

WEEKLY REPORTS

Checklist
9/5/14

Elizabeth Miller/Alyson Richards

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

TBD

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Harry Chen

Sue Allen

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

Sarah London/Carolyn Wesley

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

Susan Spaulding

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

Alyson Richards

- ☐ Leg Prep

To: Governor Peter Shumlin
From: Lucy Leriche, Deputy Secretary - Agency of Commerce and Community Development
Date: September 5, 2014
Re: Weekly Report

LUCY LERICHE, DEPUTY SECRETARY

- **Confidential Rutland Plywood:** Insurance adjusters are finishing up their work and are expected to have numbers and information in about one month. The Rutland RDC is holding a note from the company, so is closely involved in discussions and developments. There are rumors floating around that the company will not reopen, but the owners insist that it is too early to know that, as they need to understand the situation with the insurance company before they can make a decision. In the meantime, they are grateful for the calls of support, but are asking that the “politicians” lay off until they understand what help they are going to need, with the exception of Labor whose services they are using now and greatly appreciate. ACCD will keep in close contact with Jamie Stewart of the Rutland RDC for new developments and an indication of when the company is ready for our assistance.
- **Confidential Prospect:** John Mandeville of Lamoille Economic Development Corp told Lucy that he was working with an exciting prospect for a 120 square foot facility in Lamoille County. It’s a business that makes a hollow, hybrid fiberglass/wood laminate telephone pole that requires no maintenance, is more durable, and is cheaper than regular wood telephone poles. The market for these poles will be tremendous in the coming years as the poles throughout the region approach the end of their useful life and need to be replaced. The number of potential jobs is significant at 200. Lucy made it clear that ACCD was eager and ready to assist. Lucy will follow up with John.
- **Entergy VY Interagency Meeting:** Members of the group presented a memo of state resource needs related to the decommissioning of VY to the Governor’s staff. Lucy asked Lori to set up meetings with key members of the House and Senate to share a progress report on our work, and to see what if any legislative actions they may be considering for the upcoming session. Based on what we learn from these meetings, the next steps will include reporting back to the 5th floor, and looking for guidance on whether or not to proceed with the negotiation of an MOU with Entergy to cover these expenses.
- **NEK Economic Impact Study:** Lucy met with Ken Jones to get a status report on the Economic Impact Study for the NEK currently in progress. Ken has gathered actual economic impact data from the Jay Peak projects that are already complete. From here, Ken will compare the actual data with the projections produced by the REMI economic modeling software to test for accuracy of the software. Depending upon what the software produces, he may make adjustments to the modeling for future projections that account for the discrepancy between what the model tells us, and the actual numbers. Overall, the project coincided with the Great Recession, and as such, provided Orleans County insulation from the economic downturn. The report is due to the legislature in January.
- **Note:** We are mixing up the order of the departmental reports moving the formerly last report to the “top” after the Secretary and Deputy Secretary’s report. This is to assure those reports further down get read by the rest of the Agency (we distribute the non-governor report throughout the agency).

Megan Smith, Commissioner

- **Labor Day Weekend:** Labor Day weekend was very busy throughout the state and we are hoping to keep this level of visitor activity rolling through fall with our beautiful weather.

Steve Cook, Deputy Commissioner

- **Drive Electric Vermont Stakeholder Meeting:** Deputy Commissioner Cook attended the [Drive Electric](#) quarterly meeting on September 2. Items of discussion included National Drive Electric Week, scheduled for the third week of September. This year Drive Electric will manage the event.



- **Great Jobs in VT:** VDTM has updated [Great Jobs in VT](#) to reflect autumn advertising, including an opt-in for those interested in learning more about employment opportunities in Vermont. By opting in, entrants are also eligible to win one of two Vermont VIP lift ticket packs containing 80 lift tickets to Vermont ski resorts.


CULTURAL HERITAGE TOURISM ♦ Catherine Brooks, Cultural Heritage Tourism Coordinator

- **Norwich University Sullivan Museum & History Center Event:** the [Sullivan Museum & History Center](#) has been accepted as a [Smithsonian Affiliate](#), the first Vermont museum to hold this distinction, and the 194th in the nation. With this designation the Sullivan will be able to secure Smithsonian speakers and research assistance, borrow artifacts for exhibitions, and develop collaborative educational projects with the Smithsonian. Warm comments were shared by Senator Leahy, Norwich University President Richard Schneider, and Harold Closter, Director of the Smithsonian Affiliations. Leahy told a story about Ethan Allen writing to Thomas Jefferson about statehood, and that the letter is in the Smithsonian collections. Agitation was born early in Vermont.

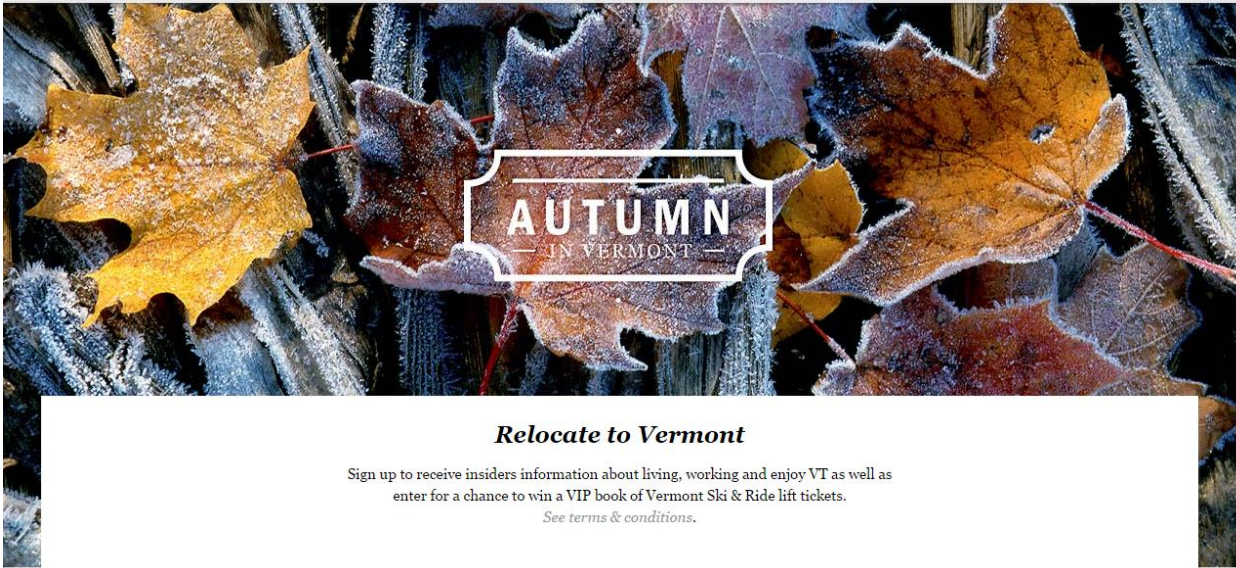
MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **Fall Campaign:** In addition to the 'View Lodging Packages' button that was added last week, a 'View Events' button was added this week to round out the user guidance on the landing page. Per the Deputy Commissioner, the [LiveInVT](#) page was added to the top navigation. This page offers an opportunity for people who are interested in relocating to Vermont to sign up and receive Vermont insiders' information. To stay consistent with the [GreatJobsInVT](#) push via the summer campaign, we added two modules below the form to help guide visitors to find information regarding Careers in VT and Quality of Life in VT.

Graphic support from David Burnell. Overall site layout and content by VDTM collectively.


VERMONT

[Foliage](#)
[Lodging](#)
[Family](#)
[Things To Do](#)
[Live in VT](#)
[Enter To Win](#)



Relocate to Vermont

Sign up to receive insiders information about living, working and enjoy VT as well as enter for a chance to win a VIP book of Vermont Ski & Ride lift tickets.
[See terms & conditions.](#)




Name *


FirstLast

Email *

Zip / Postal Code *

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Email *

Zip / Postal Code *

☒ I have read and understand the terms and conditions

☒ I'd like to sign up to be a Vermont Tourism Insider and receive interesting news, awesome deals and great tips!

Submit

Careers in VT


Most anyone who's spent any time in Vermont – for a long weekend or for a college degree – says at some point, “I wish I could move here.” Well, why not? We know – you’d need the right job. So take a minute and [browse our job listings](#). You’ll soon discover that Vermont is more than just a great place to visit. We also have great jobs in software design, solar engineering, creative marketing and more.

GREAT JOBS IN VT




Quality of Life

National rankings prove it: Vermont is one of the best states in which to live. We’re consistently ranked in the top 3 healthiest states in the nation and the top 3 states for child well-being. Our [communities](#) are also hives of cutting-edge creativity. Vermont ranks first in the nation for solar job creation, and Burlington was named one of the top 10 most promising tech hubs.

FAMILY FRIENDLY



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Performance Measures

- **Taxable Receipts:** Recently posted updates for February and May indicate strong performance by the hospitality industry during February and in the very strong preliminary figures for May. Visitor spending accounts for about 90 percent of the sales of rooms and just over half of the sales of meals and alcoholic beverages.

Taxable Receipts	Prelim. for May	% Change	Update for Feb	% Change
Meals	\$ 75,298,880	7.4%	\$ 76,718,942	5.90%
Rooms	\$ 24,672,168	12.5%	\$ 51,497,913	7.3%
Alcohol	\$ 13,248,836	10.1%	\$ 15,434,423	7.3%

Assembled by Greg Gerdel, Vermont Department of Tourism & Marketing

CHIEF MARKETING OFFICE ♦ Nancy Brooks, Chief Marketing Officer/Heather Pelham, Marketing Specialist

- **Made in VT:** The CMO/VDTM teams are awaiting setup of a meeting with AAFM to discuss emerging concerns about implementation of Made in VT and to identify the best way forward. That meeting is expected to be scheduled sometime after Ag's NASDA conference wraps up on 9/16. In the meantime, we are continuing to finalize requirements for the very basic parts of the online application (company data and product lines).
- **State Advertising Policy Discussion:** Nancy participated in a meeting this week with Michael Clasen, Sarah London, and several state entities that solicit and accept paid advertising from private entities to support their work (Vermont Life Magazine, the VT Fish & Wildlife Regulatory Guide, and potentially the VT Lottery with their vending machines). There are currently no statewide guidelines for when to accept/reject possible advertising partners, and on what bases, and some "gray areas" have cropped up (whether it is appropriate for state entities to accept out-of-state advertising, for example). Initial consensus was that it may not be in the state's best interest to have one, formal statewide policy that applies to all departments, but Sarah London offered to research what other states have done.
- **Cross Agency Collaboration in Marketing:** Nancy spoke with Public Safety Commissioner Keith Flynn this week. Commissioner Flynn has identified several areas where important marketing messages involve multiple agencies and departments, Nancy thanked the Commissioner for thinking pro-actively about bringing these marketing teams together. She suggested that a good first step was setting up cross-agency meetings surrounding each theme, to talk about shared goals and how to share resources to create one unified marketing campaign for each message, instead of several different ones coming out of multiple departments.
- **Dept. of Health Website:** Nancy participated in a meeting with the Dept. of Health, DII, VIC and Health's web design contractor, HMC Advertising, to discuss the best way forward for the new Health website. Health has been interested in pursuing a custom solution, but the new state web template (expected release by end of this year) offers much (though not all) of the functionality they're looking for. The group decided that the best way forward was to allow the Dept. of Health to go out to RFP for a custom build, and then compare those responses to the demonstration of the state template. That way, Health can have visual representations of all options to help them make a true comparison and an informed decision. Tracy Dolan, Health Commissioner, said that they would be happy not to have to spend their federal dollars on design of a website, if the state template (free of charge) gets them what they need.
- **Dairy Impact Study:** Heather has been working with Hannah Reid from AAFM on their Dairy Impact Study. They have received some comprehensive economic data from Ken Jones on the economic impact of

the dairy industry, and AAFCM is now working on how to package and communicate that information to various audiences (legislators, general public, dairy farmers).

DEPARTMENT OF ECONOMIC DEVELOPMENT

Lisa Gosselin, Commissioner

- **Mack Molding:** Lisa Gosselin, Beth Demers (VTP) and Wendy Morse (DOL) met with Mack VP Kevin Dailey on 8/29. Now that CEO Jeff Somple has been placed in charge of Mack's North and South operations, Kevin has been promoted to oversee workforce for the more than 1100 employees, including the 500 in Vermont. Beth and Wendy presented the workforce training opportunities via the Vermont Training Program and the WET fund as well as programs VTC and CCV are working on. Lisa will work with Dan Smith and Joyce Judy to set up a joint meeting with Mack and GW to address their similar training needs. Lisa provided an overview of progress with addressing Mack's concerns on the energy and incentives front. Mack is, in Dailey's words, "in a continual state of expansion." They have held on to the Pownal 160,000 sq. ft. warehouse as an option for expansion here but do not seem to have any immediate plans to use it. We discussed the help the state could offer if that facility were to be brought into play, including brownfield clean-up and how we might incent job growth in this challenged region.
- **Road Pitch:** Lisa met with Fresh Tracks Capital's Cairn Cross on 8/29 to discuss ways Road Pitch, the 4-day investment tour of the state via motorcycle, could grow next year and how to build a "Pitch Vermont" franchise that would help the state build its reputation for creative entrepreneurship and attract investors. Lisa is working to set up presentation on Road Pitch for ACCD and RDCs to see how we can leverage Road Pitch to provide workshops for early stage companies on financing, pitching and accessing capital.
- **Great Jobs in VT:** Lisa joined Aly Richards, Pat Moulton, Steve Cook, Nancy Brooks and Heather Pelham in a meeting on 8/28 with HR directors to discuss how to grow business participation in GreatJobsinVT's LinkedIn page and to roll out fall creative and ski promotion. Lisa is in the process of networking HR directors and encouraging postings.
- **Tech Jam:** Lars Torres of DED's OCE, Lisa, Cathy Resmer of Seven Days and Julia Swain of Dealer.com spoke 8/28 to discuss how to grow business participation in TechJam and extend beyond the Burlington area. Two hours will be set aside for businesses who are looking to hire and have a very creative and exciting project to present in a "TedX" or Pop Tech style forum. Lisa is connecting Cathy with prospective businesses.
- **Yonder:** Lisa met with David Roberts, CEO and developer of growing Yonder app on 8/28 to see presentation. Yonder a "Four Square meets Instagram" photo/location/travel app is working with both Colorado and Michigan state tourism departments on some creative social media outreach. The app has 140,000 current users and is also seeking media partnerships. Lisa set up meeting for Yonder with Active Interest Media (publishers of SKI, Backpacker, Sail and a host of other outdoor media properties) and will be scheduling a brown-bag lunch to showcase Yonder at ACCD on Sept. 29.
- **IBM:** Lisa and Beth Demers, along with Annie Noonan, Michele Kupersmith, Maureen Tiverton and a delegation from CCV met with IBM's production hiring team on 9/3 to discuss challenges IBM has had in replacing their long-term supplemental work force. IBM is not getting nearly the number of applications it needs to fill more than 41 spots currently open, many for entry-level production work in the clean room. Discussed options for job fairs, networking with other manufacturers, PR and marketing needs and the capabilities of the state in helping with recruiting as well as training. Beth led meeting and Labor will play point going forward.

- **Waterbury/EDA:** Met with Sam Anderson on 9/3 to discuss potential CEDS project of extending water and sewer from Waterbury up Route 100. Relayed message from EDA regarding need for public/private partnership and will regroup with Sam and bring in DHCD to discuss if this moves forward.
- **Vermont Wins STEP3 Grant:** Vermont was in the top tier of 24 states that were awarded STEP3 grants to assist small businesses in global trade and export. The \$163,000 grant (effective Sept. 30, 2014) will go toward helping businesses attend Discover Global Markets Greater China Business Forum in New York in October, the MEDICA trade show for medical products in Germany in November, and help aviation suppliers attend Aeromart in Montreal in April, as well as support other trade activities. This will help the state continue the good work that the expired Leahy grants helped to spawn.

BUSINESS SUPPORT ♦ Ken Horseman, Senior Economic Development Specialist

- **New England Precision - Randolph:** The company is completing a major expansion adding an additional 80,000 square feet to their facility. Full time employment is at 70 with an additional 10 planned for the near future. Increases in business with fire safety companies for their sprinkler head products are fueling the growth. They had great praise for Efficiency Vermont and the assistance they have received. A Michigan company was recently acquired. The infrastructure upgrades to the industrial park present an opportunity for enhancements to their sewer and wastewater system.
- **Dubois & King - Randolph:** Business is strong and employment is now up to 101 full time. The company gave us a strong message that the high cost of doing business was a major impediment, and that future growth would likely be outside of Vermont. They report that filling positions is increasingly difficult due to the high cost of living. Uncertainty around healthcare reform is a concern. They would like to see the statute of repose addressed which puts the company in the position of having perpetual liability for projects. NH limits liability to 8 years.
- **Ultramotive - Bethel:** The company celebrated its third anniversary post-Irene which decimated the facility. They attribute assistance from the state and the dedication of their workforce to their ability to be in business today. They are awaiting news on several potentially lucrative new contracts which would result in the need for new training and assistance to accommodate the new business. A second CDBG-DR grant application will be forthcoming as they are still dealing with post-Irene issues.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- Represented ACCD along with Secretary Moulton at the Energy Efficiency and Renewable Energy (EERE) Workshop, including Assistant Secretary Danielson of DOE. Event was hosted by VEIC and included many federal DOE staff, representatives of the whole state congressional delegation, and multiple state agencies. Will follow up on multiple opportunities.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Congressional Visit Planned Concerning Dodd Frank & Captive Insurance:** Dan Towle, Director of Financial Services and Rich Smith, President of the Vermont Captive Insurance Association have scheduled meetings to go meet with Vermont's Congressional Delegation. Senator Leahy and Congressman Welch have introduced new legislation.
- **DHR Paperwork for New Captive Insurance Position:** Dan has completed the necessary paperwork for the new approved position that will be in captive insurance development. This position will allow Vermont to expand into new opportunities in captive insurance. We have not heard back yet from DHR.

OFFICE OF THE CREATIVE ECONOMY ♦ Lars Torres, Director

- **TechJam'14:** Working with Dealer.com and Seven Days to define and produce a PopTech! Styled session of talks during TechJam that combine an engaging personality with a story about a great technology and where it's headed. Room for about 6-9 presenters - if you have ideas send them my way.
- **WRIF Transmedia Competition:** This new initiative of the White River Indie Film Fest in partnership with Google will be launched at the Woodstock Digital Media Festival in November. The goal is to gather and reward the best examples of story-telling and the moving image across two or more platforms.
- **Cloud Tax Forum:** Group of software-based companies met with the Tax Department last week to review implementation language of the cloud tax. Overwhelming messages were: 1) a cloud tax further disadvantages Vermont-based businesses that have a lot working against them; 2) use tax shifts accounting burden from seller to consumer, which is crippling for small businesses consumers. As a meeting set up to identify ways to strengthen interpretation and guidelines for implementation it was not productive.
- **Creative Enterprises Survey:** Results of the survey are coming in, with interesting results. A few headlines include: creative enterprises business outlook is optimistic on job growth and revenue; top concerns are "churn" (sufficient job turnover), talent recruitment, and perception of state as not a home to tech. Top needs are networking (general and b2b); promotion; workforce; risk-tolerant start-up finance.
- **OCE Newsletter Out:** Lots of great news, events and resources for creatives. Please check it out and share widely! [http://us4.campaignarchive1.com/?u=6dff23ffa4be8acd6c21568c3&id=3f4ad7f479&e=\[UNIQID\]](http://us4.campaignarchive1.com/?u=6dff23ffa4be8acd6c21568c3&id=3f4ad7f479&e=[UNIQID])

Get ongoing update, images and news at the OCE blog: <http://vermontoce.tumblr.com>

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Deputy Commissioner Hollar

- **Staffing:** Reviewed staffing and budgetary possibilities for expanding the Grants Management Division's capacity to meet our CDBG and CDBG-DR grant administration responsibilities. We are not currently able to meet HUD's expectations for oversight, monitoring and reporting. Goal is to have a proposed staffing and position plan by next week. Approval by the Agency of Administration and Joint Fiscal Committee will ultimately be required.
- **The Future of Melrose Terrace:** Met with ANR, VCDP and the Division of Historic Preservation to share information and understand each other's perspective on the future use of Melrose Terrace. All have been invited to participate in a stakeholder process organized by Chris Hart and Jeanette White of the Brattleboro Housing Authority. Melrose Terrace, an 80-unit public housing project, was severely damaged by Tropical Storm Irene and is subject to repeated flooding. DHCD has committed \$5 million in CDBG-DR funds to build 55-units of replacement housing out of the floodplain. The fate of the housing at Melrose has yet to be determined. The properties are historic, attractive and have provided affordable homes for many years. But are also in a dangerous location along the Whetstone Brook, not an appropriate location for housing.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

- **Regional Planning Commissions:** Noelle, Faith and Chris met with a group of RPC Directors to further refine their RBA reporting measures. Next steps are to incorporate the changes into the forms and schedule a training for directors and staff. We hope investing time and energy on this now will save everyone time and improve the quality and consistency of the mid-term and final reports.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

CDBG-DR1 and CDBG-DR2

- In an ongoing effort to help VEDA use its \$2 million in EDA disaster recovery funds, Tamera and Ann participated in a conference call with Steve Greenfield and Carolyn Ridpath to explore packaging the loan funds with the CDBG-DR Business assistance grants for businesses. The EDA funds are intended not only for Tropical Storm Irene, but also for the lack of snow during 2012. To date, there has been no interest in the use of these funds and VEDA has only until May 2015 to use them or they must be returned. The funds are fairly restrictive as loan funds at 4% interest. The major need for businesses that might use the funds is to refinance existing debt, and EDA has denied that use. The funds are targeted for machinery and equipment and working capital. EDA does not want the funds used for physical repairs that would require environmental reviews and Labor Standards. We will continue to promote VEDA's program through our business assistance programs but there is very little interest and ability among businesses for taking on more debt.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- Devin and Laura had a conference call with Alexandra Lord and Patty Henry of the National Park Service's National Historic Landmark program to discuss the eligibility of Hubbardton Battlefield. The battle's significance to Vermont is clearly defined but additional scholarship is needed to address national significance. The NPS is inviting professional Revolutionary War scholars to review the documentation before a final determination is rendered on eligibility.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Work

- **CDBG-DR II-** Five grant applications totaling \$3M in requests from Cabot, Windsor, Woodstock, Royalton and Readsboro have been reviewed and scored by staff. Funding recommendations for these applications will be made by the VCDP Board next week. An additional 18 CDBG-DR grant applications are currently in process. Many of them are from communities seeking funding for infrastructure and downtown revitalization projects.

Regular CDBG

Applications

- **Town of Lyndon:** The town's application to assist Rural Edge with renovations to the historic Darling Inn did not meet threshold requirements and will not be brought to the October Board meeting. The Lyndon Town Plan is out of date and will not be adopted until the first week of November.

Existing grants

- **Town of Putney:** The town submitted their award conditions but additional information is required prior to the Grant Agreement can be offered for execution. The town anticipates having all conditions met before the next Board meeting in October.

Memorandum

To: Honorable Governor Peter Shumlin

From: Commissioner Annie Noonan

Re: Weekly Report – Week Ending September 5, 2014

Workforce Development

Rutland Plywood Job Fair is today. We have 27 employers attending, including IBM. Other employers include Peckham Industries; Hubbarton Forge, Cambridge Valley Machine, Jeld-Wen, Vermont Country store, SMX, JJ Young, and others. Holiday Inn in Rutland is the venue and has been very helpful in the preparations.

Vermont Yankee: The lay-off date is January 18, 2015. On September 16th, from 1pm-8pm, VDOL staff will be doing UI and Workforce Reemployment workshops for the Vermont Yankee staff. VDOL (Morgan Sailer-Carlisle) remains the point person for the VY work with the 3 state-DOL coalition, and the regional economic partner organizations, in the work with VY. VDOL is also helping with the Windham Job Fair, which will have some employers from NH & MA, but primarily from Windham County. On 9/4/14, Morgan met with Dave McElwee from Vermont Yankee to tour the Training Facility on Ferry Road in Brattleboro, a possible site for the job fair and workforce presentations. We will be able to fit between 40-45 vendors comfortably. VY would prefer to have the job fair on one of their sites. Morgan explained the UI Mass lay-off spread sheet to Dave and forwarded this on to Randy Hughes (HR) last night. They will begin to put this together. Some VY people will be leaving before 1/18/15 because they have accepted jobs with other Entergy sites and need to start before January 18, and other staff are choosing to retire before the lay-off date.

IBM: VDOL (Noonan, Tivnan and Kupersmith) attended a 3-hour meeting with IBM HR and Division Managers to discuss their recruitment problems in the production unit. VTC and CCV were also in attendance. CCV is promoting a 'ramped up' Career Readiness Certificate, and VTC appears to be more focused on the pipeline for the technical positions. I engaged in a somewhat frank conversation with the 4 IBM managers about some of their hiring protocols that are likely contributing to their inability to recruit: (1) concern about job security given all the media reports about IBM's future in Vermont; (2) low wages vis-à-vis other employers in Chittenden County: they are paying \$12 and \$13.50 for the 2 titles, with no pay raise during the entire 36 months; (3) their long-term-supplemental hires (of which all of these folks would be) is for 36 months and then they "must" (by IBM-Vermont's own 'business model') let them go regardless of whether or not the employee is doing a great job and regardless of whether or not IBM has plenty of work that would justify their continuation. They said that "on rare occasion" they can extend a 36-month LTS employee (I told them that this 'business model' is not conducive to recruitment or retention, and they admitted they have 'significant retention' problems among the 'talented' people they do hire because those people are attractive to other employers and are 'hired away'. (5) despite the fact that they can offer a permanent job to a LTS/36-month employee after the 36-months' end, they have only hired about 4-6 people in the past year from that group; (5) they work 12-hour shifts, and expect people to agree to overtime in increments of 2-to-8 hours at times; (6) they work a 2-on-3-off-3-on-2-off schedule with every other Saturday, which isn't a terrible schedule, but it can make it very difficult for child care arrangements for younger workers. I suggested to them that their wage scale, lack of pay increases, media stories on their future, and their 'business model' / unwillingness to extend people after 36 months are likely the contributing factors to their recruitment problems. On the plus side, the LTS employees can opt into purchasing some health and dental coverage, and they get 10 days of leave time annually. Despite all of these obstacles, the hiring managers were very engaged and wanting VDOL to assist them with a wage analysis, job fairs, targeted recruitment, etc. I will assign 2 staff people to the IBM "project" for several weeks. VDOL can generate an applicant pool, which is what the hiring managers said was their "number one need/priority". An issue that you should note is that the CCV and VTC

proposal (which is in writing) has a lot of costs associated with it, and I don't believe that IBM will put up any money toward the CCV and VTC proposals.

Other issues: We are working on hiring for our vacant grant writer/RR coordinator position. VDOL is hearing rumors about General Dynamics layoffs/closing. Our RM in Rutland/Bennington attended the Mack Molding meeting with Commerce; and RM in Barre is scheduled to meet (again) with GW Plastics. As a point of interest, VDOL RM's have regularly been in touch with both employers, so if they are saying the State has not been helping them, that's not an accurate representation.

Veterans: VDOL submitted our mandatory 5-year plan and it appears that USDOL has accepted it with minor changes. We are in the process of hiring the program supervisor, vacant since Donna Nobrega accepted the federal position. VDOL (Noonan, Tivnan and Farr) attended another meeting with the HR Directors at National Life, along with other veterans' advocates, to discuss NL's program to hire Veterans. NL is asking VDOL to help them with their goal of doubling their veteran hiring. VDOL would like to do a big event for Veterans Day for the Hire our Heroes program. We are working with our veterans' advocacy partners and the VANG.

UI and Wage & Hour Division

For the week ending 08/30/14 we took 1663 calls. We paid 3,671 claimants during the week ending 08/30/14 compared to 4,046 for the prior week. We processed no mass claims for week. UI staff are working on the consortium project in accordance with federal deadlines.

Grants: We have the Adult Tech Ed grant apps out and back. We are working on the Internship and the Regional Workforce grant apps. We are looking at the new SNAP grant application. As a point of information, VDOL has approved and signed the VTC grant for Apprenticeship classroom instruction, but VTC's performance needs to significantly step up this year, including their program director and the manager. I have clearly stated my concerns to Dan Smith, and have ongoing concerns. I am aware that Dan Smith has spoken to the 5th floor about his concerns that VTC might lose the grant, and frankly, if they don't perform better this year, that is a real possibility. VDOL has finalized all our edits on the ABAWD (Able-Bodied Adults without Dependents) grant, and are awaiting DCF's signatures. We think the work is going well, although it is interesting how many of the ABAWD referrals from DCF simply do not show up for their work-connection appointments with VDOL. We suggested to DCF that the program needs to have money to enable VDOL to do incentive based work with this population.

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

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[All Insurance] 800-964-1784
[Securities] 877-550-3907
[Banking] 888-568-4547
www.dfr.vermont.gov

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: September 5, 2014
Re: Weekly Report

Susan L. Donegan

Legal Department:

The department testified Thursday before the Legislative Committee on Administrative Rules (LCAR) on proposed amendments regarding the Insurance and Banking Divisions. The proposed change to the insurance rule relates to the Commissioner's authority when dealing with insurance companies that may be in hazardous financial condition. Two of the proposed banking rule changes allow for the modernization of banking regulations: one regarding mortgage brokers and the other relating to non-discrimination in financial services. All three passed.

Banking Division:

According to the Conference of State Bank Supervisors (CSBS) 2014 Q2 Mortgage Monitor Report, Vermont earned the number two position in the U.S. for the largest growth in reverse lending based on 2013 data. A reverse mortgage is a loan available to a homeowner age 62 or older who may be eligible to borrow against the equity in his or her home. With a reverse mortgage, money is received from a lender while the homeowner continues to live in the home. No payments are due as long as the homeowner lives there, keeps the property in good repair and pays property taxes and insurance. The loan must be repaid when the homeowner dies, sells the home, or moves to a different primary residence. The amount that can be borrowed depends on homeowner's age, home value, equity in the property and current interest rates. The money can be accessed as a lump sum, a line of credit or a combination of the two, which is then added to the principal balance. The CSBS report indicates that Vermont saw a 110 percent growth rate from 2012 (141 loans) to 2013 (311 loans). Maine had the largest increase in growth in reverse lending at 121 percent. The rise in popularity of reverse mortgages is due to the greater number of retirees, modest income streams and the lag in the real estate market, which are driving older Vermonters to consider these types of loans. This increase is not surprising given the age demographic of Vermont's population. Maine has the largest percentage of older residents; Vermont is number two.



CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: Sept 5, 2014
Re: Weekly Report

Status of Governor's Priorities: .

Legislative Issues/Contacts:

LCAR meeting yesterday for rules change on Hot Lotto game. We ended game in May so rule was repealed. No issues.

Press Issues/Releases/Contacts:

I spoke with a periodical about gambling and lottery demographics using information from recent market surveys we have done. Nothing special.

Significant Events/Meetings:

none

Evolving Issues:

none

Summary of Key Agency Department Activity:

We received 7 proposals for our website RFP – great, more than anticipated.

I attended DLC commission meeting on Wednesday to explain our new vending machines and answer any questions they may have. Went well. I will provide list of agents to DLC so they can be aware of machine locations and any concerns.

Executive Director's Commentary:

Nothing at this time.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin

FROM: Secretary Brian R. Searles

DATE: Friday, September 5, 2014

SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Meeting with MTQ Cancelled

A meeting called a "Knowledge Exchange" involving staff from VTrans and the MTQ, scheduled for the Capital Plaza next month has been canceled due to a ministry ordered full out-of-province travel ban until next fiscal year (Spring, 2015). This was to be the first meeting with the MTQ in nearly two years and the cancellation continues the frustration with the level of communication since Premier Charest left office.

FOIA Request on Plane Use

We are processing a request from Paul Heintz of 7Days for any and all information concerning your use of the state plane. Chris Cole has talked with Liz Miller about this and we are working to complete the requirements of the request.

NOTES FOR STAFF

EEO Results Filed for "External" Workforce

We have recently filed our 2014 Annual Federal-Aid Highway Construction Employment Data Report to the FHWA. VTrans currently has an external work force of 1,695 employees, up from 1,475 in 2013. This is due to our ambitious capital program this summer. Our external workforce is comprised of 1,525 males (90%) and 158 females (10%), not including on-the-job trainees. Subtracting 34 women administrative employees, the percentage of women in the external work force is 7.3%, exceeding the agreed upon goal of the FHWA of 6.9%. The OJT program has been very successful this year and includes 8 women and 4 minority men working in a wide variety of skilled and semi-skilled classifications.

Centerline Rumble Stripes Public Outreach

Public outreach regarding the proposed installation of these safety features on Vermont roads continues through the summer. A total of five public meetings have been held to

date, the latest in Rockingham to present the eastern half of the VT 103 project from Clarendon to Rockingham. The education component has been well-received and most of the response has been favorable. The next session is scheduled for Sept. 9 in Mount Holly.

Transit Technology Projects Moving Ahead

The General Transit Feed System (GTFS) project is on track and on budget and will result in the baseline data compilation for a trip planner service in conjunction with Google Transit. The data will be publicly available for any other public trip planner who wishes to use it and will enhance the accuracy of any available data.

In addition, the Vermont Public Transit Association with the assistance of VTrans is preparing for their statewide implementation of a new scheduling and dispatching system for human services transportation.

VTrans & NRB Prepare for Implementation of Impact Fees

Staff from both organizations will meet next week to discuss a draft memorandum of understanding between them on the implementation of Act 145 which authorizes VTrans and Act 250 district environmental commissions to establish and apply transportation impact fees.

The full text of the act is available on the legislative website:

<http://www.leg.state.vt.us/docs/2014/Acts/ACT145.pdf>

Snowplow Roadeo

The VTrans Maintenance team had a training session at the District Garage (D5) at The Fort in Colchester. Known as the Snowplow Roadeo, drivers compete through a proscribed obstacle course, and the champions now have the chance to compete in a national snowplow competition. Representative Brennan as well as Chris Cole and Deputy Secretary Minter competed (for fun), and while no one wants to admit it, the rookie won the competition.

Transportation Chairs Meeting

Sue and Chris met with Representative Brennan and Senator Mazza (at The Fort, on break from the Roadeo) to discuss several items of interest to the legislature, including the Rescission plan which is being presented to JFC on Friday. Other items included: rumble stripes policy update; work zone safety issues (given recent worker fatality); the Colchester Park & Ride land acquisition; political sign dramas; and TMDL (general issues this raises for transportation).

Media interest

- a. Rescission Plan: VPR (Peter Hirschfield) is developing a story on the T-fund revenue decline and the Rescission.
- b. Bridge innovation story: We interested AP (Wilson Ring) in a story about one of our innovations -- "Bridge in a Backpack", which is under construction in Fairfax. We also described a series of innovations in the Accelerated Bridge Program, and the innovation

awards we received from FHWA as a state at the leading edge of change/innovations at the national level.

Motor Vehicle Crash Facts

Fatal Crashes **August 26 – September 1, 2014:**

- 8/26/14: East Randolph, VT 14. Single vehicle hit pedestrian crossing the road.

Pedestrian fatality.

- 8/31/14: Lunenburg, US 2. Milk tanker roll over, struck guardrails. Driver not wearing seatbelt was ejected. Driver died at scene.

--**2014** Fatalities: **29 Total** – **22** vehicle operators (6 motorcycles; 1 snowmobile), **3** passenger and **4** pedestrians.

As of **September 1 in each calendar year:**

<u>Year</u>	<u>Fatalities (people)</u>	<u>Fatal Crashes</u>
2014	29	28
2013	43	40
2012	56	50
2011	33	30

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Harry L. Chen, Acting Secretary of Human Services
Re: AHS Weekly Report
Date: September 5, 2014

Good Afternoon,

Please accept the following as the Agency's weekly report. In addition to the change in leadership accomplished at DCF, I attended the HROC, the Legislative Child Protection hearings and plan to participate in the Governor's Pathway from Poverty public input session. I have also had meetings with Senator Jane Kitchel and Representative Ann Pugh to hear their comments on the effectiveness of the Agency. Last Friday, I had a successful meeting with the Editorial staff of the BFP with a similar one planned with the Herald/Times Argus.

Vermont Department of Health (VDH)

Public Disposal of "Sharps":

The Burlington City Council is concerned about the increasing reports of used needles being found in public places. They are looking into placing containers in public locations so that people could safely dispose of found or discarded needles. The Howard Center is also involved in assisting with disposal through their Safe Recovery program. The VDH will be attending a meeting next week regarding the planning of this important health safety topic.

Hydrocodone Emergency Rules:

On September 4th, the Legislative Committee on Administrative Rules unanimously approved the extension of the emergency rule that conditions the prescription of hydrocodones formulated without abuse deterrent formulations. The VDH recently met with a panel of providers to gather comments on the proposed, permanent rule.

Cyanobacteria (blue green algae):

On September 2nd, the VDH was notified of category 2 (less than bloom levels but cyanobacteria visually present) conditions within close proximity of the Alburgh Fire District 2 (Alburgh Springs) public drinking water treatment plant. The drinking water operator and Department of Environmental Conservation (DEC) staff were notified. Sampling of raw and finished water was submitted for analysis of cyanotoxins (microcystin and anatoxin) to the public health laboratory. The microcystin results from both raw and finished samples collected were non-detectable (< 0.16 ppb). Both DEC and the water operator have been notified of these results.

Board of Medical Practice Actions:

On August 27, 2014, the Board publicly posted charges that were issued against Poultney internist and pediatrician Michael Scovner. In a 72-page charging document, the Board set forth 15 counts of unprofessional conduct. One count alleges a failure to comply with federal statutes and regulations regarding the dispensing of controlled substances; all the other charges allege failures to meet the standard of care in prescribing controlled substances. A status conference is set for September 5th.

Advanced PIO: Health and Hospital Emergencies Training:

The VDH field tested FEMA's Advanced Public Information Officer Health and Hospital Emergencies training (August 26-28 in Montpelier). This is the first time ever this course has been offered outside of the training facilities in Anniston, AL. Twenty-five representatives from state-level and district office public health and hospitals participated.

Ebola Outbreak:

The 2014 Ebola outbreak is currently affecting four countries in West Africa. This large Ebola outbreak does not pose a significant risk to the U.S. public, but has increased the possibility of patients traveling from the impacted countries to the United States. On September 5th, VDH and FAHC staff will convene a conference call with Vermont hospitals to ensure that hospital staff has the information they need to provide care safely, and potential areas of concern have been addressed.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH):

The VPCH is preparing to open the five-bed unit next week. This will again increase the number of beds available. VPCH continues to be on track to having all 25-beds on line later this fall.

Brattleboro Retreat (the Retreat):

The Retreat completed their Plan of Correction (POC) regarding the Centers for Medicare and Medicaid Services (CMS) visits and citations. The POC has been accepted by CMS and is on the DMH website. CMS has until October 6th to make a site visit to verify the POC is in place.

Representative Anne Donahue:

Anne Donahue inspected records at DMH last Wednesday. She asked for a follow-up document, which was provided. She contacted the Retreat about a Critical Incident Report (CIR) on an out-of-state child she thought should have been provided. The Retreat sent DMH the CIR and it was sent to Anne.

Morgan True – Vermont Digger:

Morgan True from VTDigger is now looking into the Retreat incident which Anne Donahue has been interested in (that of an out-of-state child). The child's mother has filed a formal grievance against the Retreat (Anne Donahue was cc'd on the letter). Mr. True requested a copy of the letter which was provided. Mr. True is asking for other documents as well as additional information. Commissioner Dupre anticipates a story about how we are not jumping to provide

documentation when he demands it. DMH has given him a time on Thursday to review records. He appears to have calmed down.

Rutland Mental Health Services (RMHS):

DAIL and DMH have been Investigating RMHS's use and oversight of a home care provider contracted by RMHS. DMH is in the process of scheduling a meeting to include DAIL and Agency representatives to discuss this matter. Due to the amount of people involved, scheduling has been difficult but it is expected to occur within the next week or so. A separate call with Medicaid Fraud was held on September 4th.

Lengthy Stays:

ER's and Corrections experienced an increase in stays through the Labor Day weekend, but they are now settling back down.

Department of Disabilities, Aging and Independent Living (DAIL)

Michael Yudin, Assistant Secretary of the Federal Dept. of Education to visit VT next month: Vocational Rehabilitation (VR) leaders look forward to welcoming Michael Yudin, Assistant Secretary of the Federal Dept. of Education. Mr. Yudin oversees Special Education and the Rehabilitation Services Administration (RSA).

Several outlets continue to inquire about Brattleboro Retreat Plan of Correction:

We continue to provide all information that is permissible for release.

NYC NBC: News 4 at 7 to feature a segment on a VT dementia program known as Oasis:

Commissioner Wehry will appear Friday night on NBC Cable station COZI-TV to discuss the Oasis program which has been used successfully in nursing homes in Vermont (and Massachusetts) to improve dementia care.

Designated Agencies continue to balk at deadline for providing data about respite:

Writing on behalf of the designated agencies, Julie Tessler warned today that the Council is worried the available data on respite utilization and self-directed expenditures in Developmental Services may provide a distorted picture of how bundled payments are actually applied. Commissioner Wehry continues to try to reassure the agencies that there will be no rush to judgment and we need to start somewhere to clarify how funds are being used.

Department of Corrections (DOC)

Joy Ride Leads to Two People Facing Serious Charges:

Cody Crary, currently under low risk supervision for Careless and Negligence, was involved with another person in stealing skid-steers from Beauregard Equipment in Colchester. The two individuals took the skid-steers onto Interstate 89 at a top speed of 10 miles an hour. The two culprits are now facing Grand Larceny charges.

Population:

The Department's incarcerated population averaged 2,054 for the previous week. The male population averaged 1,901 with 338 being presentenced. The female population averaged 153 with 31 being presentenced.

Maize:

Maize the first dog to be in the Dog Therapy training program for Veterans at Springfield Facility will be coming to the Central Office on September 10th to become acclimated to being around more people.



Department for Children and Families (DCF)

New Executive Director for Vermont CAP Agency:

The Community Action Agency in Southwestern Vermont known as BROCC has hired a new Executive Director. This agency has struggled with leadership issues for the past year. Carol Flint has been selected as the new Director. Her resume includes years of experience with anti-poverty programming, community economic development and family services. She grew up in Vermont and has served both appointed and elected positions in town government. She is a great addition and we are excited to see what she will bring to the table.

Department of Vermont Health Access (DVHA)

Vermont Health Connect:

Project Risks/Issues

- Renewal/Open Enrollment: Due to unknowns of technical capabilities of the current live version of Vermont Health and lack of complete business process, the 11/15 federal deadline for open enrollment is at risk.

- Next steps: Complete 1st draft of project schedule; work with contractors to validate proof of concept (POC) of the technical plan; develop an operational contingency plan if POC fails.
- Additionally, Optum Amendment 2 needs to be finalized and executed immediately so that development work can begin to accurately assess the issues to be resolved prior to November 1.
- The high probability risk that Optum will not be completely prepared to assume full Maintenance and Operation (M&O) support on October 1st remains. This risk may be exacerbated by delays in obtaining an executed contract and supplemental grant funding. SOV will need to make accommodations to Service Levels during the first few weeks as Optum becomes fully operationalized. SOV leadership signing the Amendment will need to be briefed and clear on the risks to the State as CGI exits and the transition completes.
- Funding is needed to support Optum 4th Quarter efforts: M&O Support, New development such as Change of Circumstance and Automated Renewals, and ongoing Operations Staff Augmentation. Amendments 3 and 4 need to be drafted and ready for execution as soon as the Supplemental Grant is approved. The Supplemental request is contingent on approval and direction from the Finance Sub-Committee as well as decisions from operational leadership. The funding needed likely exceeds the amount SOV can request through the supplemental, so another grant request may be needed. This would be submitted October 15th.

Program Integrity Investigation:

The Program Integrity Unit has determined that Dr. David Toll, a pediatrician with a background in pathology in St. Johnsbury, has some questionable billing practices.

Dr. Toll has been named by WCAX as a “savvy senior” and was recognized by the Governor in the last year.

Dr. Strenio and Suzanne Webb from DVHA’s clinical unit will be visiting Dr. Toll to begin a dialogue about these practices on a professional level to determine if he is billing correctly.

116 STATE STREET
MONTPELIER, VERMONT 05620



OFFICE OF THE SECRETARY
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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: September 5, 2014

Secretary's Top Issues

Dairy Section received a complaint from the Illinois Department of Health on a foreign object found in some Vermont made ice cream. The inspector for that Vermont plant is starting an investigation and the Dairy section has been in contact with Illinois and is contacting the person that found the object to try and determine what it is and if it is from the plant how can we prevent it from happening again.

The Dairy Section is wrapping up the renewal of milk handler licenses of the over 200 license holders. Along with making sure their sanitation is in order we have on file over \$30,000,000.00 in bonds or letters of credit to protect Vermont dairy farmers from losses from non-payment for milk.

State veterinarian, Kristin Haas, worked this week with a private veterinary practice and colleagues at the Department of Health to advise a training barn owner on management of a horse that was exposed to a confirmed rabid skunk. Recommendations to limit unnecessary human contact with the horse and to monitor the animal for abnormalities over the next 45 to 60 days were made. A formal quarantine will not be issued.

Water Quality Specialist Staff are responding to odor and manure spreading related complaints from the general public.

- The odor complaint was received from Addison County.
- Two manure spreading complaints were received from Franklin County and lead to two field inspections. No water quality violations were observed and the inspections were used as a cross training effort between ARMs staff.

Act 250 – 9(B) Criterion Review

The VAAFM took the following actions during the month of August. The Agency issued 10 review letters for proposed projects that triggered review under criterion 9(B) under Act 250. Of the review letters sent, 6 projects did not require any mitigation due to findings that indicate *de minimis* impacts to primary agricultural soils, or soils do not meet the definition. Two review findings result in 4.78 acres of primary agricultural soils preserved for on-site mitigation. The remaining 2 projects potentially require the payment of off-site mitigation fees totaling \$68,373 (32.98 acres), and we are awaiting a decision from the District Commission to determine if “appropriate circumstances” have been met to allow for mitigation flexibility.

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MONTPELIER, VERMONT 05620



OFFICE OF THE SECRETARY
TEL: (802) 828-1619
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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: September 5, 2014

Status of Governor's Priorities:

Legislative Activities and Issues

State Veterinarian, Kristin Haas, communicated this week with Senator Leahy's office regarding the Veterinary Medicine Mobility Act, which was recently signed by President Obama and which was initiated collectively by the state animal health officials in the New England states. Senator Leahy was a co-sponsor of the bill, and his office contacted VAAFM to inquire as to whether there had been any negative feedback on the law since its passage.

Significant Events/Meetings:

A conference call of the Vermont Antibiotic Residue Avoidance task force was held this week to move forward on implementation of a residue avoidance HACCP plan in Vermont. The first step of this implementation will include bringing in trainers to educate Vermont veterinarians on how to engage their clients on this issue. It is hoped that implementation of this program will further reduce the incidence of violative antibiotic residues in VT food.

Secretary Ross, Deputy Secretary Bothfeld and Dairy Section Chief Scruton met with Alison Hooper of Vermont Creamery to discuss importation of goat's milk from Canada, the growth of the dairy goat industry in VT and regulatory issues on importation. VT Creamery received a significant portion of their goat's milk from Canada due to a lack of supply in VT. This milk can cross the border but in VT Statute, the farms producing the milk must be inspected. The Canadian farmers have some concerns and VT Creamery is worried about losing this supply of milk and being on a level playing field with other US states and their requirements to take in goat's milk from Canada. Agency has discussed importation with other US states and we are on a level playing field. Alison also discussed goat dairy being developed in Randolph for 500 milking goats. Will be model for other Vermonters to learn about the business. To meet supply needs at VT Creamery will need 8 to 10 - 500 goat dairies in VT. Agency will assist in getting information out to farmers and linking in the lending community to the viability of larger scale goat milk dairies.

Evolving Issues:

Dairy Section received a complaint from the Illinois Department of Health on a foreign object found in some Vermont made ice cream. The inspector for that Vermont plant is starting an investigation and the Dairy section has been in contact with Illinois and is contacting the person that found the object to try and determine what it is and if it is from the plant how can we prevent it from happening again.

State veterinarian, Kristin Haas, worked this week with a private veterinary practice and colleagues at the Department of Health to advise a training barn owner on management of a horse that was exposed to a confirmed rabid skunk. Recommendations to limit unnecessary human contact with the horse and to monitor the animal for abnormalities over the next 45 to 60 days were made. A formal quarantine will not be issued.

The Animal Health section staff provided technical assistance this week to a dairy barn owner in Franklin county by disinfecting the barn where the incoming dairy herd will be housed. The event allowed the section to practice donning and doffing Personal Protective Equipment, including N95 masks, and to use the power washing equipment that it has. The barn owner will be invoiced to offset mileage to and from the farm and the cost of the disinfectant used.

Summary of Key agency Department Activity

Administration:

Land Use:

Act 250 – 9(B) Criterion Review

The VAAFM took the following actions during the month of August. The Agency issued 10 review letters for proposed projects that triggered review under criterion 9(B) under Act 250. Of the review letters sent, 6 projects did not require any mitigation due to findings that indicate *de minimis* impacts to primary agricultural soils, or soils do not meet the definition. Two review findings result in 4.78 acres of primary agricultural soils preserved for on-site mitigation. The remaining 2 projects potentially require the payment of off-site mitigation fees totaling \$68,373 (32.98 acres), and we are awaiting a decision from the District Commission to determine if “appropriate circumstances” have been met to allow for mitigation flexibility. The Agency testified at three District Commission hearings. Additionally, the Agency is tracking 13 open applications that require a response requiring follow up from the Applicant, Agency site visits, and/or ongoing correspondence between the Agency, Applicant and District Commission.

The Agency drafted one Mitigation Agreement for \$18,771.75. The Agency followed up on outstanding Mitigation Agreements across the State. Follow up action on these agreements led to the immediate payment of one mitigation fee and enforcement action against 2 applicants.

Rural Enterprises

Deputy Secretary Bothfeld, Chief Policy Officer Smith, Commissioner Noelle McKay and Faith Ingersal from ACCD implemented a stakeholder meeting on Rural Enterprises. The agency reviewed survey results on rural enterprises (value added ag enterprises) and discussed possible solutions to the issues facing farmers, town administrators and rural residents. These rural enterprises are adding food systems jobs to VT but are causing some issues in towns. Current statutes do not address these changing businesses – farm to rural enterprise. Working groups will be formed to address education of farmers, municipal officers and rural residents and a second group will address possible statute change. A second stakeholder meeting will be held in Woodstock at the end of the month.

Agricultural Development

Farm to School Network engages in strategic planning at Shelburne Farms:

- 40 farm to school stakeholders joined VAAFM and VT FEED (Food Education Every Day) for four daylong systems mapping and strategic planning sessions on September 1-4.
- Innate Strategies consultant Scott Spann lead farm to school partners, including congressional staff, legislators, state agencies, NGOs, and funders, through each planning sessions focused on four topic areas: schools, supply chain, government, and community development/sustainability.
- Participants will gather again on October 29 & 30 to create and adopt the strategic plan for the future of farm to school activities in Vermont.

Sodexo announces their Vermont First Commitment Strategy at VTC:

- Sodexo, an international food service management company that serves over 34,000 institutional and corporate daily meals in Vermont, announced a Vermont First commitment to increase the amount of local food they will purchase.
- Sodexo is the 4th largest purchaser of food in the world and currently claims 15% of food served in Vermont is local, representing \$16 million in revenue to Vermont businesses. Their Vermont Commitment strategy will grow that amount.
- The event was well attended by the media and appreciated Governor support, Secretary of Ag leadership, and collaboration with various supply chain partners – VSC Chancellor Tim Donovan, Black River Produce and Best of VT as local distributors and Sysco as the headline distributor.
- Sodexo's Vermont First commitment will help us expand Vermont's farm to institution sector by:
 - Supporting the production and purchase of local food
 - Connecting Vermont producers with year-round institutional markets
 - Investing in our Vermont producers to meet their production needs and enable businesses to buy more local; and
 - Tracking progress toward reaching local food procurement goals.
- Media links:
 - [VT Digger](#)
 - [Burlington Free Press](#)
 - [Vermont Public Radio](#)
 - [Times Argus](#)

VAAFM collaborates with BGS on tracking % of local food purchased by State of Vermont:

- As a result of a successful Vermont Public Managers project, "Opportunities for Increasing Local Product Procurement in State Government", VAAFM and BGS are engaged in an effort to track local food purchases under state contracts.
- VAAFM staff and interns are working to establish a baseline metric of the % of local food procured within all state contracts, including: correctional facilities, state hospital, state cafeterias, Veterans home, police academy, etc.
- Baseline % of local food procurement per facility will help facilitate increasing local purchases and allow thresholds to be established during contract negotiations.

VAAFM releases wholesale and institutional market supply survey to Vermont producers:

- VAAFM released a producer survey to better understand Vermont producers' interests and needs in serving institutional and wholesale markets.
- The survey's goal is to identify opportunities for producers to access wholesale and institutional markets. These markets include larger grocery stores, K-12 schools, universities and hospitals.
- In particular the survey looks to identify what markets producers currently serve, what capacity producers have to serve institutional and wholesale markets, and what services and assistance producers would find most helpful to better serve these markets.
- The results from this project will be shared with different food-focused community groups as well as statewide service providers to help them develop meaning technical assistance, workshops, and informational sessions.
- Surveys are due to VAAFM by September 15, 2014. Our goal is to have 100 producer responses. Currently, we have 80.

VAAFM Development Divisions hires new Senior Ag Development Coordinator:

- Ali Zipparo comes to VAAFM from UVM Extension, where she coordinated a young farmer business development program- the Center for Sustainable Agriculture's Youth Ag IDA Program.

- She came to Vermont in 2009 as a VHCB Farm Viability intern, while she was finishing her undergrad at Smith College, and never wanted to leave. After working for VHCB, she did work for the Farm to Plate report, co-authoring several sections and working on benchmark data. Since then, she has worked for American Farmland Trust, the Vermont Attorney General's office and Senator Bernie Sanders. She is currently taking her last course for a Master of Public Administration at UVM. She lives in Burlington, where she serves on the city's Development Review Board.
- Ali will support our Agency's work through her leadership role in farm to school programs, local food procurement in state government, and local food promotion events.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

FSCP Division Director, Kristin Haas, and Consumer Protection section chief, Henry Marckres, met this week to discuss succession planning for the Consumer Protection section. At Haas' request, Marckres proposed four options for CP section structure that take into account the Agency's evolution with respect to maple industry expertise, FSMA, Weights and Measures and farmers market responsibilities. These proposals will be discussed with VAAFM Secretaries in the coming month so that a track can be chosen with which to move forward. It is hoped that this pre-planning will better position the Division to absorb the anticipated increased workload that will come with FSMA and the other aforementioned initiatives.

Dairy:

Tragedy struck in the dairy industry this week when Donald Plumley, a milk hauler, lost his life when the tractor trailer and tanker load of milk he was hauling went off the road in Lunenburg.

We received a complaint from the Illinois Department of Health on a foreign object found in some Vermont made ice cream. The inspector for that Vermont plant is starting an investigation and the Dairy section has been in contact with Illinois and is contacting the person that found the object to try and determine what it is and if it is from the plant how can we prevent it from happening again.

The section is wrapping up the renewal of milk handler licenses of the over 200 license holders. Along with making sure their sanitation is in order we have on file over \$30,000,000.00 in bonds or letters of credit to protect Vermont dairy farmers from losses from non-payment for milk.

An agreement was reached with a goat dairy farmer that had been accused of processing milk into cheese and kefir without a license and failing to file required reports in a timely manner. The parties have agreed to a reduced penalty along with a suspension of the remainder of the penalty provided there is a cessation of the milk handler activities, pulling down of the web pages advertising the inappropriate products and the timely submission of reports moving forward.

Agricultural Resource Management:

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

- Staff contacted Capital Equipment Assistance Program (CEAP) applicants to verify whether or not they intend on purchasing the equipment in their grant agreements. This is an effort to cancel active grant agreements if the farms are not intending on using grant monies as they had intended.
- Staff conducted two technical assistance visits on MFOs in Addison County. The farms are working with the Agency's BMP program to install conservation practices for water quality.
- Staff conducted a compliance check-in visit with a MFO in Franklin County that is constructing a new barn for animal housing. The concern is that the building may fall under the LFO rules for animal housing construction as the farm is near the LFO animal threshold.
- Staff are responding to odor and manure spreading related complaints from the general public.

- The odor complaint was received from Addison County.
- Two manure spreading complaints were received from Franklin County and lead to two field inspections. No water quality violations were observed and the inspections were used as a cross training effort between ARMs staff.
- Staff are drafting inspection reports and memos for complaint investigations, enforcement actions and ongoing inspections.
- Staff finalized gathering and updating inspection, compliance and BMP information for MFOs and LFOs in Franklin County.
- Staff are gathering information on MFOs and LFOs as part current and potential cases for the Attorney General's Office.
- Staff met with ANR-DEC to discuss compliance concerns on MFOs and LFOs and to discuss next steps for potential enforcement.
- Staff are working with ARM Division engineering staff to assist with development and implementation of BMPs on several MFOs and LFOs.
- Staff finalized scanning and sent EPA requested MFO farm information. EPA reviewed the files of several MFOs and requested information out of many of the farm files they reviewed.
- Staff are continuing to work with NRCS to fund NRCS winter crop applicants that do not have contracts with NRCS for this coming fall. The Farm Agronomic Practices (FAP) Program may be able to assist farms that applied for NRCS funding and have yet to receive a contract. There are currently 56 farms that requested but have not received funding for winter cover cropping this fall. About half of the necessary information has been collected and 32 farms have been contacted to gather information for the FAP grant program.
- Staff are processing and developing grant agreements for the FAP Program for the current fiscal. Grant agreements have been sent to farms for field practices.
- Staff are continuing to process LFO permit applications and permit amendments. There are several farms that have submitted permit applications for building, expansion and general operation. Four permits are ready for signature by Secretary Ross.
- Staff are working on developing the water quality section of the new CAI USA Food Safety water quality database. The release of a testing environment should be occurring in the near future.

Conservation Reserve Enhancement Program (CREP):

- Staff prepared for upcoming field visits to farms with potential CREP projects.
- Staff attended a no-till soil health workshop at a MFO in Waterford. The event received a grant from the Agency's FAP Education and Outreach Grant Program. The event was to educate and show how the farm has been using no-till planting for corn in conjunction with manure injection.
- Staff visited a SFO in Orleans County to flag out an eight acre CREP buffer for the farm to review prior to signing up for the CREP program. Agency staff also used this visit to train and work with ARS staff.
- Staff attended a Lake Carmi water quality discussion with DEC and Agency representatives.
- Staff conducted field visits and discussed BMPs on a SFO and MFO in the Lake Carmi watershed with a DEC basin planner, watershed group volunteer and other Agency staff.

Secretary's Comments:

Legislature:

- Attended the Joint Fiscal Committee meeting on 9/5 for a discussion of Lab development, and of the proposed federally funded Food Safety position.

Meetings:

- Met with Doug Lantagne, Dean of the UVM Extension Program
- Met with Allison Hooper, President of Vermont Creamery and former President of the American Cheese Society.
- Met with members of the Department of Environmental Conservation to discuss water quality, gap watershed ideas, and other mutual concerns.
- Attended a Margin Protection Program (dairy pricing safety net) event in East Montpelier with Deputy Secretary Bothfeld.

Upcoming Issues and Events:

- Preparing for the NASDA conference in Burlington where we will host 43 Secretaries, Commissioners and Directors of Agriculture from across the country and over 200 other attendees.

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Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: September 5, 2014

Subject: ANR Weekly Report

Legislative Issues/Rulemaking:

ANR/AAFM Laboratory: The House Institutions Committee met to discuss lab siting recommendations. BGS, ANR, AAFM spoke on behalf of siting a new collaborative laboratory at Vermont Technical College in Randolph. The Committee voted unanimously to approve the recommendation to the Joint Fiscal Committee. The Senate Institutions Committee also discussed the proposal and voted unanimously to approve the recommendation. The next step in the process is a hearing before the Joint Fiscal Committee. If approved, the lab design, siting, and programmatic proposals for the VTC site will need to be completed by December. In addition, we will need to report to the House Institutions Committee on the governance model for collaboration between the agencies, the process and goals for collaboration with VTC, and a plan to gain staff input.

Solid Waste Infrastructure Advisory Committee Meeting: This committee, created by Act 175 of 2014, is charged with considering issues related to the implementation of the Universal Recycling Law (Act 148 of 2012). The Universal Recycling Law ensures that consistent, convenient recycling, food scraps, and waste collection services will be available statewide by 2020. This solid waste advisory committee will specifically consider and make recommendations on infrastructure, funding and governance needs to effectively implement the law. The first meeting was held this week. Representatives from Solid Waste Management Districts, independent towns, VLCT, retailers, haulers, and consulting solid waste policy expert Ted Siegler of DSM attended.

Water Quality Standards Revisions: The responsiveness summary for comments received during the rule making public hearings on the Water Quality Standards amendments is nearly complete. The next step in the formal rulemaking process will be to move to LCAR. This

standards update is long overdue and addresses a number of updates that will bring them in line with current standards nationally in the case of toxics, to reflect current scientific knowledge in the case of coliform bacteria, and to align our standards with national policy direction in the case of nutrients. We have engaged in a full stakeholder involvement process and the standards reflect input from those stakeholders and experts, so we do not expect any significant controversy.

Press Issues/Releases:

VT Fish & Wildlife: FW Seeks Bear Teeth from Hunters; Two Killington Men Cited for Shooting Bears Illegally; Lake Champlain Fish and Wildlife Management Cooperative will Treat Six Rivers and Three River Deltas to Control Sea Lamprey Populations; Vermont's Big Game Reporting Stations for 2014; Federal Grant to Help VT Bat Research.

Lake Champlain Funding and Northern Lakes Initiative: We got good coverage for the announcement by US Agriculture Secretary Vilsack of a five year \$45 million dedicated package for improving agricultural practices in the Lake Champlain watershed received significant media attention. The media focus on this event also provided an opportunity for AAFM and DEC to highlight our initiative to focus intensively on addressing water pollution into the northern bays of Lake Champlain and Lake Carmi. This initiative was formulated to respond to heightened concerns about nutrient runoff into the lakes from agricultural runoff in light of the blue-green algae blooms.

Significant Events/Meetings:

E-Waste Contract & Manufacturer Opt Out Programs: The two-year state contract for the collection, transportation, recycling of electronic waste was signed this week with the National Center for Electronics Recycling (NCER), a non-profit organization located in West Virginia which has implemented a similar contract in Oregon for the past four years. NCER will subcontract a portion of the contract to Northeast Recycling Council of Brattleboro. The authorization of a Manufacturer Opt Out Program was also approved this week. Sixteen manufacturers will opt out of the state contract and will implement their own collection programs. Good Point Recycling and Northeast Resource Recycling Association are the administrators for the manufacturers. The contactor and manufacturer opt out program will begin collection on Oct 1.

Pending DOH Manganese Health Advisory: DEC and DOH staff met to discuss the pending manganese health advisory and its impact on the public drinking water program. This health advisory will be 300 ppb, which is an order of magnitude greater than the existing secondary Maximum Contaminant Level (MCL). Public notice was discussed to ensure sensitive populations are adequately informed (pregnant women and young children). DOH intends to do a press release in October, and encouraged our public drinking water program to target community, school, and daycare systems. DEC is compiling a plan to address DOH's concerns. Feel free to contact David, Tracy Dolan (Health) or me if you would like more information about

the new information about the potential health risks related to manganese that has led to the need for this advisory.

Results Based Accountability: With the assistance of Sue Zeller, DEC completed its second Results Based Accountability training for division directors, managers and supervisors. 55 have been trained in total. DEC's internal RBA Performance Team will now work with divisions to move to the RBA framework for our FY16 Performance Based Budget and to begin laying the groundwork for our FY16 strategic plan.

State Fair: Rutland County Forester Chris Stone and Stewardship Forester Lisa Thornton have put a great deal of work into organizing the forestry building at the Rutland fair. The forestry building has multiple interactive displays exhibiting the history, benefits (economic, recreation, water quality and habitat) of sound forestry and land management.

VY Interagency Group meeting (VT Yankee/Entergy): The interagency group made up of DEC, ACCD, DEMHS, Department of Health, Public Service Department, and the Attorney General's Office held their regular monthly meeting. Discussion focused on the agency resource needs for sustaining emergency response planning and those needed for review of the decontamination and decommissioning and site restoration, as well as providing for a meaningful review of draft technical documents, while maintaining transparency. Next steps include continued exchanges among technical staff and discussions with Entergy regarding potential avenues for technical document exchange. The Public Service Department is also planning a series of public meetings of the newly reformulated citizens' advisory panel.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs

EAN/Solar developer work group – Solar Guidance: Bi-weekly meetings amongst state agencies, a representative group of solar project developers, Energy Action Network and REV resumed on Sept 3 after a brief hiatus. The meeting was facilitated by EAN and OPLA staff. OPLA presented the first working draft of a Solar Siting Guidance document that compiles and summarizes existing regulation, policy and technical guidance relevant to the siting of solar projects. The solar development community had requested this compilation of all available guidance and agency policy in order to make that information more easily accessible. The intent is for the guidance to inform developers' site selection process, resulting in projects that are easier to permit. As with any group, the reaction was mixed – many of the more experienced developers welcomed the draft and found it consistent with their past regulatory experiences, while other less sophisticated developers seemed overwhelmed by the amount of information and level of environmental regulations that currently apply to development permitted through the Section 248 process. ANR solicited feedback from the workgroup and will continue to refine the guidance over subsequent meetings. Guidance from PSD, AG, the Division of Historic Preservation and others involved in solar permitting will be added to subsequent drafts.

Melrose Terrace: OPLA staff joined DEC River program staff and leadership and staff from ACCD to prepare for next week's stakeholder meeting facilitated by the Brattleboro Housing Authority and Jeannette White to discuss the future disposition of the Melrose Terrace elderly housing facility. Melrose Terrace has experienced a history of major flooding and was significantly impacted during tropical storm Irene. Much of the facility is located within the FEMA floodway and floodplain. The Housing Authority has worked with HUD, ACCD and others to relocate many residents, but given the housing shortage in Brattleboro is looking for ways to continue the use of some buildings at the site. The purpose of the Sept 4 meeting was to share information between agencies so we are prepared to provide the best technical assistance and information possible to the stakeholder conversation next week.

VAPDA: OPLA staff represented ANR at the Sept 4 meeting of the Vermont Association of Planning and Development Agencies. ANR updated VAPDA on ongoing efforts to develop guidance around the new criterion 9L changes to Act 250, the development of the above reference solar siting guidance, efforts to improve statewide coordination of invasive species management, the upcoming 2014 Municipal Day conference scheduled for mid-November, and the Department of Health's Health Impact Assessment work and interested in engaging with VAPDA around those activities.

New Applications: Week of Sept 1, OPLA received 1 new Sec. 248 application and 5 new Act 250 applications.

Environmental Conservation

Online Permitting: DEC's two pilot programs have been testing the functionality of their online application forms (nForms). They are working with our consultant, Windsor Solutions to remedy the identified issues. Data integration will begin mid-September. Once the two pilots are fully operational, the online permitting forms will be rolled out across DEC.

Frank W. Whitcomb Construction Corp: We will be pursuing a citation against Frank W. Whitcomb Construction Corp. for failing to comply with its visible emissions limits at its hot mix asphalt plant located in Colchester. The violation was noted and documented during a July inspection of the facility.

Vermont Bread (Brattleboro): A final permit was issued to Vermont Bread Company for ethanol/VOC emissions from the bread baking operation. This is the second of four permits to be issued to bread baking operations. Koffee Kup was issued previously. The application for Lepage Bakery in Brattleboro has now been received. A draft permit is expected soon for Westminster Cracker in Rutland.

Kingdom View Compost: AAFM and DEC staff met with Eric Paris, Owner/Operator of Kingdom View Compost, Brandon Carpenter of USDA NRCS, Dave Redmond of UVM Ext., and Paul Tomasi of Northeast Kingdom Waste Management Division in Lyndonville. Eric Paris called the meeting to discuss funding options for an aerated static pile compost system. The new system will cost \$67K, and would allow the company to bag compost and potentially build an

anaerobic digester to process both manure and food waste. Grant and loan ideas were generated. Eric aims to attain and utilize funds before the ground freezes. DEC staff are reaching out to ACCD to discuss potential funding options.

Fish & Wildlife

Access Area Improvements: The access area program has completed a number of capital upgrades to boat ramps. In total, six areas were improved around the state. Five of the projects were ramp reconstructions and one was a shoreline stabilization to curb erosion. Three other larger projects have been designed, permitted, and bid out. However, limited funding, higher than normal water levels on Lake Champlain, and high bid prices have caused 2 of 3 projects to be delayed by a year.

Waterfowl: The majority of the week was spent banding, baiting and maintained banding sites daily. Staff attempted to conduct four rocket net shots this week. Only three occurred; Sandbar 93-birds captured, Dead Creek 94-birds, and Little Otter Creek 110-birds. Whitney Creek's shot did not occur because the birds were being harassed by two young eagles the morning of the shot. Three hundred birds were on site the night prior to the attempt.

Waterfowl Enforcement: Nuisance goose complaints are constant. This week the resident goose hunting season begins and should result in reduced complaints. One individual was charged with illegally shooting geese he felt was causing damage in the town of Windsor.

Search & Rescue on Snake Mountain (Addison): Wardens responded to assist local and state police in a search for overdue hikers. The hikers were successfully located and guided out of the woods. The search ended at 2 am!

Greene's Rush: Staff conducted the final monitoring of the Greene's Rush propagation test plots at a gravel pit in Wenlock WMA. We concluded that the effort did not identify a viable method for propagation of Greene's rush. We then mapped the existing patches of the state endangered rush in the area and concluded that some patches have disappeared entirely, while others have decreased in size and/or density over the past 6 years. This is likely due to succession of surrounding forest and herbaceous cover in the area; active management (woody vegetation removal) will be necessary to retain the existing plants.

Red-Footed Tortoise Found: Staff met with Christina Hazelton of the [Upper Valley Reptile Group](#) and turned over to her a red-footed tortoise found wandering in Charlotte (likely an abandoned pet) and an American green tree frog (found on a potted plant in a supermarket). The Upper Valley Reptile Group will find appropriate homes and provide reptile care guidance.

Two illegally imported snakes seized at Essex Champlain Valley Fair: Wardens seized two illegally imported Burmese python snakes from a vendor at the Champlain Valley Fair. Not only were the snakes unpermitted they also were being allowed to be handled by fair-goers which is also illegal. The vendor was charged for each violation and the snakes were seized.

Forest, Parks and Recreation

State v. Riendeau (CONFIDENTIAL ATTORNEY CLIENT PRIVILEGED ATTORNEY WORK PRODUCT): A mediation in this case was held on Aug 29 and the parties reached a settlement agreement. The settlement documents are currently being drafted, so this settlement is not yet public or approved by the Court. This case involved violations of the heavy cut law, 10 V.S.A. §2625 and discharges to state waters while logging without the AMPs implemented and without a permit, 10 V.S.A. §1259 (a). The complaint filed by the state included penalties of \$183,000 for multiple AMP violations and heavy cut violations on properties in Albany and Wheelock, VT. The settlement terms are as follows: Mr. Reginald Riendeau will pay penalties of \$60,000 and admit to violations of the heavy cut law and water quality violations; Mr. Riendeau will hire a consulting forester to plan future logging in Vermont and layout and implementation of the AMPs on such logging jobs; and Mr. Riendeau will provide 15 days written notice to FPR prior to starting any logging job in Vermont. This information is confidential until the settlement documents are filed with the Superior Court.

Forest Legacy: Staff have nearly completed an on-site assessment of the Molly's Falls Pond property which will greatly aid in developing an overall management strategy and estimating associated costs for managing this parcel. Project narratives are being prepared as part of the Forest Service grants for the expanded Groton Forest and Windham County Forest Legacy projects. Vermont's Forest Stewardship Committee will be meeting next month to review new Forest Legacy project applications.

Green Mt Club Plum Creek Camp: Department staff met with VHCB and VLT later this week and early next week to discuss the Green Mountain Club's proposal to rent the "Headwater's Camp" on Plum Creek land to hikers, and whether such use is allowed under the working forest and public access easements that encumber this property.

License agreements discussion related to entities who attach to existing power lines on state land. Lands Administration staff met with the Agency of Administration and Department of Public Service this week regarding the Department's proposal to require entities that attach to existing power lines within approved utility ROWs on state land to obtain a license agreement from the Department. Utilities must generally accommodate requests from attaching entities to locate on their poles, as per PSB rule. However, most attaching entities do not have an underlying license agreement with the Department for use of state lands.

Attendance at State Parks: Visitation is still 8% ahead of 2013 to date.

Backcountry Ski Trails: Rutland district staff, along with the Vermont Land Trust and the US Forest Service, continue reconnaissance of illegal cutting for backcountry skiing on Coolidge State Forest, and are working on methods for better educating the users and raising awareness about the issue. They also placed a number of directional signs to help prevent skiers from getting lost coming off the back side of Killington.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: September 5, 2014

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

BED: Billing issues announced today were coordinated with Neale Lunderville (BED) and Geoff Commons. BED, at the Department's urging, agreed to commit to not seeking recovery in future rate cases, which made this easier. PSD issued a press statement.

VY: Received go ahead from other agencies and departments, including AGO on our proposal to Entergy on settlement of the EPZ issue. Plan to send that to them later this afternoon. We will have to provide comments to NRC by the 22nd of this month on this issue.

Charter Cable CPG Renewal (Docket 7820): The Department and Charter will continue settlement discussions at a meeting scheduled for September 3rd. PSD recommended approval subject to the inclusion of finance-related CPG conditions. The Department recommendation was filed August 15, 2104. Subsequently, Charter served discovery on the Department and responses are due September 12, 2014.

VGS - Addison Expansion Phase 2 (Docket 8180): Vermont Gas provided discovery responses on August 29 to the requests made on its rebuttal testimony. These responses are being reviewed and the Department continues to draft rebuttal testimony which is due September 12. We have also continued MOU negotiations with VGS which had earlier been terminated. Both CLF and ANR are interested in potentially joining in these settlement talks. I met with Don Gilbert on Monday to go over problems we were having in the field with respect to records, procedures and cooperation. Think we got it straightened out (see Engineering and PA sections below for more info).

Meetings this Week:

Sept 2 – Chris and Darren EIP meeting at ACCD, GMP/NRG press conference; Chris 5th Floor Entergy briefing; Darren DEV stakeholder meeting at VEIC; Chris Mtg with Don Gilbert
Sept 3 – Chris 5th Floor Northeastern Utilities meeting; Darren and Asa DOE workshop/Sanders; Chris, Darren, Asa 5th Floor EIP meeting; PSD meeting re Charter settlement discussions
Sept 4 – Chris NESCOE GIG call; Darren St. J Solar Summer event: NSA Industries tour, Corrections press conference; Darren/VPIRG meeting
Sept 5 – Chris and Darren 5th Floor Energy Transmission Corridors follow-up meeting; Chris, Jim Porter, Jeb Spaulding – Division for Connectivity transition discussion; PSD/AIV legislative studies discussion; Darren RUS Collateralization meeting with EVT

Meetings next Week:

Sept 8 – Chris VEDA Board conference call; Cabinet Meeting; Darren/Tony Klein meeting
Sept 9 – Chris, Darren meeting with Peter Rothstein of New England Clean Energy Council; Darren meets with Tim Ashe, Robert Dostis
Sept 10 – Chris lunch with Mary Powell; Chris to Boston for NECPUC dinner meeting; Darren Governor's Council Energy and Environment meeting
Sept 11 – Chris on Regional System Planning panel at ISO-NE conference in Boston; Asa attends EV purchase incentive options meeting at ANR
Sept 12 – PSD meets with GMP and IBM, to discuss proposal to build 5 megawatt net metering project at IBM campus; Darren/REV meeting; Chris attends National Assn of State Departments of Ag event at Shelburne Farms

Media: Media coverage of GMP/NRG announcement. VPR and Channel 7 cover solar summer in St. J. CR speaks with J. Herrick and Talyor Dobbs re: VGS and BED. Issued press statements on BED overbilling issue and Lifeline Awareness Week.

Everything Else:

PERD

Thermal Energy Finance Pilot Program

- Final revisions to draft grant agreements were made and sent to grantees; anticipate having grants signed by second week of September.
- PERD staff met with both credit unions on Friday to continue working on program designs (e.g., interest rates).
- PERD staff met with EVT and the two CUs to further develop details for eligible products, incentives, timing and marketing. Discussed using the terms from EVT incentives as the eligibility criteria for financing, but this needs further discussion internally. Also worked on marketing plans and meeting with the fuel dealers to finalize program roll-out.
- Working towards a soft launch of Phase I (furnace and boiler upgrades only) on October 1, with full launch by January. This will allow the program to coordinate financing with EVT's new furnace and boiler standalone incentives.
- EVT will work on a process to include building performance contractors in the Energy Excellence Network and we'll then expand the financing program to include other thermal efficiency measures and thermal renewable energy systems in January.

Total Energy Study

- Consolidated Graphs for Economic Impact Results Section into Summary Figures and began final draft.
- Continued review and drafting of PSD final report, which will highlight key insights gained and questions raised as a result of the TES effort, and summarize the process and results from the Dunsky report and the PSD REMI analysis.

Integrated Resource Plans

- Met with GMP with regard to the power supply portion of their IRP. GMP shared some of their spreadsheet model inputs to the IRP, including description and estimated output from owned and purchased assets. Discussion ensued about what to assume for treatment of RECs and Vermont renewable requirements. A meeting was scheduled for Sept 11 to continue to do a deeper dive on 'renewability' questions.

Net Metering

Net Metering Activity 8/15/14 – 8/22/14

Registrations*	Applications	CPGs Granted
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Count	26	2	33
kWAC	189.793	200.00	239.578
Ave Size kW	7.299	140.000	7.0464

Cumulative Capacity of Registrations and Applications Submitted

Year To Date		Total Since 1999	
2013 kW	2014 kW	1999 – 2014 kW	% of 15% CAP
7507.61	12884.47	51432.47	~ 34.30%

*Note: As of April 1st projects up to 15kW are now eligible for the registration process. Prior to this change, systems larger than 10kW were required to file an application.

Engineering

VY Returns Repaired Reactor Water Clean Up Pump to Service

As reported last week, VY determined that it was necessary to replace a leaking seal on the "B" train Reactor Water Clean-Up (RWCU) system pump. (While not a safety system, the RWCU system is connected to the Reactor Coolant System and does maintain reactor water chemistry within licensed limits for the plant.) Based on additional information from VY engineers, the following is a clarification of last week's report: Repairs to the B-Train RWCU pump seal were completed by removing the pump from the system (during which time the A-Train RWCU pump was used as necessary). After completing repairs, the pump was tested and reinstalled in the RWCU B-Train. The RWCU B-Train was returned to service on Thursday, August 28.

2014 Vermont Gas Systems Addison Transmission Pipeline Construction

The Department Gas Engineer and Attorney conferenced with multiple VGS operational and regulatory affairs personnel to provide the company with additional clarity and purpose related to several requests for information pertaining to construction of the Addison Natural Gas Pipeline (ANGP) Project. The Gas Engineer and Supplemental Inspector also inspected several ANGP construction processes during this report period. Inspections included further review of the company's operations, directional boring, pipe bending and personnel qualifications during pipeline installation.

Docket 8308, Proposal for CNG facilities

The Department Gas Engineer and Division of Fire Safety Hazmat Chief reviewed our respective jurisdiction and roles to approve Compressed Natural Gas (CNG) facilities in Vermont and monitor the safety related to these facilities. The Engineering Division provided revisions to a Memorandum of Understanding between parties related to a specific proposal for CNG facilities located adjacent to the Vermont Gas Systems Inc. transmission pipeline in Swanton VT.

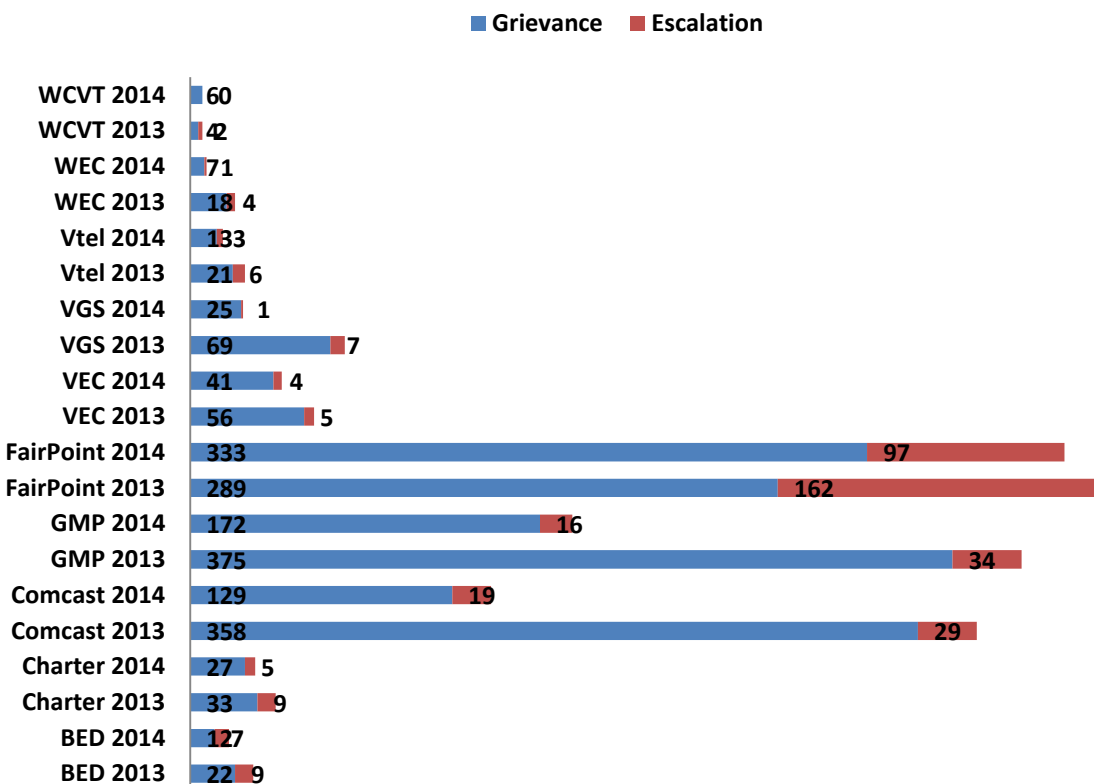
The revisions are critical to ensuring an appropriate level of safety in the vicinity of the Swanton facilities and the petitioner's potential customer locations.

Vermont Electric Coop Accident

The Department was informed by VEC that on August 29th two of its employees were burned in an electrical accident at the Smugglers Notch ski area during routine work on a transformer installation. One employee suffered 1st and 2nd degree burns to the face, while the second received 1st degree burns to his face. Both were rushed to Fletcher-Allen Hospital where the one with only 1st degree burns was treated and released, and the other was admitted for treatment. Both employees were wearing proper protective equipment, which prevented any more serious injuries. Engineering will inquire into the cause of this accident pursuant to 30 VSA § 207, and will work with VOSHA, which will also be investigating this accident.

CAPI

Number of Complaints Investigated, by Company YTD 2013 and 2014



CONSUMER COMPLAINTS

Complaint topics included, but were not limited to:

- (3) Broadband availability

- (2) Payment arrangements on disconnection notices
- FairPoint:
 - (6) No phone service
 - (2) Attempting to establish new service
 - (1) Billing
 - (1) Lines needing to be moved to new pole, since 4 years ago
 - (3) Repairs, delay in repairs
 - (1) Disconnection

POST CPG WIND COMPLAINTS

- Georgia Mountain: (1) for noise and health, including visit to emergency room.
- Kingdom Community Wind: (1) for noise

OTHER DIVISION ACTIVITY

FairPoint: CAPI is concerned about significant service interruption and delays in phone service restoration for consumers. CAPI shared data on complaints of this nature with the Telecom division. The divisions have been working together to initiate a process to engage the company in being accountable for and addressing the problems. Initially, the divisions sought to propose an investigation to the Public Service Board, however, we have chosen a different path be followed given concerns about interfering with labor issues and a desire for immediate attention to the matter.

PSD Website: CAPI has reached out to members of the management team for feedback on needs for the new website. Input will be used to develop a scope of work for a contract with a web developer.

Energy Summit: CAPI has begun to plan the Annual Energy Summit, which will be held on 10/10 in Barre. This annual training allows all of the Vermont electric utilities, Vermont Gas, consumer assistance programs and various state and local consumer resource agencies to gather to discuss the Public Service Board rules, the upcoming winter electric/gas season, funding and assistance options, and available consumer resources. The Energy Summit is an excellent opportunity for the Department to interact with the utilities and the agencies that we use for consumer referrals, and helps all participants assess and prepare for the upcoming winter season.

Lifeline Awareness Week: CAPI is drafting a public service announcement pertaining to the National Lifeline Service Discount Awareness Week, which occurs September 8th through the 12th. The Lifeline Service Discount program offers income-qualified individuals discounts on their basic local telephone service. The intent is to broadcast this PSA on Vermont public access channels and distribute it to local agencies who work with the individuals that may benefit from this program. PUCs nationwide are developing similar campaigns for the Week.

Public Advocacy

Addison Expansion—Docket 7970 – The Department filed testimony from its aesthetics consultant on the Old Stage Road re-route. VGS has served discovery requests on this testimony and responses, which are due September 16, are being drafted. The Town of Monkton plans to file a motion asking the Board to reconsider its recent approval of VGS's soil management plan. Vermont Gas has joined appellant Kristin Lyons in requesting oral argument before the Supreme Court.

Energtek-North Country—Declaratory Ruling that CNG facility is not subject to Board jurisdiction - Docket 8303- Engineering staff continues to review the draft MOU and has asked informally for additional documents. It is anticipated that the Department will support the requested ruling much like we did in the NG Advantage matter. A filing is planned for later this week or early next week.

Rule 4.100 Winooski One Proceeding – Docket No. 8010 – The Board issued an order setting an aggressive schedule for this proceeding, requiring testimony from the Department by August 29 and providing for rolling discovery with a short response time (5 calendar days) until September 19. The Department met the initial deadline of August 29 for filing testimony. However, given that the Department does not know what discovery requests it may receive, the Department will file a motion for reconsideration of the schedule (though it will state its intent to meet the requirements where possible). The motion is due September 8. Responding to discovery will likely entail further work from La Capra—the consultant retained by the Department to develop market forecasts underlying the avoided cost rates filed by the Department. Because the initial \$15,000 contract has already been fulfilled, Department staff is currently in the process of getting approvals for an additional \$15,000 contract to cover additional, litigation-related expenses.

Hardwick Electric & Hill Farmstead Dispute – No Docket – Hardwick and Hill Farmstead Brewery have had an ongoing dispute about upgrades to the system that are needed to accommodate planned expansions to the Hill Farmstead Brewery. Recently, after a productive meeting between Hardwick and Hill that was facilitated by Department staff, Hardwick revised the system upgrades it claims are necessary to support the expansion. This revision results in a significant reduction in the scope of necessary upgrades. On September 3, the parties met for the second time. At long last, Hill and Hardwick reached agreement on the necessary upgrades and approximate costs. Rather than the initial proposed upgrade (at an approx. \$100k cost to Hill), the parties agreed that a less significant upgrades would be more than adequate (at a cost of approx. \$12k to Hill). At this point, the Department considers our involvement finished, barring some unforeseen further developments or disputes.

VGS – 2015 Base Rates Filing – On August 28, VGS made its annual base rate adjustment pursuant to its alternative regulation plan. The filing reflects an overall firm rate reduction of 0.70 percent. This is down from its projection set forth in its preliminary assessment, which showed a projected increase of approx. 1.5 percent. Much of the reduction is due to VGS's removal (at the Department's urging) of Phase I capital costs, as well as deductions from the

System Expansion Fund. The Department's consultants are currently at VGS headquarters reviewing supporting documentation, so further changes remain possible. The consultants will file their report on Sept. 11, and the Department's recommendation will follow two weeks after that.

NextSun Solar – Main Street – Docket 8195 – The hearing officer issued his PFD recommending the PSB approve the project and issue a CPG, subject to usual and expected conditions. Comments are due by September 4th. The PSD reviewed the PFD and informed the PSB that it does not intend to file comments.

Vermont Water Utilities Proposed Rate Increase – Tariff 8517 – The petitioner responded to PSD informal discovery requests. The PSD and the owner had numerous discussions aimed at resolving this rate increase. Unfortunately the rate request is based on numerous inaccuracies and estimates that are not supported by documentation. The owner has requested the PSB delay the effective rate increase until November 1st in order to give him additional time to correct and support his filing. The PSD and the petitioner negotiated additional changes to the rules.

Poles Treated with Pentachlorophenol – Docket 8310 – VELCO submitted comments supportive of the agencies working group proposal with two suggested changes. VELCO suggests (1) increasing the size of the working group from 12 to 13 members in order to accommodate a fifth utility stakeholder representative and (2) requiring that any significant expenditures and costs be subject to PSB review and approval. A number of the utilities joined VELCO's filing.

VELCO/GMP Bennington Substation Project – Docket 7763 – The petitioner forwarded the post-construction aesthetic report, which the PSD has requested our aesthetics expert review.

GMP White River Junction Substation Project – Docket 8322 – The hearing officer issued a prehearing conference report basically adopting the schedule proposed by PSD, ANR and the petitioner. GMP is scheduled to submit their environmental report during the week of September 22nd.

Investigation into Comcast Disconnection and Billing Practices – Docket 8224 – The Board issued a Memorandum on August 27th soliciting comments from Comcast and the Department on physical disconnections. Responses are due on September 10th.

GMP Section 248 Winooski Reconductoring – Docket 8264 - The Hearing Officer issued a Memorandum containing several questions for GMP, responses to which are to be submitted in writing in lieu of presenting live witnesses at the technical hearing on September 15th.

Comcast Charter Merger – Docket 8309 – Comcast/Charter have provided second round discovery responses, focused primarily on Comcast line extension activity, to the Department. The Department is evaluating potential conditions to place in a likely MOU with petitioners to

be filed by September 10. The Board must issue a decision on the petition by October 15, 2014 under federal law.

Cold River Solar – Docket 8188 – The Department is drafting an initial brief in the wake of technical hearings. The Department did not execute an MOU in this proceeding involving a 2.3 MW facility in Rutland Town, but it generally supports the project provided that adequate CPG conditions are put in place. Initial briefs are due September 22.

Seneca Mountain Wind – Docket 8067 – The Vermont Supreme Court remanded the town of Newark’s appeal of the MET tower CPG to the Board after SMW terminated its land leases at three of the four MET tower sites. The Board asked that interested parties file comments to help determine whether further Board action is necessary or if the issues on appeal are moot given the SMW lease terminations. SMW filed a copy of its SCOV brief regarding the mootness question with the Board, arguing that the appeal is not moot. SMW has erected and is operating one of the four MET towers authorized by its CPG, and will be able to operate until 2018. Furthermore, SMW argues that it may, under the CPG, establish new lease arrangements and construct MET towers in all four locations while the CPG is operative until 2018. The Department was not an active party to the SCOV appeal and did not file any comments with the Board here.

Demand Resource Plan Proceeding - EEU 2013-01 – The PSB held a short workshop to ask a few questions on the Joint (PSD, VEIC, BED) filing on Quantitative Performance Indicators. Final Comments are due on 9/12 with a target date of 10/10 for a PSB Order. Given agreement between parties and no previous comments by other stakeholders, PSD does not anticipate filing comments. Board staff inferred they would recommend adoption of the QPIs as filed to the full Board.

Definition of Stakeholder under EEU Process and Administration document - EEU 2014-04 – In this proceeding to ensure a mechanism for expedient handling of stakeholder complaints to EEU, PSD worked with Efficiency Vermont to develop protocols for the resolution and tracking of complaints from stakeholders who are not EVT customers (whose complaints are tracked under the EVT Service Quality and Reliability Plan (SQRP)). A joint proposal for a protocol was filed with the PSB on 8/28.

Finance and Economics

Electric

GMP –Tariff Filing 8521: Power Adjustor Q3 2014. For the quarter, GMP collected \$3.6 million more in rates than its actual power costs and with this filing has proposed to use \$2.2 million to off-set the remaining balance of the 2013 Storm Surcharge and retain the balance of \$1.4 million to off-set probable storm costs for the balance of this fiscal year. We have sent informal discovery questions to GMP. Staff is also performing a spot audit and requested supporting documentation for selected items on the Power Adjustor. PSD recommendation is due September 14, 2014

Gas

Vermont Gas Systems - VGS 2014/2015 Base Rate Filing: The Company filed its 'preliminary' cost of service on June 30, 2014 for the 2014/2015 rate year requesting a 2.34% or \$2,007,874 rate increase. This week we continue to review an updated 8/22 draft. Preliminary figures indicate there may be a 1.8% or \$804k decrease in firm rates after removal of Phase I capital costs and the use of rate payer provided funds. The decrease may become larger when we complete our onsite review next week. Its final cost of service is scheduled to be filed on August 28. Our recommendation on the August 28 filing is due on September 26, 2104.

Vermont Gas Systems - Special Contract 1003: VGS seeks approval for a Special Contract to provide interruptible CNG service to Agri-Mark. The interim agreement is for an annual minimum of 288,000 Mcf. Under the SC VGS will sell CNG to Agri-Mark which will be transported and delivered by NG Advantage. The SC is scheduled to terminate upon completion of VGS's phase I expansion to Middlebury at which time Agri-Mark will be connected directly to the VGS distribution network. The Department recommendation is due on or about September 10, 2014. We intend to approve the SC option.

Telecommunications

Telecom Plan Hearings – Division staff held hearings in Burlington, Brattleboro, Barre, and Rutland on the 2014 Telecommunications Plan. Attendance at these hearings varied with the highest attendance in Barre. Vermonters spoke on a wide range of topics. The majority of comments, however, involved broadband service. These hearings were held to satisfy the requirements of 30 V.S.A. 202d. The Department will consider these comments when it finalizes the plan.

248a – Staff completed a draft of the Public Guide to 248a. The guide will give residents information about the permitting process for cellular towers and the ways they can participate in 248a proceedings. Once complete, the guide will be available on the Department's website.

Wireless Telecommunications Facilities (248a) Report –

A summary of activity in the past week about wireless telecommunications facilities:

Date	Applicant/Location/Type of Filing	Brief Synopsis and if applicable DPS recommendation to the Public Service Board
9/3/2014	SBA and T-Mobile/Barton (Orleans)/full project application	Construction on the grounds of a golf course in a heavily wooded area of a 140' monopole with a 6' lighting rod on top; DPS recommended approval; V. Illuzzi seeks to intervene so applicants will co-locate on his tower.



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

To: The Honorable Peter Shumlin
From: Keith Flynn, Commissioner of Public Safety
Date: September 5, 2014
Subject: Weekly Report

Vermont State Police

A TROOP

On 8/30/14 at approximately 0335 hours, St. Albans Troops responded to a reported burglary attempt in Montgomery. As Troopers responded, it was learned that a school bus was seen traveling without headlights past the residence in question; the bus was subsequently located in the town of Lowell by Troopers from the Derby Barracks, and the operator of the bus was discovered to be the male from the burglary attempt. The male was subsequently lodged and charged with Attempted Burglary/Grand Theft of a MV/Operating w/out Owner's Consent (2 counts)/Possession of Narcotics & DUI.

Extra patrols have been established to assist Barre City PD with patrols from their recent rash of arsons.

Accidental death in Cabot, 70 year old rolled his tractor upon himself in a brook.

B TROOP

Increase in residential burglaries in St. J. area; troops worked together to develop several suspects. Brent Sarazin was identified as the top suspect and was arrested on an outstanding warrant. Troopers interviewed Sarazin and he confessed to 15 burglaries.

C TROOP

Bomb Threat at the Vermont State Fair in Rutland City. Troopers coordinated with Rutland City PD (false)

Armed Robbery at Cumberland Farms in Wallingford, investigation continuing.

Organized a search for two missing hikers on Snake Mountain; VSP teamed up with F&G and located the hikers uninjured and escorted them out.

Completed and executed search warrant at correctional center for inmate phone calls regarding importation of buprenorphine. Investigation continues

D TROOP

New Fraud/Theft Case Cambridgeport, Cheap Tubes Inc. business sold 6 kilos of Silver Nitrate to someone claiming to be from University of Minnesota. Delivery went to NC and not the university; victim never received \$21,000.00 for purchase. Case referred to FBI liaison Trooper Sweeny and North Carolina authorities contacted.

Daisy Lynch called for assistance because her soon-to-be-ex (Timothy Lynch) was extremely intoxicated with their child and he also slashed her vehicle's tires. Troopers arrived on scene and found that the vehicle's tires were not slashed and Timothy was also not intoxicated. No criminal violations. Daisy was provided a ride to a hotel in Brattleboro for the evening. THURSDAY: Timothy Lynch reported his wife cut him with a razorblade and was attempting to leave with the child. All parties were located at the residence. Timothy denied medical treatment. Daisy Lynch was taken into custody for domestic assault and cited and released with conditions.

Responded to a report of a parked vehicle and possible selling of heroin, located the subject, obtained consent to search the vehicle and ended up with a charge of Possession of a regulated Narcotic.

Investigating a fatal Pedestrian Motor Vehicle Crash. A Mother stopped her car to let her 14 year old boy out to get a package out of the mailbox. The boy got the package, but then ran behind the vehicle and out into the northbound lane of traffic. He was hit by a vehicle travelling north.

ARSON

Arson Investigation in Barre City on Tuesday. This was the fourth suspected arson in August to a vacant building. Offered assistance to Barre PD but they advised they did not have any leads. BCI detectives from Middlesex did assist with some interviews but nothing was turned up. At the end of the week Barre PD advised they may have developed a suspect and again advised they did not need assistance.

Arson investigation in Hartford. The fire occurred in a hotel room and was contained to the room. Sgt. Otis responded to the scene and did an origin and cause investigation. Sgt. Otis determined the fire was intentional and then worked with Hartford PD on Wednesday and Thursday. Sgt. Otis and Hartford PD arrested a male for arson and false information on Thursday.

Arson Investigation on Thursday in Waitsfield. Champlain Farm in Waitsfield has had 5 fires occur at the building over the last few weeks. The fires started outside with cardboard boxes and then the dumpster was set on fire. The business put two cameras outside the building and the fires stopped, briefly. On Wednesday night a fire occurred in the store room inside the building. The fire chief called to report this fire to the fire unit. Sgt. Lamothe and Sgt. Hill responded to the scene and determined the fire was intentionally set. The prime suspect is the store's assistant manager who also is a fire fighter on the Waitsfield FD. It was determined the suspect lied on his application for the fire department and did not disclose his criminal record.

DEMHS

Issues/Updates:

The \$1M PDA threshold was met (barely) from the 7/28/14 storm. The request from the Governor for a Presidential Disaster Declaration will be submitted to FEMA by the 9/5/14 deadline.

Director met with AOT to discuss the concept of soliciting a feasibility study to address the needs of each, along with possibly collocating Operations Center (SEOC / TOC) functions.

Extensive media coverage of the 3rd Anniversary of Tropical Storm Irene:
<http://www.burlingtonfreepress.com/longform/news/local/vermont/2014/08/28/rejuvenation-underway-waterbury-state-office-site/14711529/>. And frustrations with the pace of recovery in Brandon: <http://digital.vpr.net/post/three-years-after-irene-brandon-residents-want-town-office-and-park-fixed>.

Channel 3 did a story on home buyouts following Irene and other disasters. We provided numbers for all buyouts from 2011 through 2012, as requested.

Fire Safety

Issues / Updates:

The Division received \$12.5 Million in new plan review construction valuation collecting \$69,000.00 in permit fee revenue.

We have been extended an invitation to participate in the program (Across the Fence). I will have more on this in the very near future.

The arson fires in Barre City have stopped as the City is patrolling the city at night.

Two buildings at PICO Village were damaged early Wednesday morning due to a localized high wind event. Our Fire Safety Building Engineer, Fire Marshal and Electrical Inspector assessed the damage and we continue to work to get the fire alarm system on-line and electrical repairs made.

Criminal Justice Services

Public Safety Broadband Commission

A meeting of the Commission was held this week. There is not much news to report on Vermont's movement to participate with the FirstNet initiative. There were a couple of outreach opportunities in August where FirstNet was spoken about, one to the Vermont Chiefs of Police (18 people) and one to the local emergency planning group (9 People). Outreach is one of the components to the SLIGP grant. We are also in the middle of hiring a project coordinator, which will go a long way in moving Vermont forward with FirstNet.

Justice Information Sharing

Vermont will be a pilot state in the development of a data analytical store that will be used by researcher to compile information for evidence based practice decision making. As a result of our participating in the open justice broker consortium we were selected as to pilot the development of this new analytical tool. A data warehouse of incident based and conviction information (no person identifying information will be collected) will be created. Analytical tools will be provided to evaluate the law enforcement incident data and court conviction data for the purposes of providing evidence based information to key decision makers such as criminal justice system personnel and law makers so they can make deployment and programmatic decisions. This proof of concept project will have a tight time line with a completion of the pilot to occur within 10 months.



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Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Jeb Spaulding

DATE: September 5, 2014

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Interest to 5th Floor from BGS Directors:

White River Junction SOB: Fit up allowance is an issue. HVAC over estimates – evaluating changes/causes. DEW wants the State of Vermont to pay. Presently feel comfortable saying no.

Moves: 20 Houghton Street move to Federal Street – building will be ready 12/4, need to firm up move schedule.

Montpelier – 110 State Street:

Front Entry Porch: We planned to start construction on 9/8 and have Walker Construction shore up the gable porch roof, remove the 4 fluted columns (to be stripped off site), and rebuild/restore the column bases (\$23k). In preparation, scaffolding will be installed by others (\$1k) for Marineau to “Easy Strip” the gable roof (\$8k). Total estimate is \$35k.

Building Assessment: EMG was on site to perform a building assessment on Tuesday, August 26th. That report is due for review by BGS Administration this week.

Westminster - Public Safety: New Construction: Still waiting for the DRB permit. Need a final meeting with Public Safety to review the list of VCI furniture. A pre-bid meeting will be held in late September.

AG/ANR LAB (Mike Kuhn): Received approval for site recommendation from House and Senate. Working on presentation materials for Joint Fiscal Committee on Friday 9/5/14. Also working on scheduling of A&E Team introduction and programming effort in the next few weeks to proceed into conceptual design to get good numbers for the legislative session.

Waterbury: There were 196 workers on site at WSOC yesterday.

Media Contacts:

ITV (British television network) is doing a story on the mental health journey from Brooks to present new facility.

Significant Events/Meetings:

- Hunger Mountain Day Care/WSOC: Failed to close last Friday due to indemnification issues. HMDC board to review State of Vermont proposed documents Thursday evening.

FINANCE AND MANAGEMENT

Issue Updates:

Staff is in the process of conducting validation reviews on the results of the Self-Assessment of Internal Control Questionnaire.

Commissioner Reardon will present to the Joint Fiscal Committee on Friday, September 5th on the year-end status of the General, Transportation and Education funds. In addition, he will give an update on the FY15 Budget Adjustment and FY16 budget process.

As of the morning of September 4, 2014, the food fight fund has received \$248,376.64 in donations from 1,177 individuals/organizations.

HEALTH CARE REFORM

No report.

HUMAN RESOURCES

Significant Events/Meetings:

Class Action Requests for Classification Review: During the FY15 submission period outlined in the Collective Bargaining Unit agreements we received Class Action RFRs covering more than 600 positions in 8 agencies/departments. Under the new language in the CBAs class action RFRs may only be submitted between July 1st and August 31st.

Meeting w/VSEA: Initial meeting with new VSEA Executive Director, Steve Howard, was very productive. Commissioner Spellman and Deputy Commissioner Miner will be meeting regularly with Steve and VSEA leadership to develop a stronger strategic partnership. DHR staff report some shift in

the field to more positive collaboration. For example, AOT Ops leadership and HR staff met with the VSEA to discuss collaboration on recruitment efforts. A good opportunity for a positive partnership.

Evolving Issues:

- It appears that the future ANR/AG lab will be built in Randolph. It is anticipated that numerous employees who live in Chittenden County may opt to not make the move and exercise geographic RIF rights.
- Conducted first meeting of the Grievance/Arbitration Study Committee authorized by Act 154 (S.241). Future meetings scheduled for September, October and November. VSEA is very much in favor of binding arbitration and intends to revisit this issue in the legislative session.
- We are designing the supervisory training initiative to ensure supervisors start with their employees' strengths as the platform for supervision and performance management, and use disciplinary processes when necessary. We hope for results not only in employee engagement and productivity, but in grievance and disciplinary action in the long run. This is a strong strategic tool in working with VSEA to benefit employees. A second pilot of this material will be tested with the team members of select VCPM participants on Friday, September 12.
- Governor's Workforce Equity and Diversity Council (GWEDC): The next full meeting of the Council will be the afternoon of Tuesday, September 16. Commissioner Spellman plans to attend this meeting and make it clear that DHR is a strong supporter of their work.
- Performance/Data: The rescission exercise prompted a Recruitment protocol to manage the hold on posting jobs pending approval. It was helpful that jobs already posted did not have to be canceled, but the administrative impact of the rescission has been significant for Field and Recruitment. As of Monday, we have 456 active job openings.
- DHR will be contacting Agency and Department heads next week to set up a series of meetings with the leadership of all organizations. We intend to meet individually with all of them to engage in candid discussions about what is/is not working in their relationship with DHR. Information gleaned from the meetings will be discussed with appropriate directors and action plans developed and implemented to address deficiencies. The plans will be communicated to Agency and Department heads, along with on-going communication to ensure DHR services meet their needs.

INFORMATION AND INNOVATION

Evolving Issues:

As reported last week, certain forms on the info.healthconnect.vermont.gov Website were being used to share Personally Identifiable Information (PII) in a non-secure manner. Sean Sheehan, the site owner was contacted and the data was removed from the Website. UPDATE: The immediate issue is resolved and now Sean is working with DII Security to find a better process of communication.

A meeting was held 8/29 with the Health Department, CMO's Office and DII to help them determine the best path forward for redesigning their Website. They will be putting out an RFP for bids on the design they have created and then comparing the responses to the functionality present in the new State Web Template currently under development and based, partly on their design.

A contract is currently under development to expand the Open Data Pilot Project to a permanent Open Data Portal as an enterprise service for hosting public data.

LIBRARIES

No report.

TAXES

Legislative Update:

Ed Finance: As Tax, JFO and Ed staff prepare to commence background work for the Dec. 1 rate letter, Deb Brighton has uncovered another drafting issue from last year's Misc. Tax Bill. The legislature intended that the income sensitivity base rate be increased from 1.8 to 1.94. Given that the property tax adjustment is a look back it is not entirely clear when they intended the change to apply – the language conventions used in previous year rate bills were not followed. We are sorting out with JFO and Leg Council.

Top 100 Delinquent List: We will be issuing a press release advertising that the lists are coming, and that delinquent taxpayers will start to get warning letters. The first “soft” letters will start to issue next week to a wide group of delinquent payers warning them to come forward or risk publication.

VY Payments: Through Gerry Morris, VY proposed language for next year's Misc. Tax Bill to designate their \$5M as a “one time decommissioning tax”. VY suggested the language was “necessary” to make the payment; Molly Bachman reviewed and reported that no language was legally necessary (although perhaps desirable from their point of view for a tax deduction). In consultation with Sarah London, I have a call into Gerry to respond that we do not think a provision is necessary or desirable from our point of view since it would open up the bill to untold legislative proposals.

Operations:

Standard Operating Procedure for Appeals and Correspondence: Commissioner Spellman was leading her staff in driving through a SOP for appealed assessments, and overhaul of all of our correspondence related to the taxes in the first phase of the VTax Project. Both initiatives involve better process and transparency, causing some discomfort in some divisions. Her departure has kindled some fires we thought had been put out, but we expect it to settle back down and get the projects back on track.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: September 5, 2014
RE: Boards and Commissions Update

NOTES:

SerVermont – Phil Kolling and I checked out **Jason Gosselin** and we did not find any current news on him, op ed or letter to the editor. There is a different person, with the same name, that is a convicted sex offender – such a bummer when that happens! SerVermont reports to Jason at Emergency Management. Phil also told me that the feds require membership have no more than 50 percent plus one from the same political party. Phil gathered party affiliation information and most people were Independents and there weren't any Republicans which didn't look good on the report. By appointing Jason Gosselin there is now a person in the R column.

Hearing Panels for Professional Public Educators – Greg Glennon was given the thumbs up by Rebecca Holcombe for the appointment of Dierdre Donovan.

Public Service Board – current list of applicants:

Robert H. Booher	Charlotte
Martha A. Campbell	White River Jct
Susan M. Ceglowski	Rupert
Mohammad Aslam Choudhary	Williston
Tristan Cohen	Washington, D.C.
Clifford R. Collins, Jr.	Burlington
John Joseph Demeter	Middlesex
Jay M. Dietrich	Essex
Judith Lillian Dillon	Plainfield
Herb Downing	Colchester
Rebecca Ellis	Waterbury Ctr.
Thomas E. Fegley	Brookline, VT
Kathleen M. Fleury	Montpelier
Thomas G. Franks	Brattleboro
Sonja S. Fuller	Burlington
Christopher A. Granda	Richmond
Bruce Michael Hatrak	So. Burlington
Dorothy L. Helling	Montpelier
Elizabeth Hendrix	Randolph Ctr
Katharine Hikel	Hinesburg
Kenneth Hoepfner	Jeffersonville
Sarah Hofmann	East Montpelier

Ken Jones	Montpelier
Larry Lewack	Burlington
David A. Lewis	Burlington
Christopher C. Louras	Rutland
Louise McCarren	Charlotte
Elizabeth S. McLoughlin	Brattleboro
Edward McNamara	Montpelier
John R. Neal	Ludlow
H. Dexter Oliver	Bridport
Joseph Payne	Georgia
Katherine Purcell	Burlington
Joy Rogers	So. Burlington
Randolph Rowland	Shelburne
Susan M. Sanders	Lyndon
Paul Stabler	So. Burlington
John H. Taylor	Williamstown
June E. Tierney	Randolph Ctr
Jeff Wilson	Manchester
Ellen Wood	White River Jct
George Young	Richmond
John Zenie	Colchester

Commission on Women – I sent Cary Brown info on Kerry Secrest and she thinks she would be a great fit. The Commission is having a meeting next week and Cary would like to invite Kerry so she is there at the start of their fiscal year. I'm double checking with Kerry to confirm she is still interested. **If she is can we make this appointment on Monday?**

Appointments made September 3, 2014

Justice of the Peace, South Burlington

APPOINTED: Michel St. Germaine, So. Burlington

Veterans' Memorial Cemetery Advisory Board:

APPOINTED: Richard Reed, Leicester

Vermont Economic Development Authority:

APPOINTED: Tammy Richards, Williamsville

REAPPOINT: Steven Bourgeois, Swanton

SerVermont:

APPOINTED: Jason Gosselin, Williston

Human Services Board:

APPOINTED: Joslyn Wilchek, Montpelier

Hearing Panels for Professional Public Educators:

APPOINTED: Deirdre Donovan, Burlington (Teacher)

APPOINTED: Beth Cobb, Lyndonville (Administration)

REAPPOINTED: Jennifer Harper, Ludlow (Teacher)

REAPPOINTED: Brian Howe, Bennington (Teacher)

REAPPOINTED: Jay Nichols, Berkshire (Administrator)

REAPPOINTED: Beth Ann Repchick, Putney (Teacher)

Nuclear Decommissioning Citizen Advisory Panel:

APPOINTED: Martin C. Langeveld, Vernon

APPOINTED: Kate O'Connor, Brattleboro

Governor's Criminal Justice and Substance Abuse Cabinet

APPOINTED: Robert Bick, Shelburne (Community & Family Organization)

Interagency Coordinating Council for Families, Infants & Toddlers:

APPOINTED: Elizabeth Meyer, Montpelier (Agency of Ed)

Capital Debt Affordability Advisory Committee:

REAPPOINTED: John Valente, Rutland City

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Michael J. Hogan, Commissioner of Liquor Control
Date: September 5, 2014
Re: Weekly Report

Status of Governor's Priorities:

- Working on ideas for the FY16 budget and what are the expected needs of the Department as we continue to grow our business.
- I will be speaking and moderating a panel on marijuana at a national conference of multiple states in October. Some of these states have the issue coming to a ballot initiative or a potential legislative change.

Legislative Issues/Contacts/Updates:

- Looking at potential issues for the upcoming session. I don't see many on the alcohol side with maybe some small fixes.

Press Issues/Releases/Contacts: Nothing now.

Significant Events/Meetings: Next Board Meeting 10/08/2014 - Enforcement Hearings.

- Champlain Valley Fair went very well with good responses from the public on our booth and the interaction with our folks and the use of the "fatal vision goggles" that simulate a blood alcohol content. Most people had no idea what that would feel like as they attempt to walk a straight line.

Evolving Issues:

- ERP/POS Project underway. Excellent Progress! Recent meeting with vendors and staff working through the particular functions of the front end and back end systems.
- Preliminary review of department processes for potential licensing and enforcement system.
- Performance Audit underway. Report hopefully in September.
- Planning an alcohol symposium for early December for policy makers, licensees, and industry partners.
- Working with VIC on break open ticket reporting process. Prototype has been developed. Working with Tax and should roll out this reporting process in January 2015.

Summary of Key Department Activity:

- Working on a Pilot Program to help the Department increase its business and eliminate some of the impediments to future business growth.
- Trying to foster some partnerships with big out of state distillers so that they can find ways to work with our instate distillers in a market that is bursting at the seams.

Commissioner's Commentary: Sales for August were very good.

Have a great weekend.