameras.

An audit of Brattleboro PD’s JAG funding has revealed concerns about the possibility of supplanting. Brattleboro apparently did not backfill the position that they assigned to the DTF which is required to receive this funding.

CJS

Working with the National Guard to isolate and troubleshoot the de-sensing of their Low-Band radio system.

Winterizing Mountain top radio sites.

BGS is working to provide a hard cost estimate for alterations to the Forensics Lab for blood-drug testing.

✓ Sarah

Diane Derby (Senator Leahy Staff) visited the Montpelier dispensary and was accompanied by registry and dispensary staff (per protocol). At this time visits appear to be observational in nature, responding to citizen inquiries about the continued state/federal conflict around Marijuana.

The rules governing the Marijuana Registry are being prepared for final submission to the Secretary of State after approval by LCAR. The rules should be submitted within the next week and will become active 15 days thereafter.

Fire Safety

The Division received \$9 Million in new plan review construction valuation collecting \$54,000.00 in permit fee revenue.

DEMHS

DEMHS hosted the annual Vermont Emergency Preparedness Conference at Jay Peak Resort. The conference was well attended and provided a valuable resource of educational programs to all participants. A welcome was given by Secretary of Administration, Justin Johnson,

DEMHS hosted a preliminary informational meeting on the Wings Over Vermont Air Show which will take place in August of 2016.

A VT Alert presentation was provided to the Town of Hartford.

VSP

A Troop

FF

18 Total arrests, 4 DUI.

Obtained confessions from two subjects involved in multiple burglaries in Westford, Fairfax and in Essex.

Search warrant conducted for MJ grow. The suspects in this case are a husband/wife team that run the MJ dispensary in Montpelier. Aside from plants and processed MJ, also found were cannabis oil and other items clearly taken from the dispensary.

BCI

NUSI, investigation involving a four month old female from St. Albans at the UVM Medical Center. The child had dried blood around the brain and retinal hemorrhaging. Body scans and interviews with the parents are complete. Undetermined at this time if a medical event or physical assault, so far the parents are presenting well and have been actively taking the child to the doctors. More to come this week.

NUSI, sex assault involving a 16 year old female and undisclosed male. So far victim is uncooperative with law enforcement.

NUSI, investigation involving a possible domestic assault on a teenage daughter by father. The case is three weeks old and the teen may have made the story up to cover her as a runaway.

NUSI, 16 year old male arrested for multiple counts of sex assault and L&L, closes four cases.

Assist to St. Albans PD on TD Bank robbery, arrest made.

Untimely in Swanton, 85 year old male with medical history, natural.

Untimely in Swanton, 79 year old male with cardiac history, natural.

Fire investigation in Richmond involving a truck, determined to be electrical.

Fire investigation in Jericho involving an uninhabited home. The fire was determined to be clothing stacked up against and electrical baseboard heater, accidental.

Excessive speed case on IS-89 Georgia, arrest made.

Untimely in Washington, 53 year old male who was allergic to bee/wasp stings was stacking wood at a camp. He took a drink of beer from a bottle and a wasp stung him on his tongue. He did not carry an epi-pen and died within minutes.

Assist to St.J Uniform on a car stop on US 2 where two subjects fled into the woods, both arrested, Potter.

Drug case at the CCCC involving a female inmate with a crushed pill.

Alleged assault case at CCCC involving Evi Quaid and Veronica Lewis (Westford shooter).

Assault on CO by Veronica Lewis, urine was thrown in the guards face.

B Troop

FF

10 Total arrests, 3 DUI.

Eight reported burglaries this week, suspects being developed.

Responded to multiple motor vehicle accidents.

Continue to develop intelligence and leads for multiple burglaries in Derby area.

Spoke at the Derby Junior High school regarding drugs and alcohol and continue to engage area schools and provides them with what support they need.

Derby responded to a bomb threat at the Pizza Hut located in the plaza across from the Barracks. The caller is a male subject and reported a bomb in Pizza Hut and later called back and said it was in Price Chopper. Each time indicating it was set to go off in minutes. Area was evacuated and searched and was determined to be a hoax.

BCI

Follow up on O'Hagan case with an inmate reporting he had information.

Death Investigation-79 yr old male in Bradford – Natural.

Interview of male suspect in L& L with minors. Incident occurred 3 yrs ago.

Juvenile case involving a female juvenile who forwarded a nude photo of herself to another juvenile and that juvenile forwarded it to other juveniles.

Intake of a reported 13 yr old having sex with a camp counselor in Derby during summer of 2015.

Intake of a reported juvenile female that had been touched inappropriately by her father years ago.

C Troop

FF

15 Total arrests, 9 DUI.

Fatal Motor Vehicle Crash on VT 30 in Sudbury, speed and alcohol a factor.

Arrested a subject for Burglary to several residences in the southern part of the county.

Assisted Burlington Police Department with an LSA and located the driver who was arrested for DUI/LSA.

Troopers continue to complete school safety plan updates in Addison County and continue to pay visits to the remaining schools in Bennington County.

BCI

Case follow-up Missing Person Denise Hart.

Assigned new investigation. "Threat" made against DCF by an inmate at MVCC. Follow up revealed that this was older information that was currently in the hands of the Addison County States Attorney and ACUSI. DCF and Middlebury PD notified.

Assigned new case. Death investigation of a 46 year old male in Arlington. Died of Natural causes.

New case: Arrested Gregory Shaw for possession of narcotic inside correctional facility.

New Case: Child Abuse. City of Rutland. It was reported a 9 month old baby suffered a fractured skull. Interviews conducted.

New Case: Sex Offense. Town of Poultney. A 33 year old woman reported being sexually abused by her step-father when she was 15 years of age. The woman later married her step-father and had a child together. Victim interviewed.

Dead body callout in Panton VT, 44 yr old male deceased while driving vehicle. Non AME case.

Assist to Manchester PD for sexual assault investigation. Follow up interviews to be conducted.

Assist to Bennington PD for online sexting/luring investigation involving numerous teen girls in Bennington County.

Investigation into failure to report sexual abuse to DCF by Burr & Burton Academy. No charge to be filed. Handled through SA office.

Investigation into child abuse by mother of sexual assault victim. Case ongoing.

Testified at weight of evidence hearing for NIU suspect who was arrested on warrant from old charges.

D Troop

FF

18 Total arrests, 5 DUI.

Two vehicle crash Quarry Rd Dummerston-turned out to be a one vehicle crash involving possible road rage with another vehicle which witnessed the crash and called. Driver of the car that crashed

arrested for Neg Op/DUI and non-contact vehicle operator arrested as he had a felony VT warrant, lodged at SSCF for lack of \$2500 bail.

Executed a search warrant at a residence and made arrest for possession of Heroin.

Made motor vehicle stop and arrested male for felony heroin possession, heroin trafficking and DLS.

Serious injury motor vehicle crash on I89 in Sharon investigated. Female operator went off the interstate and into ledges. Was airlifted to DHMC via DHART.

BCI

Sex assault - Victim interview will be conducted next week. Vic advised she had been assaulted numerous time over course of four years.

Sex Assault completed and sent to SA for review.

Sex Assault – SSCF – Audio Files Review

Inmate on Inmate Assault – SSCF – Interviews Done at Prison

Inmate on Inmate Assault – SSCF – Interviews Done at Prison

Sex Assault – Guilford – Old case which had been updated with new information. The new information revealed it was a consensual relationship between a 16 and 20 year old. No sex assault occurred.

Fugitive/Stolen Car case follow-up with Lebanon PD and discovery work for SA (subject recently located in VT and arraigned)

Report completed and sent to SA for review, this was initially reported as an agg sex assault but both adult victim and accused had developmental issues, victim elected not to go forward with case and SA has declined prosecution.

Assisted Uniform early Saturday morning with directed patrol/surveillance in the Londonderry area due to rash of burglaries.

Sex offense, Westminster, forensic interview at CAC, 5 y/o allegedly instructed to give oral sex to 2 y/o.

Juvenile sex assault, extended forensic interview at CAC, made disclosure that she was sexually assaulted by adult male.

Assigned sex assault case – 5y/o on 3 y/o will be handled by DCF and victim has been offered advocacy

Follow up on DeConnick arson fire from 2014

TOPS

Assisted NIU

Assisted Royalton Troop who stopped vehicle. K9 deployed with alert.

Agency assist Hartford PD for possible stolen vehicle out in Bradford.

MAJOR CRIMES

Follow up on AG investigation

Locating/contacting witness in Heroin OD case.

Follow up for lab in Vreeland Homicide.

Missing Person (Hart), Buccal swabs from biological mother (Robinson) & biological son (Vasquez).

Manual Phone review in Herring case (Barre city and Belin Homicides)

Whitingham shooting (arranging translator for follow-up, hearing)



State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.adm.state.vt.us

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

Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: October 23, 2015
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Burlington Clinic: BGS is working the Governor's Office on space for a "clinic" in Burlington. Potentially at 50 Cherry Street, but nothing is final yet.

Forensic Laboratory: Senator John Campbell lab tour for October 15th was cancelled by the Senator and we are waiting for new date. Lab Director Trisha Conti has been in contact regarding a proposed new lab function to analyze blood. She has requested the 2014 construction estimate be updated for inclusion in the upcoming Capital bill. We will provide by October 23rd.

FOIA – Lt. Governor Scott: We need to provide Jeff with any correspondence with Phil Scott or his office or business; including Tires for Warmth – donated by FMS & Sponsorship for use of Pavilion Auditorium.

Sarah

2016 Legislative Parking Meeting:

Peter Danles, Tom Cheney and I met with Janet Miller & Les Dimick to make sure we were all on the same page for the upcoming Legislative Session, especially parking. The status quo is fine.

Dan Johnson Meeting:

Discussed the potential development values for Stanley and Wasson Buildings in Waterbury.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

Nothing to report.

HUMAN RESOURCES

Communications Update:

1 Scott

WCAX inquired about the PSAP closures, specifically whether the state has added any additional dispatcher positions. The answer is no. We handed the request for additional questions to DPS.

Significant Events/Meetings:

Met with AHS Deputies to discuss a number of issues including the ACA, the retirement incentive and workplace solicitation.

The Employee Engagement Survey will be sent out to employees early next week. The survey will close on November 6th.

DCF is in a heavy hiring phase. We are working with them to recruit 52 positions.

Continuing to coordinate with AOE, DCF and law enforcement on case of the AOE employee charged for sexual assault.

DHR is joining the Data Governance Council led by DII. The goal is to better coordinate state data across agencies.

We are beginning to formally notify stakeholders of the 2016 premium rate increase.

The Governor's Workforce Equity and Diversity Council had a good meeting. Conversation focused on the employee application and statistics regarding minority applicants.

Bargaining continues.

INFORMATION AND INNOVATION

Evolving Issues:

- Anywhere/Anytime computing (Office 365) – We have migrated 100 pilot users across the state to email in the cloud as well as all of DII. So far we have seen very few issues and the issues we have seen have been minor. We are now preparing to migrate four small departments next Wednesday.

Web Updates:

- The new Tax Department website is now live at tax.vermont.gov.
- The new Human Rights Commission website will go live 10/26.
- Harry is working with the CMO's Office to develop a project proposal for redesigning the Vermont.gov portal.

Project Updates:

- **VoIP Implementation** – Implementation for DII is occurring this week and next. 22 people will transition on 10/23 at 4:30 pm, the remaining 46 will transition on 10/30.

LIBRARIES

Nothing to report.

TAXES

Operations Update:

VTax: We are two weeks away from the quiet period (COB Nov. 6; when the Dept will be shutting down all operations other than deposits) and three weeks from go live (Nov. 12). The third pass of end to end testing has been successfully completed, and next week only residual follow up testing will be focused on the MyVTax registration, filing and payment portal, as well as the new Notice of Intent procedures. We continue to execute our plan to inform sales & use, meals & rooms, and withholding tax filers that they need to migrate from our current online filing system to the new My VTax portal (although at least for the first few months we will allow payments online even without registering a MyVTax account). The biggest pressure and impact is to guide monthly filers through their Nov. 25 deadline – relatively small number of taxpayers, but big amount of revenue. Obviously, we have more time to deal with quarterly and annual filers before their first deadline in the new system.

As noted, this phase represents not only a major IT upgrade, we simultaneously are instituting a major change in business process by adding a new step of information exchange and negotiation prior to assessment. The first correspondence a taxpayer will receive is the “Notice of Intent To Assess” (NOIA) and an invitation to contact us. Both our compliance and audit units will be focusing on training for the new IT system as well as the NOIA process during the three quiet days (note, our phones will not be open in those units in any event, since staff will have limited access to data during the live conversion). Once the phones are back up, there will no doubt be a flood of calls, as taxpayers adjust to the new filing system, new bills (particularly on accounts that had been worklisting and/or suspended during the cutover but will now receive automatic billings), and new options to negotiate.

Health Care Reform

All Payer Model

The State negotiating team is finalizing and proposing refined financial targets to CMMI. A tweak to the financial targets would be due to modeling and analysis of various Medicare growth scenarios. Specifically, initial modeling demonstrates risk of failure if Medicare grows very slowly nationally in the first years of the model. Vermont would be proposing ways to mitigate this risk. Additionally, with the help of contract actuaries, we are modeling whether and how Vermont's Medicare costs/population should be risk-adjusted. Additionally, Vermont is close to proposing specific quality measurement targets to CMMI.

Work continues on multiple streams of work with AOA, GMCB, SIM, and AHS resources working in an ever more integrated manner

Excise Tax/Large Group Market

Robin notified legislators that we needed an extra month to complete the excise tax study and will submit it on December 4th, which leaves plenty of time for consideration prior to the session. The cost of the study is running hot, so the team is reducing scope to ensure that we do not go over budget. We have been clear with the contractor that we do not have additional funds for the study.

Michael and Devon attended an NGA call on the Excise Tax. The call confirmed our understanding of the tax and made clear that Vermont's study is more detailed than other existing analyses. Additionally, NGA stated that they did not believe additional federal guidance would be published prior to the end of the year. This means that the study will enter the legislature with a considerable amount of federal uncertainty regarding how to implement the law.

SIM/VHCIP

SIM convened several work groups this week, as part of the new organization structure. We had lots of active engagement and the new groups seem to be coalescing quickly. The Payment Models group had an in-depth discussion around the Year 1 Shared Savings Program results. The Workforce Work Group delved into the Workforce strategic plan, which is being revised over the next several meetings. The Health Data Infrastructure Work Group discussed two new funding proposals put forth by VITL to continue work started earlier this year around quality measure gap remediation and designated mental health agency data quality improvement. SIM staff also traveled to the National Academy of State Health Policy's Annual Conference and gathered information to support all of our SIM work, but in particular the work related to population health and mental health integration.

The SIM team is also working intensively on our Year 3 Operational Plan, due 11/2. This includes all of our programmatic plans, budgeting, and timelines for 2016.

Universal Primary Care Study

Oct 19 Michael joined a call with Wakely and JFO to walk through the draft cost-estimates. The questions from JFO focused on the areas identified by AOA and Wakely that require further analysis and will affect the cost estimates. JFO is concerned that they/we are bringing a number to legislators that is too low. We have been clear with them through the process that cost estimates include claims data, but we do not have enough information to cost out a full operations plan and other factors that would be involved in setting up a system of universal primary care. This was also explicitly stated during the legislative process and the appropriation for the study reflects only the cost of doing the actuarial work (not an operations plan or financing plan with economic analysis).

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: James Giffin, Interim Commissioner
Date: October 22, 2015
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: See significant meetings

Press Issues/Releases/Contacts: None – I do have Logan Crawford from WCAX trying to contact me about break-open tickets. I think it is about an investigation that I will not be able to give him any specific information on because it is still being developed.

Significant Events/Meetings:

The Modernization Study Committee Meeting on 10/21/2015

The DLC Board's memo to the legislative Modernization Study Committee was distributed this week to Committee Members. Five major requests:

- Continue to support the three-Tiered Control State Approach
- Board continues to appoint the Commissioner, though with Governor and/or legislative approval
- Continue to invest in the DLC business with needed IT upgrades
- Professionalize the Board
- Support the effort to create an effective review process for liquor agents

The Committee heard from Agents and Board members:

It appears they will recommend one statute change – drafting legislation similar to changes with DOE/AOE pertaining to the appointment of the Commissioner. Also, listing types of experience needed by the Commissioner, and maybe defining in statute the required quorum to allow the Board to act when fewer members are present.

- The rest of the Committee's recommendations appear to be for the committees of jurisdiction:
Promulgate rules regarding the Agents issues
- Statutory clean –up
- No real push for 'privatization', but making sure the Department does not again become complacent and how to avoid that

There are two Modernization Committee meetings remaining.

Liquor Board Sub-Committee

The DLC Board has created a sub-committee for recruitment of a Commissioner and Deputy Commissioner. Meeting tentatively scheduled for October 30, 2015.

Summary of Key Department Activity:

Agency Issues: The Agency in Norwich has secured a Letter of Credit; DLC has e-version and awaits original to avoid termination of their contract and resumption of product delivery.

IT POS system: The POS Contract amendment is in the process of being circulated for in-house signatures.

Warehouse: The Modernization Study Committee met on 10/21/2015. I presented on the final warehouse evaluation report. A detailed schedule for the implementation of the recommendations is being drafted.

Enforcement: Routine investigations. DLC has scheduled a public hearing on November 20, 2015 for interested parties to comment on the proposed Regulation changes pertaining to re-selling of fortified wines and container sizes. We continue to investigate whether we can require that orders be pre-paid, or picked up within 30 days.

Commissioner's Commentary:

I have offered to stay past December to help transition to a new Commissioner with the understanding that the Board actively work on recruiting for a new commissioner.

LOTTERY

I am at a tri state meeting in Maine.

We successfully launched a website last week and have another new site launch planned for next week.

An elementary school in alburg was chosen as the recipient of 20 tablets from the joint program from the lottery and Ag of educ. This is our 2nd winner and we will be holding an award event at the school later this year.

Two board members attended a national trade show with me last week and improved their understanding of the entire lottery industry.

Our sales continue to be up over last year by 5%. We are awaiting the news of either keeping a retiree position or losing it so we can plan how to approach shifting work if needed.

Greg Smith

Sent from my iPad