

WEEKLY REPORTS

Checklist
8/12/16

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: August 12, 2016
Re: Weekly Report

PATRICIA MOULOTN, SECRETARY:

- **Commonwealth Dairy:** We have received a tentative approval for Commonwealths next expansion and construction of the North American headquarters to occur in Brattleboro! It is tentative contingent upon receiving all incentives, and assurances within the next 90 days that the project is permissible. We are holding a scoping meeting with ANR and Act 250 as soon as possible. The ANR folks are on site today on the stream/drainage ditch issue, which really appears to be the most difficult one. There do not appear to be any local permitting issues. Trey Martin is very informed and very engaged.
- The **Vermont Captive Insurance Association** annual conference was this week. Another great showing from captive insurance industry representatives from around the country. Also great news that Vermont is again the number one domestic domicile for captive insurance!
- **Putnam Hotel project, Bennington:** met with the team from Bennington undertaking the redevelopment of the Putnam hotel and Greenberg properties in downtown Bennington. Bob Stevens and Craig Miskovich from Brattleboro/Brooks House are deeply involved as it is a very similar project involving major capital investment to renovate, demolish and build new. This is a mixed use commercial, residential, office development. As with the Brooks house, they will need every nickel of state and federal assistance to pull this off. They are already planning on using New Market Tax Credits, CDBG, HP Tax Credits and every funding source they can to complete the estimated \$40M project. It is likely they will be pursuing either a direct appropriation or some consideration of TIF capacity. Bob and Craig are interested in doing more of these types of projects around the state. They have been talking with Newport.
- **EB5:** We are working with Jon Freeman at NCIC on the possibility of NCIC purchasing the securities the sub contractors have on the Burke/Jay properties as a means of getting these subs paid at least a portion of what is owed. It is still in the early stages. VEDA has made only two loans to subs from their fund. These subs are still very pissed they have not been paid and that they have to borrow and pay interest if they want money now. VEDA is also examining how much it would cost to provide interest free loans to the subs. VEDA would need a subsidy to do that. We are hoping the NCIC route can work vs. interest free at VEDA. But the NCIC option would involve subs getting only a percentage of their funds, how much, to be determined.
- **Mary Nowlan of Vermont Life reports:** Mary spoke with Rep. Scott Beck, owner of Boxcar and Caboose bookstore and cafe in St. Johnsbury, who was eager to order more calendars to sell in his store. However, he has an outstanding balance with the magazine of \$4,903.12 which is more than 900 days overdue. Rep. Beck agreed to pay off the entirety of the balance by the end of this year. Rep. Beck agreed to the following to be able to purchase more calendars:
 - Representative Beck would pay at least half the \$4,903.12 up front (\$2,451.56) and pay the remaining \$2,451.56 by the end of the year.
 - Representative Beck would pay for any additional calendars ordered this year up front.
- **Joan Goldstein reports: EB5:** Participated on a call with receiver Michael Goldberg, Commissioner Pieciak, Rep. Heidi Scheuermann, and attorneys representing one of the contractors, concerning the owed money from Burke/Jay Peak. Rep. Scheuermann wanted to know if there was anything we could do legislatively to get some of the Raymond James settlement to go to the contractors instead of all going to the investors. Goldberg made it clear to the group that he is unable to do so based on the agreement with Raymond James. There is nothing legislatively that can be done; however, Commissioner Pieciak and I brainstormed about a possible sale of the liens to financial institutions in the NEK. This would allow contractors to receive payment and the NVDA, NCIC, etc. will need to wait for the eventual sale of the properties. Freeman of NCIC is especially keen on this idea but we have other challenges, but this is another way to help the contractors.

- Goldberg is confident he will receive funds in September so that he can make a down payment on what is owed to the contractors. He walked us through the numbers but he is also faced with trying to keep the place operational. During the offseason it loses about \$6mm. Additionally, the tram repair of \$5mm was unexpected. In addition to the contractors, he has vendors that are owed about \$5mm. When they took over the place there was \$3.5mm in cash so anyone can see the shortfall he is dealing with.
- Goldberg is confident that he will be getting funds from Raymond James to help with continuing the stateside projects. What he needs to do is to get USCIS to recognize change of business plans due to receivership to enable the investors to get the proper adjudication of their visas. This is tough so he has hired a top lobbyist to get the legislation changed to recognize extenuating circumstances such as fraud. If he does not reach success via legislation change he will sue USCIS and he has asked us to consider joining in that suit.
- Meanwhile, the Mt Snow and SouthFace projects are very concerned about the RFI. They feel that the scrutiny we are under at USCIS has something to do with the lag in the approvals for the Mt Snow investors. Although we cannot say with certainty that this is the case we also cannot say with certainty it is not the case. Dick Deutsch has said he may need to 'take action'. And SouthFace has said they may even consider starting their own regional center. Both of those possible scenarios have long lead times and would be extremely messy for the projects themselves and, of course, us. Hopefully our 8/25 response to USCIS leads to a positive affirmation about our status and progress can resume on the adjudication of 526s.
- **WESTMINSTER CRACKER:** Pat and I had a call with Bob Abramowitz of Westminster about our offering to bring the gluten free business he acquired from VA to VT. The VEGI award is projected at \$138k and even with the enhancement for Labor Market Area it is \$212k. Our VTP is estimated at \$30k. This is way below what Virginia is offering. He needs 800k in fitup and equipment. It will cost 300k to move and it will cost him about 180k to buy down the remainder of the lease in VA. We advised him to redo his projections for job creation as this is the main driver of VEGI awards. GMP can do a 25% reduction in power costs although the reduced rate is still higher than what they pay in VA. We checked in with REDC to see what Rutland could offer in terms of water/sewer rates and/or tax stabilization. He is leasing from Giancola in Rutland (who is suing the city) so we would want to make sure if there are any savings to the landlord that they get passed down to the tenant. Abramowitz acknowledged that Westminster is a New England company and it would be odd to be in VA BUT of course he needs to see what deal he could get from us.
- **Arthur Hamlin reports:** The Council on Pathways from Poverty continues to shape their legislative priorities for the next session. It seems very likely that their proposals will again include an occupancy fee on hotel rooms the revenues of which would go towards efforts to end homelessness, particularly affordable housing development.

LUCY LERICHE, DEPUTY SECRETARY

- **Housing:** As part of an investigation around what we can do to make housing more affordable, Lucy & Chris Cochran met with Liz Gamache and her team at Efficiency Vermont to discuss a potential pilot project. The idea is to work with one community to have a big impact on energy efficiency through intense marketing of existing programs and perhaps the integration of the RUS funds recently awarded to EVT. If this looks viable, it is one potential project we will include as a recommendation in a housing report ordered in the last legislative session.
- **State Infrastructure Bank:** Lucy represented Pat at this meeting to consider a loan to Barret Trucking related to distribution of road salt throughout Northwestern Vermont from the Shelburne rail yard. This project has been controversial in Shelburne, but a court decision in the matter made it clear that we have no jurisdiction over rail. The town is appealing the decision, but the collective wisdom of VTRANS and VEDA legal counsel was that the decision is solid with precedent and will surely stand. The Board voted to approve.
- **Craftsbury Outdoor Center (COC):** Pat, Lucy and Joan were alerted by Dave Snedeker of NVDA to a situation brewing with Craftsbury residents about COC sculling on Big Hosmer Lake. Because the lake is so long and narrow, it is ideal for sculling, but with buffer rules for motor boats, when sculling is happening, there is really no room for motor boats. ACCD is working with Trey on a solution, that will likely involve rulemaking to delineate hours for motorized and non-motorized activity on the lake. COC has great economic importance in this area, so a solution the Center can live with is very important.

VT CENTER FOR GEOGRAPHIC INFORMATION (VCGI) ♦ Steve Sharp, GIS Operations Manager

- **VCGI Operations:** Pat Moulton announced that VCGI's new Director has been selected: John Adams, currently serving as Planning and Policy Manager at the Department of Housing and Community Development within the Agency of Commerce and Community Development! John will start at VCGI September 9. Welcome, John!

- **Web Map Services:** During the week of 7/18-7/22/16 VCGI's production web map server experienced CPU "pinning" at 100% several times throughout the week. The problem re-occurred briefly on 7/27. These incidents caused VCGI's production ArcGIS Web Map Server to become unresponsive to service requests from all client applications, creating disruptions across a wide range of end-user applications. Prior to these recent incidents VCGI's services had been relatively stable and offered in a manner that was consistent with the "service level" defined in our VCGI ArcGIS Server Services [life cycle policy](#).

VCGI has taken many immediate, short term and near term actions to address this service instability and ensure availability of web map services in a manner that is consistent with our VCGI ArcGIS Server Services life cycle policy. We haven't experienced any disruptions in the past 2 weeks. We hope to keep it that way!

- **VCGI Statewide Property Parcel Mapping Program:** VCGI and VTrans staff met with AppGeo folks (the company VTrans has hired to serve as Project Manager of the data development project) last week and talked about what is coming up in the near future on this project:
 - **Updating Parcel Data Standard** (Ivan, with input from AppGeo and VT GIS Community) – Focus Group Meeting August 24 - http://vcgi.vermont.gov/events/parcel_standard_20160824
 - **Outreach** – Leslie is scheduled to present and exhibit at a bunch of meetings and conferences in Sept./Oct. to spread the word about the program, particularly to towns: <http://vcgi.vermont.gov/events/list>
 - **RFP** – VTrans will put out an RFP to solicit qualified parcel mapping companies to be put on retainer. After companies have been chosen, they will bid to work on certain towns. VTrans has decided that towns that are interested in participating will likely be able to do so in the first year!

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Summer** events continue to benefit from the near perfect weather we have been experiencing. Visits to Stowe, Shelburne, and Killington by Megan this week have all been very encouraging.
- **Winter in August:** The Rutland Chamber of Commerce holds an annual event to celebrate the positive impact of the ski industry in the region. This week Megan attended and spoke to the crowd about the upcoming World Cup as well as what a positive effect the investment into summer at Killington, Okemo and Mountain Top has had on the region. There was a great deal of interest in the new "Killington Valley" branding that is being worked on by the Rutland Economic Development Corporation, Killington Resort, the Town of Killington, the Rutland Chamber, and Downtown Partnership. They are also bringing Castleton and the lakes region into the fold eventually.
- **Vermont Bakery Tour:** Eight Vermont bakeries including Red Hen, King Arthur and more developed a "passport" program to encourage visitation to all their facilities and receive an exclusive canvas tote. Hilary and Megan picked up their passports at Shelburne Farm and look forward to getting all 8 stamps.
- **Discover New England:** The board of Discover New England continues to try to expand into more countries with our limited funding. Both France and China have huge potential for our region. As funding for ME, RI and NH see increases, MA and CT have experienced decreases and we have stayed consistent, making any increased spending difficult. We are studying ways to increase revenue to the organization through industry trainings but with a staff of 2 it is proving difficult. Vermont is enjoying great success with Wixhill, our international PR firm in the earned media category. Beer, Cheese, and Food play well in social media overseas.

COMMUNICATIONS ♦ Philip Tortora, Director of Communications

- **Social Media:** We've had several recent Facebook posts top 10,000 people with their reach in the past couple of weeks. They include a Huffington Post piece on Vermont being foodie heaven (12.3K reach), A Vermont Biz report on Vermont winning several top cheesemaker awards (19K reach), an Only In Your State Vermont bucket list piece (13.5K), Travel & Leisure article on Vermont's wonderful breweries (10.3K reach) and our staff-produced Open Farm Week promotional video that has reached 56.4K news feeds and has now been viewed 40,000 times.

MARKETING ♦ Hilary DelRoss, Heritage and Recreation Specialist

- **African American Heritage Trail:** Hilary, Philip, and Megan, along with Curtiss Reed, the Executive Director of Vermont Partnership for Fairness and Diversity, visited the Clemmons Family Farm in Charlotte. This is one of the oldest and largest African American-owned farms in Vermont and has been in the family since 1962. The family is transitioning the property toward preservation and tourism while maintaining its tradition of blending organic farming with the arts, health, and multicultural learning opportunities. They are interested in becoming the 21st site included in the African American Heritage Trail in the next reprint of the popular brochure.



The Clemmons Family pose at their family farm in Charlotte

- **Open Farm Week:** Hilary, Philip, and Vermont Life's Sky Barsch attended the Vermont Fresh Network's 20th Anniversary Forum Dinner at the Coach Barn at Shelburne Farms. This annual celebration of local food was the perfect venue to promote Open Farm Week, of which VDTM is a title sponsor and Philip and Hilary are on the planning committee. Many attendees and vendors at the forum have associations with farms participating in the week-long event and it gave event representatives the opportunity to spread the word utilizing promotional collateral and through many interesting conversations.



Open Farm Week promotions at the Vermont Fresh Network's 20th Anniversary Forum Dinner at the Coach Barn at Shelburne Farms

MARKETING & DESIGN ♦ David Burnell, Marketing Coordinator

- ***The Elements Await, Fall Campaign 2016 | Developed & Deployed:*** The fall campaign is set to launch. All creative has been delivered. David is reviewing the corresponding landing pages as they come for approval from various vendors, as well as developing video and web assets for additional buys such as the Gannett takeover. Creative samples are below and the videos can be viewed on [Vermont Tourism's YouTube channel](#).



- Vermont Byways Program | Rejuvenating the Visual Identity:** VDTM is working to make the Byways more cohesive in conjunction with the abundance of other placed advertising. Historically, the Vermont Byways has been quite different visually, and somewhat disconnected from Vermont Tourism's other creative. The approach to unify these marketing initiatives will enhance VDTM's visual identity giving us a greater presence in the marketplace. The examples below depict placements in AAA as well as a duotone solution for the Open Studio Weekend brochure. VDTM plans to explore an overarching strategy for Byways going forward, and how that integrates with VDTM's main initiatives.



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

- Advertising:** Chris has already surpassed the sales goal of \$10,000 for the 2017 Fishing Guide, with a running total at \$10,950 and more likely to come, with sales e-mails sent out to over 30 Vermont fishing industry prospects inviting them to participate. On the Vermont Life side, Chris has been selling for the Winter 2016-'17 issue and closed several large renewals, including a 4x annual contract with The Farmhouse Group for the back cover at \$18,800 annual revenue, Hotel Vermont 4x at \$4,800, SW Medical Center 1x at \$5,444 and new Stowe client Country Store On Main for Holiday Gift Guide 1x at \$400. Total closed sales revenue for Vermont Life for the week at \$29,444. Overall, for we are at about \$64,275, close to 75 percent of last year's Winter issue total with still a full month to sell.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner **BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director**

- Northern Border Regional Commission:** Held a press event to announce our 2016 NBRC grantees on Friday, Aug. 5th at the Fairbanks Museum. Speakers included Fairbanks Museum Executive Director Adam Kane (2015 NBRC grantee), Senator Leahy, Congressman Welch, Jenny Nelson from Senator Sanders' office, NBRC Federal Co-Chair Mark Scarano, and Deputy Secretary Leriche (on behalf of Governor Shumlin). A full list of all 14 grantees/projects is available at <http://www.nbrc.gov/uploads/State%20Vermont/2016.pdf>. Please contact me with any questions.

Press coverage has included the [AP](#), [VTDigger](#), [Vermont Business Magazine](#), and the [Caledonian Record](#). Video of the event is available at <http://www.katv.org/>

- **Business Support Visit:** Alongside Dave Snedeker/NVDA and business planning assistant Daniel Keeney (Center for an Agricultural Economy), visited Roger Pion to see his prototype bio-char production machine (patent pending). Roger is working on a new, more efficient model of bio-char production. Bio-char (can be made from any biomass - Roger is using wood chips) can be used as soil amendment to increase soil fertility and also as a filter for water quality work. Business plan in development, making connections with Agency of Ag and Champlain Valley farmers.
- Represented the Department at **Road Pitch St. Johnsbury**, where 4 entrepreneurs (Peter Blose of “Quick Shelter”, Janice Raye of Brigantine Media, Evan Carlson of Veil, and Matt Kiley of the Chimney Scrubber (Rider’s Choice award winner)) made pitches to the group of assembled riders. Brenda Plastridge from PTAC was also in attendance and is following up with a number of the entrepreneurs regarding government contracting opportunities. Dave Snedeker from NVDA and Joe Kasprzak from St. Johnsbury did a great job hosting the event, in addition to the Road Pitch team, led by Cairn Cross.

BUSINESS SUPPORT ♦ Brett Long, Director

- Transitioned into Brownfields Revolving Loan Fund role
- Met with LEDdynamics to discuss their location options
- Call with Buttermilk LLC regarding Richmond Creamery brownfield project
- Participated in follow-up conversations on Microsoft CRM trial
- Attended Chittenden Brownfields Advisory Committee meeting
- Attended call with SelectUSA on Foreign Direct Investment strategy
- Attended meeting with North East Precision

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

- Met with Quebec Ag team and Representative Carolyn Partridge to discuss the similarities between Vermont and Quebec’s Ag departments.
- Toured green buildings made of Quebec wood with Representative Diane Lanpher to see how Quebec is using wood to construct stadiums and universities rather than steel. The wood is just as safe in the case of a fire if not safer than steel as the wood has been proven to not fold inwards and collapse.
- Visited Laval University which is one of the only universities that has a program in wood engineering in North America.
- Was able to learn the way Quebec has maintained their Maple Syrup industry and the reasons behind the way that it is managed. It allows Quebec to overflow the market with their product only, and always have an overflow of product.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

Companies PTAC is currently working with:

- | | |
|--|---|
| – Ann Clark LTD – Rutland | – SB Signs Inc. dba Edgeworks Display – Williston |
| – Clustas LLC – Peru | – Scotch Burn Farm LLC – Ryegate |
| – Codet-Newport Corporation – Newport | – Smalley Contractors – Rutland |
| – JP Sicard Inc. – Barton | – The Belden Company Inc. – Rutland |
| – Lord Corporation dba Microstrain Sensing Systems – Williston | – Vermont Wooden Blocks, LLC – Bennington |
| | – Wright Construction – Mount Holly |

VERMONT TRAINING PROGRAM ♦ John Young, Director

- We currently have 4 grants in process - Bariatrics, Canowindra, Renewable NRG and Vermont Castings.
- Meeting with Union Mutual along with Jamie Stewart to see if their training needs will fit in VTP.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Deputy Commissioner Hanford

- **Rutland- Vermont Farmers Food Center (VFFC):** Along with Nathan Cleveland, toured the VFFC facility and met with Brennan Duffy, Executive Director of Rutland Redevelopment Authority, Greg Cox, VFFC Board Chair and fulltime farmer and Rachel Levin, VFFC to discuss possible CDBG assistance. VFFC has big plans to renovate several large agricultural buildings and serve as a food HUB, food business incubator and educational center for the region. Discussed CDBG grant application strategies, competing interests and timelines. Follow-up will continue.

- **Richmond Creamery:** Had several discussions with the developers (ButterMilk) on timing of the property transfer now that the HUD Environmental Release has been issued and the need for a temporary non-profit owner to access the \$110,000 in EPA clean-up funds. Made referrals to non-profit developers and recommendations for grant administrators to help the town of Richmond with the considerable requirements that come with the \$500,000 CDBG funds.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

- **Newport City Renaissance Corporation (NCRC) hires new Executive Director:** Gary met with Cynthia Moore, the new Executive Director for NCRC to provide an overview of the downtown program and to offer support during the transition. Cynthia and her husband helped to start the Newport City Jazz Festival two years ago which has quickly become a signature event for the downtown. She has hit the ground running and is working closely with the City of Newport to support efforts to redevelop the large vacant parcel left from the failed Renaissance Block project.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

HUD Issues

- **Audit Findings:** The latest request from HUD was stated “In an effort to avoid disallowing the costs for the Arnett and Muldrow expenses...”, this request is in regard to the actual Single Audit Findings made by KPMG regarding the lack of supporting documentation for the Disaster Recovery requisitions for the draws for Arnett Muldrow. Our response to KPMG was that we had gone through an extensive RFP process, developed expected deliverables with the contractor, and then executed a grant agreement to enable using our online Intelligrants system for ease of quarterly reporting and requisitioning funds and being able to report quarterly to HUD. The requisitions were submitted based on deliverables like a contract. We asked to provide all the documentation regarding the RFP process, scoring, interviewing, and minutes and notes; the resulting agreement; and all final work products. The good news is that we have maintained very thorough documentation and the final work products are maintained on our website.

To date, there has been no response from HUD regarding any of the documentation submitted. It is quite clear that the Regulation standard for source documentation must be adhered to with the submittal of each requisition and reviewed and approved by the Grants Management staff appropriately before being paid – “...cancelled checks, paid bills, payrolls, time and attendance records, contract and sub-grant award documents, etc.”

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Family Outing:** Laura took her mother who was visiting on a portion of the Stone Trail, using the fabulous new brochure by DTM. The trip included the dedication of the Norman Rockwell roadside historic marker in Arlington, one of Vermont’s hidden gems. The dedication was attended by about 150 people, 30 of which were models and relatives used by Rockwell in his paintings. The trip ended at Bennington Monument, with a wonderful tour by the great staff of Marylou’s who not only adore her but the monument as well. The new exhibit is marvelous and worth the trip.



- **Missisquoi National Wildlife Refuge:** At the invitation of Ken Sturm, Refuge manager, Scott and Jesse participated in a boat excursion to a number of locations within the refuge where Joe Bertrand, Refuge staff, had noted the presence of Native American artifacts along shorelines exposed by the unusually low water level in the lower reaches of the Missisquoi River and Lake Champlain. At least six new site locations were identified, including an extensive site in Goose Bay which has been severely impacted by ice scour activity. The site locations were mapped using GPS and some of the artifacts were collected. Recovered artifacts included several Levanna projectile points (arrowheads) or fragments, a type in use during the Late Woodland and Contact cultural periods, a chert scraping tool, and what may be a bowl fragment of a large ceramic smoking pipe. One of the stops was at Metcalf Island which was the site of an early 18th century trading post. The remnants of stone piers or quays were noted along the exposed shoreline. The trip provided ample evidence of the need for historic site inventory and evaluation within the Refuge boundaries, as well as for the development of a cultural resource management plan.
- **USFS Region 9/ Green Mountain National Forest:** Now that our colleagues at USFS/GMNF have recovered from the recent Rainbow Gathering influx, Jamie and Scott were able to meet with the Forest Supervisor, District Rangers, Compliance Officers and Technicians at the Rochester Ranger Station to discuss renewing efforts to develop a MOU regarding stewardship and treatment of historic resources under USFS purview. Development of an agreement document for this purpose was attempted in the past, but never completed fully nor executed by the parties, and this has been a significant shortcoming of our “partnership” for many, many years. With new staff on board, there is a renewed interest in moving this agreement forward for everyone’s benefit, and the takeaway from the meeting was extremely positive. Consultation will continue specifically focusing on agreement documents for a few current, discrete projects that will help become the building blocks for a larger-view agreement.
- **UVM:** Laura and Jamie participated in a site visit to continue consultation on the Slade Hall project at UVM. Working with directives from previous meetings, the design team provided a mock-up of a more appropriate double-hung, replacement window slated to be used throughout the building. The existing windows have a number of issues, but are still potentially serviceable, so DHP has asked for documentation and analysis supporting the technical and economic reasons for replacement. The concerns treatments to windows is one of the last points of concern with the project needing agreement.

Historic Sites Section Chief and State-Owned Historic Sites

- On Thursday, August 3, Tracy met with BGS electrician and efficiency expert Rick Hoermann to review track lighting in the carriage barn, horse barn, woodshed, and ice house at the Justin Morrill site in Strafford. This meeting is part of a larger effort to upgrade lighting at several of our state-owned historic sites. Our dual goals for this project are to increase our energy efficiency and to limit heat exposure to our precious collections.
- **Coolidge Site:** Plymouth Old Home Day on August 6 was undoubtedly the best planned ever! Attendance and store sales were strong, and although a bit warm, we were spared the thunderstorms that were all around the area. The day featured the “old standards” – chicken barbecue (offered by the Volunteer Fire Dept., which sold out), Farmer Fred’s wagon rides & sheep shearing, Vermont Historical Society’s children’s games, fiddler Adam Boyce, eight craftspeople, and reenactment of the Homestead Inaugural. To this was added quite a few new activities: Springfield Springers Old-time String Band, Northfield Historical Society’s water pump log demo, Green Mountain Time Keepers’ clock appraisals, Moxie booth featuring antique memorabilia and free Moxie floats, naturalization ceremony (20 immigrants became citizens – organized by the Coolidge Foundation), Vermont State Parks’ display, and David Schutz & Nancy Graff’s presentation about their new book, “Intimate Grandeur.” Many thanks to Tracy & Debbie for their fun children’s paper hat-making activity and more than 30 other volunteers who donated a full day to make this event possible.
- **Bennington Battle Monument:** The week before ‘Battle ...week’, always busy, over 1000 visitors again, including library passes, blue star families and 80 campers, 30 from a New York camp and 50 students in a local music camp. And Laura and her mother! All well behaved and fun to have visit us. A lot of prep work is being done for the 5K we have received 60 registrations so far; it will be a well-attended race.

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

- The Mobile Home Park Cooperative TA Grant to the CVOEO Mobile Home Program wrapped up on June 30th. Arthur reviewed the final report and deliverables including the completed Cooperative Development Manual and training materials. A small amount of the grant funds remained and will be used to offer semi-annual cooperative trainings for a year or two.
- Shaun joined the Continuum of Care Ranking Team, which conducted the ranking of homeless service projects to prioritize for available HUD funding. Again this year, several programs in the Continuum volunteered to have their funding reallocated to others in order to better align the application to HUD priorities. These reallocations

have resulted in higher grant amounts being awarded to Continuum programs in Vermont. This year a sizable portion of the requested funds are to be allocated to the creation of a Coordinated Entry System, which aims to significantly enhance the ability to manage client and service information for Vermonters experiencing homelessness with the goal of more efficiently and effectively using existing resources to shorten, and eventually eliminate, the amount of time people experience homelessness.

- The Homelessness Roadmap Steering Committee met this week with the consultants from CSH. The timeline on this project is very aggressive. The group spent most of the meeting discussing what are critical elements of the final report, how would the training assets CSH brings to bear could be best utilized, and what key stakeholders need to be interviewed by CSH staff in order to understand the existing homeless service system in Vermont. CSH hopes to conduct nearly all stakeholder interviews by the end of this month.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Domestic Export Marketing:** The Agency of Agriculture officially kicked off work this week on the development of a new research-based marketing strategy and tools to increase demand for Vermont retail products (agriculture, food, forest and wood products) by out-of-state consumers. Fifth Element Associates of Colchester has been selected to assist on this 4-month effort, as the result of a full RFP process. The initial research phase will include 20 qualitative interviews with buyers, producers and third-party producer associations to identify opportunities and challenges for market expansion, as well as gather perceptions on the strength and attributes of the Vermont brand that resonate with buyers and consumers. A more quantitative online survey will follow, as well as analysis of past labelling program efforts (Seal of Quality, Made in Vermont) and current related marketing efforts (DigIn Vermont, VSJF Local Foods campaign, ACCD economic development marketing). Initial research findings will be presented to the Marketing Advisory group in mid-October.
- **Economic Development Marketing:** Heather met this week with Kira Bacon and Zon Estes of the Vermont Arts Council to explore opportunities for collaboration with the Vermont Creative Network as the network continues to develop. The Arts Council expressed a willingness to help develop content on the creative economy and provide imagery for the Why Vermont portal, as well as develop possible storylines in the future for proactive media pitching.
- **Safe Workplace Signage:** In response to the violent events of the past year, the CMO has been working with the Department for Children and Families on new signage for regional offices that clearly expresses there will be zero tolerance for physical violence or verbal threats directed at staff or others. The final design seeks a balance between the firm message that “we will call the police” with the equally important message that the goal is to keep everyone out of harm’s way by establishing a place of respect and safety. Response has been very positive from DCF staff, and the Department of Corrections has also expressed interest in using the same signage at their facilities.

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

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Michael S. Pieciak, Commissioner, Department of Financial Regulation



Date: August 12, 2016
Re: Weekly Report

Captive Insurance Division:

Award: The state of Vermont has again been named the top domicile for captive insurance in the United States. This is the fourth time Vermont has been honored with this award, which was presented by Captive Review Magazine at the Captive Service Awards held in Burlington on August 8. The judges said that Vermont continues to form new first-rate captives while its “premium and asset numbers under management figures are the largest in the world.” The state was also commended for investing in its examination team and for the “solid commitment demonstrated by state government in the annual update of captive legislation.” In addition to its reputation as the “gold standard” of regulation, Vermont is also known for industry-leading legislation.

VCIA Conference: The Vermont Captive Insurance Association held its annual meeting this week in Burlington drawing more than 1,000 attendees. Representatives from DFR met with a number of existing and prospective captives. Deputy Commissioner David Provost was interviewed by A.M. Best on the well-being of Vermont captive companies, which can be seen here: <http://www.ambest.com/v.asp?v=provost816>

Securities Division:

Burke Opening: Mike Goldberg confirmed a soft opening is planned for the next two weekends, with the hotel opening full time on September 1 and the public grand opening to be held on September 8.



Jay Peak Loan: On Thursday Judge Darrin Gayles approved Mike Goldberg's motion for a \$1.5 million loan from the Raymond James settlement money. Mike does not immediately need these funds but might need flexibility to meet payroll during the next couple of months.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: August 12, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VY: Regarding our potential filing on site restoration standards with the Board, we met with ENVY today on their desire to tell us why we should not file. It became clear the “deal” with Northstar is still on the table and that we may benefit from further discussions regarding the MOU we discussed earlier in the Spring. After meeting with Sarah and Darren this afternoon, I spoke to Scot Kline at AGO and they are amenable to us not filing and re-opening discussions with ENVY, particularly if ENVY is indeed willing to discuss financial capacity of Northstar to perform this work. I’ll call Mike later today to relay we will not be filing right now, but reserve the right to do so anytime into the future when we think that makes sense.

Temporary Sound Rule at LCAR

LCAR voted to approve the PSB’s temporary rule on sound from wind generation facilities. The vote was 5 – 3 with Benning and Flory leading the charge against. Vermonters for a Clean Environment argued that the rule does not comply with the provision in Act 174 that says the rule could be no less protective than the sound standard in an existing CPG. Department staff was available to assist the PSB in responding to questions but they were never called upon to testify. Dep. Comm. Copans did outreach to 3 LCAR members to be sure they had the background on the rule in advance of Thursday’s meeting.

4.100 at LCAR

Rule 4.100 implements PURPA here in Vermont. The update to 4.100 was initiated by the Department as the old version hasn't been substantially revised since 1990. LCAR opted to hold on approval of the rule until their next meeting in 2 weeks. Follow-up with legislators will happen

GMP Innovative Products Tariff Filing – Tariff No. 8616

On July 25, GMP filed a request for approvals of tariffs related to heat pumps, heat pump water heaters, and its Connect DER product. A Department recommendation is due on August 19. This request marks a significant shift in GMP's provision of these products. Previously, they were provided under the rubric of an innovative pilot program. Now GMP is seeking to essentially lock them in as part of its core regulated business. It is therefore important to thoroughly investigate this proposal to determine whether GMP is appropriately reflecting all costs and revenues, whether the program is consistent with state policy, and whether the program gives appropriate consideration to low income ratepayers. For this reason, the division of public advocacy would recommend urging the Board to investigate this matter. Staff indicated that this recommendation is likely during the course of base rate negotiations, so the Company is aware of that possibility.

Meetings/Calls this Week:

Aug 08 – Check-In with Darren Springer

Aug 09 – Meeting with HQUS in Montreal

Aug 10 – Tour HQUS LaGrande in Quebec

Aug 11 – Potential Waste Incinerator – Vernon meeting with Trey Martin, Alissa Schuren

Aug 12 – Site Restoration Standards discussion with Entergy, VY update meeting with Sarah London

Meetings next Week:

Aug 15 – Finance Collaborative Discussion with BPPA, GMP Quarterly meeting

Aug 16 –

Aug 17 –

Aug 18 – VLCT QLE Meeting on Act 174, Matt Cota on CEFC

Aug 19 –

Media:

Public Official Contacts: Calls with legislators in anticipation of LCAR taking up the sound rule. Call from Senator Mark MacDonald to discuss assorted topics. AP on Maine Hydropower issue – background only.

Regional

NESCOE Study on Clean Energy Mechanisms

NESCOE circulated the base case results of the study. This is designed to provide a forecast of resource mix, prices, and achievement of renewable portfolio standard goals. Some of the noticeable results include:

- Energy costs are expected to increase only slightly through 2030, with annual average energy prices in 2015 of \$45/MWh and forecasted prices in 2030 of \$48-52/MWh.
- Capacity prices are expected to increase to \$11.50-13/kw-month. The current capacity price being paid in 2015 is approximately \$3.40/kW-month; the price for the most recent forward capacity auction (reflecting prices to be paid in 2020) is approximately \$7/kW-month.
- Currently, energy represents approximately 84% of wholesale costs to consumers with capacity costs representing approximately 16%. The base case results anticipate that energy will represent 55% and capacity 45% of wholesale costs.
- The base case results suggest that nuclear resources in New England will receive sufficient revenues to continue operation. Additionally, the study predicts that gas-fired, PV, and on-shore wind are the primary resources that will be added to the resource mix.
- The study forecasts carbon emissions from power plants in 2020 to be greater than the RGGI cap.
- The study also estimates that regional RPS requirements will not be met, largely because transmission costs prevent significant new wind resources and imports of renewables into the region.

ISO-NE Rules on Market Participation

ISO-NE market rules state that any generator with a nameplate capacity over 5 MW must be registered as a market resource. On August 10, at a NEPOOL Reliability Committee, ISO-NE stated that this requirement does not apply to PURPA qualifying facilities. This is the first time that ISO-NE made this statement and there were several questions, although ISO-NE did not get into details on its rationale for this. Some stakeholders requested that ISO-NE present on this issue.

This could be a benefit to Burlington Electric Department as it has expressed interest in withdrawing its Winooski One hydro unit from the wholesale market and treating it as a behind-the-meter resource. The hydro unit has a nameplate capacity of 7.4 MW. BED's situation is slightly different as Winooski One is currently in the market.

NYPA contract negotiations

On August 9, neighboring states had an initial discussion with NYPA regarding the renewal of the St. Lawrence contract. It appears that NYPA will not be agreeable to some of the proposals by the neighboring states, including the cost of renewable energy credits, the need to reapportion the total amount among the states, and the term of the contract. There will be an in-person discussion on September 1 in White Plains, NY, with weekly calls thereafter.

Transmission Competition

On August 10, NextEra made a presentation at the NEPOOL Reliability Committee regarding proposed changes to ISO-NE's process for reviewing and selecting transmission projects. NextEra made two specific proposals:

- ISO-NE should expand the process for reviewing the need for projects, in other words conduct planning processes more frequently and potentially select projects where the year of need is greater than three years out.
- Incumbents should not have right of first refusal for projects with a need of three years or less.

NESCOE has historically been supportive of competition in transmission planning. New Hampshire spoke out strongly in favor of competition.

Generally, the proposals being circulated to encourage competition would likely result in increased resources needed by ISO-NE or increased payments to transmission owners in the form of incentives to ROE. Some stakeholders believe that competition is inherently a positive thing. However, to the extent that competition ends up costing ratepayers more than the current system, than Vermont should oppose competition.

Engineering

Update on VY Groundwater Management Issues

Pumping of intrusion water to three holding tanks outside the Turbine Building continues as necessary. Four shipments (~20,000 gallons) occurred last week, and it is expected that four shipments per week will continue throughout August. Approximately 279,000 gallons have been shipped as of the latest report on 8/3. VY indicates it is on track to ship remaining stored inventory (~30,000 gal.) by 8/31, and the current intrusion rate is approximately 750 gal/day. VY continues to investigate both the seismic gap as the potential intrusion source, as well as the sealing of the gap degradation.

NRC Concludes VY Did Not Violate NRC Regulations Regarding Access Procedures

On 8/4, the NRC issued publicly a closeout letter regarding an investigation completed in February 2016 for circumstances that occurred in May 2014 relating to denial of access authorization. At issue was whether an Entergy corporate manager deliberately violated Entergy's procedures, and therefore NRC requirements to have such procedures, by directing that a second review of an appeal be conducted (in violation of Entergy procedures) after an original review had already been completed in accordance with Entergy's procedures. However, after further consideration, Entergy decided to retain the original access denial decision. The NRC concluded that Entergy did not violate NRC requirements since, in the end, Entergy retained the original appeal decision as the final decision.

Vermont Gas Systems Addison Natural Gas Project Construction

Approximately 9,091 feet of pipeline was installed last week by open-trench method, and approximately 1,000 feet was installed by Horizontal Direction Drilling (HDD). Total 2016 installation between Williston and Middlebury at the end of last week was approximately 13 miles. The Department Pipeline Inspector focused on electrical safety, pulling and deflection forces for HDD, and the review of materials and design for the Phase VII looping project in Georgia, VT.

Revision of PSB Rule 5.500 (Interconnection Procedures for Proposed Electric Generation Resources)

The Department participated in a PSB workshop to review progress in revising PSB Rule 5.500.

Issues raised at the workshop included: definitions should mirror those of ISO-NE; adding language reflecting FERC Order 828 on ride-through capability of inverters; the fees utilities charge for performing required studies; and clarity on Queue position, application completeness, and Supplemental Review. The PSB requested another re-write of the rule and one more workshop date (TBD).

Public Advocacy

VGS Rate and Alt Reg Filings – Docket Nos. 8710 & 8698

This case is Vermont Gas's request for a rate decrease of 3.3% (which includes placing the Addison Project in service and withdrawing money from the SERF) and its request for approval of an alt reg plan. Non-petitioner testimony was due July 22, however by stipulation of all parties, the date was extended by a month, with other dates pushed back accordingly. AARP and the Department have submitted further discovery requests on July 27. Responses are due on August 10. The Department has met with Vermont Gas. From these meetings, it appears that the disallowances currently being considered by the Department are not significant enough to cause the company financial distress. The Department will review new discovery and revise testimony with this in mind.

GMP Base Rates Filing – No Docket

Department staff is reviewing a draft Larkin Report and drafting an RFP to get an independent assessment of GMP's hydro acquisition for purposes of establishing an economic value of the plant for ratemaking purposes. The Department and GMP will also seek to agree on a plan for vegetation management.

Swanton Proposed 4.52% Rate Increase – Tariff No. 8617

On August 4th Swanton filed the prefiled testimony and exhibits of Brian Callnan. The finance, planning and public advocacy divisions met to discuss substance and process concerns. Informal discovery will commence soon. The PSD recommendation is due to the PSB on August 24th.

Coolidge Solar 20 MW facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586

On August 3rd, the petitioner served its first set of discovery requests on the PSD, BED, ANR, WEC and GMP. The PSD's engineering, planning and aesthetic experts, along with the public advocacy division, are working on responses, which are due on August 24th. In light of Coolidge's motion to dismiss its request for rule 4.100 rates, GMP filed for a waiver of the PSB requirement that GMP file an accounting of expenses incurred in compelling rule 4.100 rate discovery responses. The PSD does not anticipate opposing Coolidge's motion to dismiss; but, anticipates requesting the PSB dismiss *with prejudice* in order to foreclose the case from being brought anew under the stale rate (as evidenced by the PSD requesting new avoided cost rates) and under a soon-to-be-stale rule (as evidenced by the PSB filing for amendments to the rule).

VELCO PV 20 Replacement Project – Docket 8604

This case involves the construction of a cable replacement project from the New York border to the Town of Grand Isle. As requested by the petitioner, the PSB amended the project's CPG to extend construction hours during construction activities that require horizontal directional drilling; in-lake cable installation and removal activities; and work that requires planned

transmission outages. The CPG amendment included the PSD's proposed notice requirement, along with ANR's language requiring VELCO to abide by its permits and all the terms and conditions of its agreement with ANR.

Charlotte Solar Enforcement - Docket 8638

Enforcement action to investigate failure to install landscape mitigation plantings required by Certificate of Public Good issued in January 2013. A technical hearing occurred in June, with briefing complete in July. Upon receiving preliminary information that the revised mitigation planting had not been satisfactorily completed, the Department requested the Board to hold open the record in the enforcement investigation. Charlotte Solar filed a Landscape Installation Certification Report on 8/1/16. The report confirms that the planting is incomplete, that dozens of plants were not installed, that an uncertain number of plant species were substituted for those specified in the plan, that dozens of plants were installed with sizes below that specified in the plan and that this information was known to Charlotte Solar months in advance of the installation. The Department will be filing a status update with the Public Service Board on 8/10/16 which will request that the Board continue to hold open the record in the enforcement for 60 days while parties conduct a site visit and learn additional information pertaining to the incomplete mitigation planting.

BHC Solar LLC – Docket 8692

Enforcement action to investigate false or misleading statements on the application for a 150kW net metered solar project in Vergennes, pertaining to the existence of Historic Sites near the proposed project. At a prehearing conference on 7/29/16 the Public Service Board set a deadline of 8/31/16 for parties to file a Statement of Material Facts and proposals for procedures going forward. The Department is conducting internal discussions regarding the role of the Department in enforcement actions after a violation has been established. Recently many respondents to enforcement investigations are casting the Department in the role of prosecutor on such matters, and implying that the Department has an initial burden of proof that it must satisfy in order to justify imposition of a penalty. The Department disagrees and believes instead that its duty is to elicit factual information upon which to make a penalty recommendation to the Board. While the Board appears to disagree with the Department, a decision by the Hearing Officer on the procedural obligations of each party, with respect to discovery and testimony, may settle that question for this docket.

Next Generation Solar – Docket 8532

The Board's Hearing Officer issued a Proposal for Decision on 6/24/16, supporting the issuance of a Certificate of Public Good for this proposed 2.2 MW solar facility in New Haven Vermont. Parties have filed comments on the Proposal for Decision and have requested oral argument. The Board scheduled the oral argument for 8/17/16.

Net Metering

The Net Metering workload continues to be substantial. Comments on four new petitions were due during the past week, but at the last minute, the Board deferred the deadline on three of the four petitions until later in August due to a variety of factors. There are also approximately thirty to forty pending net metering matters, for solar arrays ranging from 150 to 500 kW on which responses or comments are, will or may be due within the next few weeks. These are matters

where issues have arisen outside of the usual 21-day initial comment period that is standard for the 500kW petitions. The issues include engineering questions pertaining to Fast Track reports and the use of de-rated inverters, aesthetic concerns, same facility questions, extension requests, proximity to historic sites, environmental issues. There is a novel issue arising involving net metering projects where the CPG Holders neglected to make the required affirmative election to retain the RECs, and now seek to correct that omission. The Department's position is that where the statute automatically awards those RECS to the interconnecting utility, the CPG Holder must request an amendment of the CPG and the interconnecting utility should have a say in whether it objects to having the RECs revert to the CPG Holder.

Vermont Electric Cooperative Special Contract with Rick Mayotte – no docket

On August 5 VEC requested approval of a special contract with a maple sugar producer as part of its Clean Air Program, which provides incentives for line extensions and service upgrades to replace off-grid fossil fuel-reliant installations. This is the second contract in a series of contracts associated with this program; the Department filed a letter on July 29th recommending approval of the first such contract. The purpose of this contract is to provide Mr. Mayotte with an increase in his service capacity, which requires an underground vault, a 250 kVA transformer and associated conductors and materials. The Department's response is due on September 8th.

GMP 248(j) Petition to Reconstruct the South Brattleboro Substation – Docket 8778

GMP filed a petition on July 5th requesting approval pursuant to Section 248(j) for reconstruction of the South Brattleboro Substation. Comments are due to the Board on August 24th. The Department is considering its position, and has concerns that the project may not qualify for review under subsection (j). The Department has scheduled a call with GMP on August 11th to discuss its concerns.

VPPSA Section 108 Petition – no docket

VPPSA submitted a petition on July 8th requesting the Board's approval to issue up to \$2.1 million in long-term debt to purchase Vermont Transco Membership Units. The Department filed a letter on August 9th recommending approval of the petition.

Morrisville Water and Light Declaratory Order Interpreting the Meaning of “first-come, first-served” in Net Metering statute – Docket 8756

The Hearing Officer held a prehearing conference on August 5, 2016. A schedule was agreed upon by all parties, whereby Morrisville will file testimony on August 15th and the DPS will file a response on August 29th. An order is expected by the end of September.

Otter Creek Solar, LLC request for resolution of a dispute regarding an interconnection request with Green Mountain Power Corporation – Docket 8775

This case concerns a dispute between GMP and a solar developer over GMP's treatment of a solar project for which the developer changed the location, causing GMP to deem the project's application withdrawn for reason of a “material change.” The Department, GMP, and Otter Creek Solar have submitted extensive filings setting forth their respective positions, and the Department has agreed with GMP that the application should be considered withdrawn and the Board should require the developer to submit a new application. The Board opened an investigation into the matter and held a prehearing conference on August 2nd. At the prehearing

conference, the parties were unable to agree on a schedule. On August 5th, GMP filed a letter (with the Department's support) proposing a schedule that requires parties to file comments no later than August 23rd, with replies due on September 2nd (including parties' positions as to whether an evidentiary hearing is necessary). An order is requested by October 1st in order to facilitate interconnection requests lower down in the queue.

Stowe Electric Department Section 108 Petition – Docket 8767

SED filed a petition on May 24th requesting approval to issue \$800,000 in General Obligation Bonds to fund its capital plan, and \$667,000 in debt to purchase membership units in Vermont Transco, LLC. The Board issued an order on August 4th approving SED's request.

WEC Section 108 Petition – Docket 8764

WEC filed a petition pursuant to Section 108 for approval of a promissory note and mortgage to the National Rural Utilities' Cooperative Finance Corporation to finance its Siloxane Removal System. The Board issued an order on August 4th approving WEC's request.

Vermont Transco Section 108 Petition – Docket 8768

Vermont Transco filed a petition on June 22nd seeking approval to issue up to \$50,000,000 in Class A Units to Vermont distribution utilities. The Board issued an order on August 4th approving Vermont Transco's petition.

VGS Addison Expansion—Docket 7970

In response to Kristin Lyons' July 27 expanded Order to Show Cause and Request for Sanctions which included allegations regarding destruction of the harsh sunflower on the former Peyser property, the Department and ANR, jointly, requested a Board investigation into the imposition of sanctions for these CPG violations. The request does not include a request for cessation of construction. Vermont Gas did not contest the investigation, but rather requested that the Board permit the ANR enforcement proceeding to be concluded first; neither the Department nor ANR objected to this request.

VGS Addison Expansion –Notice of Probable Violations-no docket

A NOPV regarding Vermont Gas's construction practices where electric transmission lines are present was transmitted to VGS on August 8. The NOPV alleges that Vermont Gas failed to follow its own Specifications in this regard. The NOPV requests, among other things, a civil penalty in the amount of \$150,000.

A second draft NOPV has been sent to Public Advocacy for review and comment.

CLF declaratory ruling re amended CPG for the VGS Addison Expansion-Docket 8330

CLF has informally advised VGS and the Department that the Board will hold oral arguments on September 7, based upon discussions with the Clerk's office. No formal notice has been issued.

VGS-Petition for a Renewable Natural Gas Program and Optional Tariff-Docket 8667

Lincoln Renewable submitted its supplemental testimony on August 8. The testimony is a thinly-veiled effort by Lincoln to keep the Program from going forward without a substantial commitment from VGS to purchase Lincoln's RNG. Vermont Gas, with the support of the CLF and the Department, has submitted a revised schedule to the Board for its consideration. Lincoln

Renewable did not weigh in on the schedule despite repeated requests. VGS is due to serve discovery on non-petitioners. The Department is generally supportive of the Program.

VGS-Town of Hinesburg condemnation-Docket 8643

This parcel is in a park owned by the Town. On the evening of August 3, in advance of a technical hearing on August 4, the Board issued orders denying the Resident Intervenor's Motion for Board Member Hofmann to recuse herself and denying Vermont Gas's Motion to Revoke the Party Status of the Residents. The hearing, which took all day, was monitored closely by law enforcement. There was a large gathering of protesters in the morning, but they drifted away by noon. One small outburst was tolerated in the Hearing Room. Briefs are due August 19 and reply briefs are due August 29.

The Residents have submitted to the Town a draft Complaint alleging various violations of the Open Meetings Law in connection with the Revised Settlement Agreement; such complaints are outside of the Board's jurisdiction. The Hinesburg Selectboard rejects the allegations of the Residents, but it is unclear how this will proceed.

Generic Rule 4.100 Avoided Cost Proceeding – Docket No. 8684

A technical hearing was held on July 7. Initial briefs were filed on July 28; replies are due on August 11. A discovery dispute has continued past the hearing between BED and VIPPA. Resolution of this matter and its effect on a final order is unclear.

North Hartland Rule 4.100 PPA – Docket No. 8569

The case involves a request from an existing hydro facility for a 20-year non-levelized PURPA contract. For such a contract, the generator has to demonstrate compliance with 248(b). Because the standard Rule 4.100 rates are "stale" at this point, the DUs and the Department oppose the request. A technical hearing was held on July 21. Initial briefs are due on August 12; replies on August 26. In related news, FERC rejected a request for enforcement of PURPA against the Board related to this case.

GMP Off-Grid Innovative Pilot – No Docket

GMP proposed to launch a pilot program in which it would provide off-grid service through some combination of solar generation, back up generation, storage and energy management systems. GMP is allowed to propose such projects pursuant to a provision in its alt reg plan. The Department plans to oppose the pilot. Staff has submitted a draft letter to leadership last week and is waiting for comments or approval. GMP has technically met its notice requirements so can begin offering this service. Therefore, it would be good to submit the Department's comments as soon as possible. Also, on July 26, the Board issued a memorandum to GMP seeking responses to questions about the program; GMP provided responses on August 3.

Irasburg/Blittersdorf MET Tower Investigation – Docket 8585

The Hearing Officer denied the Department's motion to quash the deposition of Andy Perchlik. Perchlik was deposed the next day by Blittersdorf's counsel. Counsel deposed Perchlik on topics that included his familiarity with the technical operation of MET tower equipment and the role MET tower operation plays in the development of wind projects, as well as the Department's role in administering an ARRA grant funding Vermont Technical College's Anemometer Loan Program from around 2009 to 2012. Blittersdorf then used statements Perchlik and Town of

Irasburg representative Ron Holland made during deposition in an effort to support a cross motion for summary judgment claiming that the Board does not have the jurisdiction over Blittersdorf's MET tower under §§ 246 and/or 248. The Department also issued responses to Blittersdorf's first round discovery requests. A Rule 30(b)(6) deposition (noticed with a companion subpoena duces tecum) is still possible, though it is unclear when that may happen and what topics Blittersdorf would explore. The Department is facing August 19 deadline to respond to Blittersdorf's reply to the summary judgment motion.

GMCW/McLane Sound Complaint – Docket 8613

The Hearing Officer held a status conference and surprised the parties by asking pointed questions about the Department's sound analysis and recommendation filed in May (that attenuation testing be offered at the McLane residence pursuant to the GMCW complaint resolution protocol), and about GMCW's response to the recommendation and analysis (arguing that the Department's analysis is invalid because it was not conducted consistent with the sound monitoring plan protocol). The Hearing Officer now seeks additional information from the Department explaining the veracity of its analysis, and from GMCW as to why it did not offer the McLanes attenuation testing at their residence as required by the sound monitoring protocol when RSG measured sound levels within 5 dBA of the 45 dBA outside sound limit during the first year monitoring program. The parties are waiting on the release of an order from the Hearing Officer outlining his specific questions before fashioning a response schedule.

Telecommunications

FairPoint Fiber Move

Two weeks ago, FairPoint moved fiber operated by E.C. Fiber and the Department. FairPoint made the move on two poles and without permission from either entity. Department personnel talked to FairPoint crewmembers at the area, and they advised that FairPoint was completing a CAF II funded project. There appeared to be no emergency or other compelling reason to move the fiber without providing advance notice to ECFiber. On August 1, FairPoint issued NJUNS tickets for pole transfers along that route to EC Fiber. EC Fiber and the Department are now on notice.

CoverageCo Draft Agreement

The Department was awarded a grant to deploy small cell units throughout the state. The Department's contractor, CoverageCo is building the network and will operate it when it is complete. Department staff presented CoverageCo with a draft amendment to its contract with the Department. The amendment calls for additional weekly reporting on progress and changes in location of 56 cell sites. The Department will agree to postpone the minimum rent payment of \$45,000 by one year. At the meeting, the CoverageCo representative showed a surprising lack of knowledge on the existing agreements. He was not aware that rent was a part of the agreement. This turned out to be a working meeting where all the issues and concerns we had were voiced and action items were recorded for follow-up with their senior management team in the coming week. Summary reports have been generated and issue tracking list was created where we can now hold them accountable to complete. The Department will need to have a follow up meeting with staff of the parent company, Vanu, Inc. to discuss the amendment further.

VUSF Budget

Solix Inc. is the fiscal agent for the Vermont Universal Service Fund. The fiscal agent collects and disburses roughly \$6 million in assessments every year. Solix provided the Department with a draft budget for the FY2017 year and FY16 year-end statements. Department staff is reviewing them now and will discuss them with Solix on Wednesday. The main issue of concern is whether the fund can sustain an E911 budget adjustment of over \$400,000 dollars. It appears at this time that fund cannot sustain such a large additional expense. E911, however, has made it known its intention to seek a budget adjustment. E-911's budget for FY17 was \$4,304,000 and represents about 70% of the fund.

VELCO Lease Agreement

The Central Greens project was a VTA funded fiber construction project in the towns of Bethel, Stockbridge, Hancock, and Rochester. Division staff hope to avoid significant over-budget expenses by leasing existing fiber from VELCO on a GMP transmission line. This week, VELCO said it was working with its attorney on the lease particulars and will meet with E.C. Fiber on the particulars of the interconnecting with the Central Greens network.

FairPoint Petition to Investigate 5903 Service Metrics (Docket 8701)

FairPoint filed its prefiled testimony and expert reports on Friday, August 5. FairPoint is requesting that it be relieved of service quality metrics reporting obligations for areas where it faces competition from at least one other landline phone provider, including cable voice providers. FairPoint is proposing to identify the availability of competition on an address-by-address basis throughout its entire service territory using data from the E-911 database and the Department's data regarding the availability of cable or broadband service. FairPoint is also requesting that the Board modify the service quality metric that measures troubles cleared in 24 hours for the locations where its customers do not have access to a competitor. FairPoint is requesting that the Board modify the metric from troubles repaired in 24 hours to troubles repaired in 48 hours.

The Department is reviewing FairPoint's testimony and, together with its retained experts, is beginning to prepare discovery requests for FairPoint. The Department's first round of discovery is due by August 25. The Department has not yet determined how it will respond to FairPoint's petition, but anticipates that it will propose alternate service quality metrics for captive customers that attempt to provide more meaningful protections.

T-Mobile § 248a Application – Vershire (Docket 8689)

The Board held a prehearing conference for a petition from T-Mobile to construct a new cell tower in Vershire on August 4th. The facility will be sited in a location that currently has no mobile voice or data coverage. The Board initially issued an order that granted a CPG for the facility. The Town, however, had filed opposition to the facility, and the Board granted a motion from the Town to reconsider to order granting the CPG. The Board will hold a technical hearing for the facility on August 18, and the Town will present testimony that the Project does not comply with the Town Plan.

Burlington Telecom CPG Renewal (Docket 8719)

The Department has already submitted initial prefiled testimony, which largely supported BT's request to renew its CPG. CAPI staff are finalizing the Department's community needs

assessment (“CNA”). Once the CNA is completed, the Department anticipates that it will enter an MOU with BT to resolve all remaining issues. BT and the local access channels have advised the Department that they are also prepared to enter an MOU to resolve all pending public access issues that have arisen in the docket.

QLink Wireless Wireless ETC Renewal (Docket 8075)

QLink Wireless currently has a request to extend its ETC designation for three years pending before the Board. The Department had some concern about the company’s viability because its CEO is under indictment for murder in Florida. In response to an informal information request from the Department, Q Link provided information that demonstrates that company will be in a position to continue operating if its CEO is incarcerated. The Department filed a letter with the Board recommending that the Board approve the ETC designation extension request.

Board Investigation into Charter’s Compliance with its Line Extension Tariff (Docket 8715)

Charter, with the consent of the Department, requested that the Board agree to an additional extension through the end of August for a docket that was opened in response to customer complaints regarding Charter’s line extension policies. The Department has held numerous conversations with Charter regarding its line extension practices and how it allocates costs to consumers pursuant to its line extension tariff. The Department, however, still believes that Charter is pushing some infrastructure costs onto consumers that Charter should be required to cover pursuant to its line extension tariff. Telecom Division staff sent written comments to Charter outlining the Department’s position, and are still waiting for a response. The Department, however, has indicated that it is willing to agree to one additional extension to attempt to reach an agreement on the issue. The Department anticipates that this issue will need to be resolved through litigation.

EDP Contract- After a period of negotiations, the Department has finalized the contract with Vermont Center for Independent Living (VCIL) to oversee the Equipment Distribution Program. Vermont Center for Independent Living will be subcontracted to administer the equipment program and the program’s outreach activities. The VCIL group will process EDP applications, work with consumer to identify the best suited technology for their individual needs, order the equipment and assist with installation and use. The contract term is retroactive to July 10th, 2016 and will terminate June 30th, 2018. There is an option to extend the contract for an additional two years.

Consumer contacts:

Derby- A consumer contacted the Governor’s office concerning her frustration with internet service at her home in Derby. The consumer was unsatisfied with her current provider, FairPoint, and was hoping to learn of other provider options. Staff reviewed the address and compared it to information in the DPS database, which showed that she could access service from FairPoint, Great Auk Wireless, AT&T, and Verizon Wireless. The location is also within VTel ARRA territory. Connectivity staff contacted multiple utility companies to explore available options, and then relayed the information to the consumer.

PSD GIS Server

A GIS server with associated hardware and software is required to process broadband

availability information in addition to other ad hoc reports and mapping requests internally. After much research it was decided that contracting with Stone Environmental would be the best solution to meet the current and future software and hardware needs of the Department. Stone Environment can not only meet the software and hardware needs but in initial testing that has occurred Stone's solution far out performs anything on the state's current network. In addition to meeting the immediate needs of enabling PSD staff to perform the data analysis particularly for the Broadband Initiative, the Department will have access to additional web functionality that will enable staff to better serve the consumer through mapping interfaces (see [ANR's atlas](#) as an example). Interactive maps are an innovative way to serve out information in a format that is quick and easy to understand. Staff is currently working with the PSD Administrative Service office, DII and Stone Environmental to develop a Statement of Work Agreement between PSD and Stone Environmental. This is a supplemental agreement to the two-year Master Agreement between DII and Stone Environmental that is still awaiting signature by both parties.

Broadband Data

The broadband data is developed from a series of complex queries and manipulations derived from the various internet service provider' submittals. Staff is familiarizing themselves with the datasets and query deliverables from Stone Environmental by adjusting some of the data from one internet service provider that, through data testing, was discovered that it had been inadvertently listed as a different level of service. The broadband statistics data on the PSD Connectivity website has been updated to reflect all the changes in service including the contested data in the latest Connectivity Initiative RFP. The Broadband Viewer is also in the process of being updated and reposted on an internal website. The Broadband Viewer is search tool that staff can use when the public inquiries about level of service to a particular address which also includes different options of service if applicable. Staff has solicited input on how to better serve this information to make it more intuitive and easier to use.

2016 Broadband Availability Data Request

The division has a statutory requirement per 30 VSA § 202e (e) to report to the legislature on broadband availability in Vermont. The report is to include maps and narrative regarding locations served (i.e. broadband is available, irrespective of whether a consumer chooses to subscribe to the service) at the speed tiers of 100 megabits per second download/upload (100/100 symmetrical); 25/3 Mbps; 4/1 Mbps. Broadband providers, including providers of mobile wireless, were sent an email from the division director requesting their broadband deployment data. Data is due by September 30, 2016 and will form the basis of the report to the legislature due on or before January 15, 2017.

Centralized Tower Licensing Database

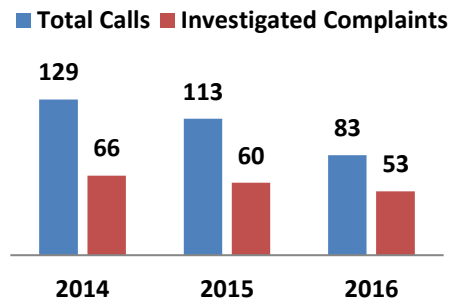
The division received information from the Agency of Transportation and will enter it into an excel spreadsheet. The deadline to provide us with the information (in the memo sent from Secretary Johnson) was September 13, 2016. We still await the receipt of information from DII; BGS; Public Safety; and Forests, Parks and Recreation.

CAP

Report period for July 31 to August 6, 2016

Calls to CAPI

Same 7 days each year



Lifeline

CAPI and Telecom met with DCF about Lifeline. DCF is experiencing challenges managing its responsibilities for Vermont's first wireless ETC and is concerned about addressing requirements going forward as additional wireless customers enter this market. The discussion also referenced the need for potential policy changes at the state level. Further discussion is planned.

FairPoint Docket 8701

Telecom included CAPI in its teleconference with the consultant, ProCom, to review initial planning for alternatives to the service quality metric "troubles cleared in 24 hours."

GMP Supplemental Net Metering Program Docket 8652

The Department received two complaints from applicants whose proposals were denied by GMP. Applicants were denied based on GMP's interpretation of the criteria in 8652. After gathering information from GMP and the complainants, CAPI met with PA to determine the best course of action to resolve the complaints. We advised the complainants to request a hearing with the PSB for resolution. Both parties have indicated that they intend to pursue the matter with the Board.

CASES OF THE WEEK

A consumer contacted CAPI for assistance in getting a FairPoint drop line removed from an old pole that is falling down; a new pole was installed and electric and cable lines have both already been moved to the new pole. The consumer wanted the FairPoint phone line removed entirely because no one at the residence has had landline phone service for many years, instead using primarily cell phone service. FairPoint had quoted a \$200 fee to the consumer to remove the line. CAPI suggested that the consumer agree to having FairPoint move the line over to the new pole, which presumably would be at no cost to the consumer if the old pole needed to be removed/replaced anyway. CAPI reached out to FairPoint and is awaiting a response; in the meantime the consumer has notified CAPI that FairPoint will be removing the drop line at no cost.

CAPI received a consumer complaint regarding Hughes Net. Consumer stated that he cancelled his service with them May 3 and at that time he paid up his bill to a \$0.00 balance. Consumer stated that Hughes Net kept billing him and when he called them they told him that no one at the billing level could access his account and stop the auto pay or cancel the service. Upon receiving the CAPI complaint Hughes Net cancelled the account and issued a credit to the consumer in the amount of \$147.00.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Paul Dragon, Deputy Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: August 12, 2016

Secretary's Message:

As you know last Friday we held a memorial service to commemorate the anniversary of Lara Sobel's death. Due to security concerns, it was held at the Pavilion which provided an intimate setting and was well received. The crowd was filled with those who came to reflect and remember her and the good work she did for Vermonters every day. Senator Leahy was present and the speakers were very moving. On Sunday in Montpelier, Lara's family and Mayor John Hollar dedicated a bench to the memory of Lara. This was also a lovely event and Mr. Sobel personally thanked you for your support and the support of your administration. We spoke privately and again he reiterated how much he appreciated your support and Darren's during this tragedy.

It has been a very exciting week here at the Agency. Early this week, Desiree Herring was apprehended in Burlington without incident and was returned to the Chittenden Regional Correctional Facility. A Vermont mother with mental health issues was in the process of losing custody of her four children, DCF had obtained an ECO for her four children. Through the course of the investigation, it was learned she had made several threatening statements to CSAC staff. She was apprehended later yesterday without incident and is being sent for psychiatric evaluation. At the same time, we were dealing with a hostage situation at the Newport Correctional Facility that ended without any harm coming to the staff or inmates. Compliments go to our DOC staff. We also found ourselves this week with all level 1 psychiatric beds filled to capacity with a long list of court ordered and involuntary adults needing placement. Our staff have been working diligently to correctly place all those who need our services.

Last week, I had the pleasure to travel to the Robert Wood Johnson Foundation in Princeton, New Jersey, to be part of a team presentation with members of Vermont's Leadership for Healthy States initiative. The team shared with a group from RWJF, the Aspen Institute and other states what we are doing to address Adverse Childhood Experiences (ACEs). We took a distinctly Vermont approach to our presentation, with each of us having the opportunity to speak to the group. What we shared in Princeton was very well received – a testament to the enthusiasm and commitment our Leadership for Healthy States team has for this important issue. In addition to myself, Vermont's Leadership for Healthy States team includes: Senator Ginny Lyons; Representatives Bill Lippert and George Till; the Governor's Director of Health Care Reform Robin Lunge; DCF Commissioner Ken Schatz; VDH Deputy Commissioner Tracy Dolan; and Blueprint for Health Assistant Director Beth Tanzman. In selecting an issue that presents a unique challenge to the health and well-being of our state, the Vermont team chose to focus on Adverse Childhood Experiences (ACEs) because they present an immediate risk to Vermont's children. Based on the strength of the evidence presented, the recommendation of the VT Leadership for Healthy States team was to build on our existing home visiting programs, specifically the Nurse Family Partnership, Maternal Early Childhood Sustained Home Visiting and Parents as Teachers. In doing so, the Leadership for Healthy States team is confident that VT can significantly move the needle on this important issue reducing the occurrence of ACEs in VT families to help VT Children grow into healthy adults.

AHS Highlights:

Vermont Department of Health (VDH):

Prescription Drug Take Back Day Evaluation for Chittenden County

The DEA-sponsored National Prescription Drug Take-Back Day, which aims to provide a safe, convenient, and responsible means of disposing of prescription drugs, while also educating the general public about the potential for abuse of medications.

Here are some of the highlights from the evaluation data that was collected this past April.

- 1709 lbs. of medications were collected
- 11 law enforcement locations offered medication disposal
- Burlington Police Department tracked medications brought in for disposal - 20.8% were for controlled substances
- 37,775 educational pharmacy bag inserts and 68 counter clings were distributed to 42 pharmacies
- 106 additional locations received posters and brochures
- Media reported on this story 14 different ways, including radio airtime, WCAX and FOX 44/ABC news stories, articles in newspapers, articles in coalition newsletters, and social media promotion
- People bringing in medications on take-back day were surveyed:
 - 29.73% they previously disposed of medications using a take-back disposal program
 - 91.67% said they would use a take-back disposal program to get rid of meds in the future

Vermont Cancer Registry

The Cancer Registry is in the process of responding to concerns of cancer and autoimmune conditions among Clarendon Elementary classmates who are in their mid-30's. The current inquiry is related to an event that occurred in the early 2000's, when concerned parents noticed children in the community were diagnosed with leukemia, felt that their concerns about elevated childhood cancers in their community were being ignored, and activated the community. *This resulted in an extensive cancer cluster investigation, which found no elevated rate of pediatric leukemia.* Sampling and analysis of multiple environmental media, including water, soil, air, and EMF, found no causative link. For the current inquiry, the Cancer Registry is collaborating with Environmental Health Technical Assistance Group to address the group's concerns.

Department of Mental Health (DMH):

Counseling Services of Addison County

On August 11, 2016 we received notification from Counseling Services of Addison County (CSAC) regarding a mother and her potentially taking off with her four children after receiving notification that her children were going into custody. CSAC had been working with the family prior to the notification of custody order. She has made threats to CSAC and it is suspected she is carrying a loaded gun in her handbag. The state police have been notified and are looking for her. CSAC is in lock-down including closing their outpatient clinic. That State Police were notified and did find her. The children are now in DCF custody and the mother is awaiting a psychiatric evaluation. During this event, CSAC was in lock down including closing their outpatient clinic.

Vermont Psychiatric Care Hospital

VPCH census has been at 25 most of the week until Tuesday afternoon when we agreed with VPCH Medical Directors to drop the census to 24 to help manage the acuity and intensity of the unit. There

were assaults by a patient that created the need for several 1:1s and mandated staffing. The Joint Commission visit to review corrective action regarding the conditional level deficiencies is to take place by August 15th. We will know they are coming the morning of the visit. The hospital has made corrections to all areas identified.

Emergency Departments

This week saw 26 people in need of inpatient beds and 14 admitted. Additionally, we saw a significant increase in the number of involuntary adults (18 total) entering the inpatient system of care. This week (as of the end of August 10th) there remained six involuntary adults waiting for inpatient beds. This week also showed a significant decrease in the number of available beds in the system due to high censuses around the state. There were several days this week where there were only four beds available in the entire system and some of those beds are specialty beds on dual diagnosis or LGBTQ units. There were also five court ordered adults this week, four are waiting in corrections while one is waiting in an Emergency Department (and is likely to be admitted today). All voluntary and involuntary adolescents this week were placed, with only one waiting longer than 24 hours for a placement. This week's occupancy in the adult inpatient system of care was 96% and a similarly high occupancy in the children's inpatient system at 94%.

Department of Disabilities, Aging and Independent Living (DAIL):

APS Joint Investigation with Chittenden Unit for Special Investigations (CUSI)

Adult Protective Services partnered with the Chittenden Unit for Special Investigations (CUSI) and the Burlington Police Department to investigate the alleged sexual abuse of a vulnerable adult. Law enforcement originally declined to investigate because the victim, who is disabled, has an impaired ability to communicate and was not cooperative. APS Investigator Kathy Stubbing, a retired Burlington Police Officer, investigated the case, established positive rapport with the victim, and was able to overcome the communication challenges to interview the victim. As a result of the information gathered, CUSI and BPD were able to identify an alleged perpetrator, who confessed to the crime when interviewed and is now being prosecuted. Without APS' involvement, this alleged perpetrator would continue to be a danger to the Vermont community.

Department of Corrections (DOC):

Desiree Herring Lodged

Desiree Herring was picked up on the Escape warrant on 8/9/16. Burlington police had received a tip that she was in the area. An officer recognized her as a passenger in a vehicle. They stopped the vehicle and she was taken into custody without incident. She was lodged at the Chittenden Facility shortly after 5 p.m. She was arraigned on the escape 8/9/16. The state attorney made her an offer of 2-3 months to serve on the escape. She accepted the offer.

Population

The Department's incarcerated population averaged **1751** for the previous week. Last year at this time, the average was **+127** over the current number.

The Department's incarcerated male population averaged **1618** for the previous week. Last year at this time, the average was **+111** over the current number.

The Department's incarcerated female population averaged 133 for the previous week. Last year at this time, the average was +16 over the current number.

The Department's overall detainer population averaged 421 for the previous week. Last year at this time, the average was -17 under the current number.

The out of state population is currently at 252. Last year at this time, the out of state population was +28 over the current number.

Department for Children and Families (DCF):

AOE investigates the Bennington VT School for Girls in Collaboration with DCF

On July 29, 2016 the Agency of Education (AOE) placed the Bennington Vermont School for Girls (VSG) under investigation due to a number of alleged and confirmed sexual assaults by current and former staff as well as a pattern of runaway behavior by residents. AOE regulates the VSG as an approved independent school. Removal of this approval would likely shut VSG down.

DCF's Family Services Division's Residential Licensing and Special Investigations Unit (RLSI) regulates VSG as a Residential Treatment Program. It is licensed to care for up to 55 high needs/high risk girls age 8 to 22 who are in need of comprehensive residential treatment and care. DCF and DMH contracts 30 of these beds and currently has approximately 26 youth placed at the program, most of whom are in state custody. The remainder of the beds serve out-of-state youth.

The DCF Commissioner and the AOE Secretary have been communicating about the AOE investigation and its potential consequences. The DCF Family Services Division is statutorily responsible for both the regulation of VSG as a Residential Treatment Program and the state child abuse/neglect response for incidents at the facility. A DCF RLSI staff person has been assigned to the five member AOE panel investigating AOE's concerns. DCF RLSI participated with local Bennington law enforcement in all sexual assault investigations of concern and has been satisfied with program's response and corrective actions. The program is licensed by DCF in good standing. The AOE investigation team spent August 9th at the facility with plans to spend August 18th there as well. AOE is offering a preliminary update to the State Board of Education on August 24th. DCF is contributing to this AOE investigation through participation, information sharing, and education.

Other Agency Report Items for Consideration:

Agency of Human Services Secretary's Office:

Rutland Youth Advisory Committee

The Rutland Youth Advisory Committee is a group over 30 community members, organizations, businesses and youth who work together to improve the wellbeing of youth in Rutland County. At this time, we are conducting surveys with area youth to evaluate the strengths and needs of youth within the county. Many organizations across the region are conducting this survey with their respective youth. The survey results will all be compiled and used to lead the Committee in its mission to progressing, empowering and improving youth lives through compassionate and cooperative community interactions.

Addison Accountable Communities for Health

ACH will serve in an advisory capacity to Addison's CHAT, to help determine CHAT's ongoing structure. ACH will be completing a crosswalk of the *9 Core Elements of an ACH*, and the *minimum functions essential for success in achieving reform outcomes*. ACH will also strive for Partial Integration/Affiliation as outlined in the Emerging Definitions Medicaid Pathway Delivery System Design Concepts. Other groups to be included in the ACH/CHAT conversation are IFS, Continuum of Care, Housing Solutions and DLT. The data subcommittee will review the original vignettes that were presented to the Green Mountain Care Board and share with the CHAT group the progress made to address some of the systemic concerns raised through gaps in services for the individual mock cases.

Brattleboro district CIS Systems Team focuses on evaluation

The Brattleboro district Children's Integrated Services Systems Team had a retreat to focus on shared performance measures. The group looked at the draft performance measures for Integrating Family Services to make sure whatever they develop will be in concert with those measures. It was a productive morning with the group narrowing down their ideas using a Results Based Accountability framework. They are considering implementation of a Self Sufficiency Matrix or the Strengthening Families questionnaire across all CIS.

Bennington Integrating Family Services taking shape

A work group of the Bennington IFS Exploratory Team met with the Local Interagency Team to discuss a model for building an Advisory Council and an Core Team using the existing IFS Exploratory Team and the LIT, respectively. The group finalized the draft today and will present it for approval at the next IFS Exploratory Team meeting in September. The timeline would put the Bennington district on track for implementation of IFS by July 1, 2017.

Bennington community proposes GA alternatives

The domestic violence prevention and support organization in Bennington, PAVE, has been working with AHS Field Services and DCF ESD on several ideas for emergency housing that have not been successfully funded. Recently, PAVE was approached by a home owner who wanted to offer the use of his large, spacious home (and the land it is on) to women in need of support fleeing and/or recovering from violence. The proposal has been submitted to the DCF Housing Team for review and comment.

Bennington group discussed Early Childhood Education and Care stability

After a conversation at the Early Childhood/Building Bright Futures Council meeting, AHS Field Services, the Supervisory Union that serves Bennington (SVSU), the designated agency (UCS) and the BBF regional coordinator met to talk about stability in early childhood programs. The group is working on developing a data collection mechanism for understanding how many children are

dismissed (or expelled) from early childhood programs in the region. Over time, the group is trying to reduce these expulsions through support of families and providers. The impact is immediate on the program and family, but research also shows that interventions that increase early childhood placement stability enhance educational outcomes later in life.

Governance teams looking for ways to collaborate

In Brattleboro and Bennington, leadership teams are starting to discuss ways to combine their efforts to create more coherent and seamless systems of care. In Brattleboro, the IFS Exploratory Team is discussing whether their mission and goals might fit with another team; in Bennington, the community is developing a Core Team that will meet within the structure of the existing Local Interagency Team. The Brattleboro Regional Clinical Planning Team (ACO) will be meeting with the District Leadership Team to discuss collaborative work. While most of these discussions are exploratory at this time, they are the first step to building stronger cross-sector relationships.

Vermont Department of Health (VDH):

Childcare - drinking water testing

The Health Department partnered with DCF to offer free drinking water test kits to all Family Child Care Homes on private drinking water. These test kits will provide the water quality test results that childcares will need to be licensed after September 1 of this year. The funds for these kits comes from the CDC grant to expand the reach of Health's drinking water program.

Department of Disabilities, Aging and Independent Living (DAIL):

BTV Accessibility Consultation

Recently DAIL was contacted by a frequent traveler through the Burlington Airport who had a very negative travel experience. This individual is Deaf and his experience was specific to a lack of accommodations for him which resulted in an embarrassing situation. He wrote directly to the Aviation Director and to other relevant staff at BTV, copying DAIL. I was gratified by the immediate response from BTV and was able to respond with gratitude for that response, but also to offer the services and supports of the newly created Vermont Advisory Council for the Deaf, Hard of Hearing and DeafBlind. BTV eagerly accepted the offer to utilize the Council to consider how best to make the airport and travel experience accessible to all. Bill Hudson, DAIL's Coordinator for Deaf and Hard of Hearing Services in VR, is the co-chair for the Council. He will be meeting with staff at BTV to support an environmental assessment.

Department of Corrections

Medical Isolation due to Illness at NWSCF

On 08/08/2016 J-unit was placed on medical isolation due to illness, this affects 26 inmates. Several inmates are experiencing chronic diarrhea that has been going on for a few days. There are 5 inmates with active symptoms and 2 staff that work the unit. Because that number is approximately 20% of the unit and because J-unit houses inmates that have a lot of exposure in the building it was decided to medically isolate the whole unit. J-unit makes up about ½ of the facility work force including the kitchen, VCI, the garden, library, and cleaning in key areas such as the front office and booking.

Medical has put out a list of precautions to take and symptoms to look out for. Staff have been asked to report any and all symptoms they observe in the inmates, themselves, or peers.

As of (08/09/2016) there are 11 staff with symptoms and 5 inmates. Almost all of the staff have worked in J-unit at some point over the last 5 days.

The illness continues to be confined to J-Unit. Medical has sent out cultures for testing, they believe at this point that the illness is a virus passing through but the oddity of it is that it only is affecting 1 unit continues to be concerning.

Department for Children and Families (DCF):

Vermont Recognized Nationally in Opiate Treatment Practice for Pregnant Mothers

Vermont Family Services Division (FSD) participated in workgroups framing a paper published by the Substance Abuse and Mental Health Services Administration (SAMHSA) regarding practice and policy considerations for child welfare, medical and service providers around the treatment of opioid abuse with pregnant women. FSD also aided the development of the paper's appendix five where the Children and Recovering Mothers (CHARM) collaborative of Chittenden County was reviewed. CHARM is a collaboration between UVM's Medical Center and Children's Hospital; the Howard Center; the Health Department's Maternal and Child Unit and their Alcohol and Drug Abuse Programs; KidSafe Collaborative; and LUND. This publication is intended to assist child welfare and other providers develop systems to serve this unique population. It is very exciting that Vermont was included in this process and that a Vermont initiative was provided as a model case of a community-developed, coordinated, and comprehensive approach to caring for families affected by opioid use. This is recognition that Vermont is a leader in this area of practice. The paper can be read online at this link: <https://ncsacw.samhsa.gov/resources/opioid-use-disorders-and-medication-assisted-treatment/default.aspx>

Background Checks and Fingerprinting for Prequalified PreK Programs

As an update to last week's submission on this topic, we are continuing our efforts to have as many child care providers as possible cleared by August 29th.

Department of Vermont Health Access (DVHA)

Blueprint

A team from Vermont, including Beth Tanzman of the Blueprint, Hal Cohen, Tracy Dolan, William Lippert, Robin Lunge, Ken Schatz, Virginia Lyons, and George Till, recently participated in The Aspen Institute's program "TeamWork: Leadership for Healthy States." The final retreat was held in Princeton, NJ last week. The program "strengthens relationships within and across branches of government, builds understanding of population health issues, and opens channels of communication and problem solving that can be used to address future population health challenges.

Through this program, the Vermont team focused on Adverse Childhood Events (ACE) to address both current challenges Vermont children face and the long term health and social impact of ACE.

Adversity in childhood including multiple ACES can damage neurobiological and neuro endocrine functioning, affecting behavioral, emotional, social, physical, and cognitive developing contributing to chronic medical conditions and psychiatric illnesses in adults.


Since the program launched in January, the team meet regularly to map out an approach including community inquiry and engagement through listening sessions. This work was supported by the program's technical assistance funding and included hiring a strategic thinker to help map out the process and develop a video to educate decision makers about home visiting as an ACES prevention strategy.

The group is developing a pilot program of universal home visiting following the birth of a child, and developing further recommendations such as parenting classes included with prenatal care, universal

ACE screening in Primary Care medical offices, availability and prompt referral to trauma informed care and resilience building programs, active screening and treatment of incarcerated individuals and their children, and school-based programs for identifying, aiding and referring children suffering ACEs.

The group will continue to work together following the formal end of the Aspen Institute program engagement, to continue expanding the partnerships and strategies to prevent and mitigate ACEs in Vermont.

**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin 
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: August 12, 2016

Good News

I assume you saw this:



Franklin Central SU

Genevieve Gallagher, one of our rock star Tech Integrationists in St. Albans (Franklin Central SU) was at the White House this July. Her 4th grade daughter competed and won the slot for the Healthy Lunch Challenge from Vermont. Michelle Obama hosted this and they both got to attend the White House function and visit with the First Lady herself. This is a great story:

<http://digital.vpr.net/post/fourth-grader-represents-vermont-white-house-healthy-lunchtime-challenge>

Emerging Issues

Burlington College Records Transfer

At the July meeting, the Board assigned the AOE temporary custody of the records for Burlington College, until a permanent home can be found. Before we were able to get them, there was a break in, theft of records in a van (subsequently recovered in New York), unsecured confidential data, evidence of record destruction, and some unusual behavior by HITEC.

Two AOE employees spent 3 full days at Burlington College readying the records for the movers. The records arrived at AOE in Barre over the course of two days and are currently secured in three locations at Barre City Place.

Thereafter, we discovered that despite a cease and desist order, HITEC moved two servers off site, without permission and in violation of FERPA. They lied about it. After strenuous urging by AOE, these servers were returned to Burlington College. Two additional AOE staff returned to Burlington College to retrieve these servers, which required 2 additional half days out of the office.

Since the records arrived, 2 AOE staff have devoted the entire week to organizing and systematizing the records. One AOE IT staff person devoted a full day to assessing the electronic servers.

The AOE CFO and Legal and Post-secondary approval staff have devoted substantial time over the prior 3 weeks to the records transfer process and aftermath in dealing with HITEC (since transfer by the State Board).

Since AOE received the records, Burlington College's corporate counsel has been forwarding all demands for payment for outstanding bills to AOE, including, VTDOL Wage and Hour Determinations for 5 former employees totaling, \$11,544.40.

We have received numerous complaints from the AG's Consumer Assistance Program, including:

- students not receiving transcripts (some with funds paid to HITEC, which was processing transcripts for a period of time);
- complaints from former employees whose insurance premiums were not paid, but which were deducted from paychecks resulting in denied claims for benefits (dental);
- veteran's who used federal benefits to pay for courses, etc. and now can't get refunds or credits, etc.;
- former students who paid Burlington College but have not received refunds, credits, transcripts, etc.;
- complaints from students who paid Burlington College but were cross-registered in other colleges. When the colleges billed Burlington College, they did not pay. As a result, as of 6/30/16 there were 28 outstanding unresolved complaints by former students with the AG's CAP office. Many of those complaints are now being forwarded to AOE.

Most disturbing of all, Burlington College corporate attorney forwarded a request from the US DOE regarding Perkins Loan Funds, including "assign all outstanding loans to the Department and reconcile Perkins portfolio with NSLDS; update NSLDS and ensure all loan records are properly reported to the Department and that none remain open with your school; initiate, finalize and forward a Closeout Audit Report; return the Federal share of the remaining funds and submit final FISAP data"

Needless to say AOE can't comply with this request. Since the request involves the return of federal funds and transfer of loans, AOE contacted the Office of the Inspector General at US DOE.

We also discovered that HITEC continued to use the Burlington College seal, titles, and paper to assign credits and issue transcripts, long after Burlington College closed and after AOE was assigned custody of the records.

Numerous students are waiting for transcripts which Burlington College contracted with HITEC to do, many of which were unfulfilled, fulfilled incorrectly, etc. HITEC was never designated by the State Board to receive the Burlington College records and process transcripts, which has created additional problems for the AOE as we have no certainty that we have all the academic records, since some records and at least 2 servers went off site from Burlington College. HITEC's involvement in the records has created additional challenges for AOE with respect to records management and control. We have been working with the Attorney General to attempt to resolve some of the remaining issues.

AOE confirmed with NEASC that Burlington College's accreditation was rescinded upon notice of closure, with a provision to allow Burlington College students enrolled in the Spring 2016 semester to complete degrees by completing courses at other institutions over the summer (so that Burlington College could close out a small number of degrees if the student was within a couple of credits of a degree). This provision did not mention HITEC.

Degree granting and credit awarding by HITEC under Burlington College's logo and name was not shared with NEASC by Burlington College when closure notification was provided to NEASC.

This is a complete mess and a complete tragedy. Harm has been done. This is going to end up in some messy lawsuits. I encourage the Administration to keep this at arm's length.

In addition, I assume we will be asking for some kind of budget adjustment to help accommodate the burdens managing this fiasco is placing on the AOE. We cannot afford to dedicate the amount of staff time this disaster needs, without injuring other operations.

This underscores again the risk of having too many programs chasing too few students.

State Board of Education

The State Board has been getting quite a bit of positive ink for its public comments on the ESSA, including on Politico, the Washington Post, and Diane Ravitch.

Note

I am taking Monday and last part of Friday off. I will be in Quebec with my phone. Off to celebrate my 25th birthday. ☺

Meetings

Vermont Chamber of Commerce – Government Affairs Committee

Donna Russo-Savage met with the Government Affairs Committee of the Vermont Chamber of Commerce this week and provided a brief overview of governance legislation (Act 153 of 2010; Act 156 of 2012; and Act 46 of 2015) and an update on merger activity to date. The attendees then asked questions, including: Why are some areas of the state merging and others are not? Why will merger

save money (identified by one committee member as “the reason” for Act 46) and how will we know that any of the goals are being achieved?

Media Contacts:

Matthew, public call: A Vermont resident named Matthew asked for the tuition rates for the technical centers in Vermont. Haley sent him the link on the AOE website that shows tuition for all Vermont schools and technical centers.

Shannon Dooling, WBUR Boston: Shannon emailed Cindy Moran looking for information about Vermont’s independent schools for a story about Massachusetts’s private special education system. Shannon wanted to regionalize the story for all New England stations. WBUR is an NPR affiliate. Cindy gave some background on how operating and tuitioning works and independent schools, how the AOE provides oversight to independent schools and how AOE works with DCF. Cindy referred Shannon to Cassandra Ryan for more specific questions. Cassandra asked Haley to talk to Pat Pallas-Gray and get information to answer the questions for her.

Straw Conklin, SPIRAL International: Straw sent Haley a press release about Chinese students attending New England schools this fall, including six students who will attend schools in Vermont.

Amy Nixon, Caledonian Record: Haley sent Amy contact information for Bill Mathis and Sean-Marie Oller for her story about the proposed independent school rules. She also sent Amy the Vermont statute that gives the Board authority.

Taylor Dolven, Vice Media: Taylor called Haley looking for the number of Vermont school districts that have 4-day school weeks. Haley sent her the State Board rule that says schools in Vermont shall have no fewer than five consecutive days.

Lola Duffort, Rutland Herald: Lola emailed for the full results of the tech survey after receiving the press release. Peter Drescher provided a presentation to give to the media.

Fernanda Zamudio-Suarez, Chronicle of Higher Education: Fernanda asked for more information about the closure of Burlington College and what the AOE plans to do with the transcripts. Stephanie Brackin sent her a statement from Clare O’Shaughnessy, explaining how the AOE has taken possession of the records for the time being. Fernanda also asked for the date we took possession of the records and an estimated date of when they will be moved to a permanent location.

April Burbank, Burlington Free Press: April asked for the tech survey results after receiving the press release. Haley sent her the presentation that Peter provided. She then set up a phone call to talk to Peter about the survey.

Alison Novak, Kids VT: Alison asked for the full results of the tech survey. Haley forwarded the request to Peter, who provided her with the presentation.

Megan James, Kids VT: Megan interviewed Connor Solimano about his new student position on the State Board of Education, and asked for contact info for Rainbow Chen.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, August 12, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

VT Digger

Anne made the decision to pay approximately \$4,000 for Guy Rouelle emails to a variety of QResort folks. I have not read through all of the emails, there are several thousand. Time will tell what is in there from Guy's statements but I'm confident we as an Agency didn't do anything inappropriate in contracting with QResorts.

Road Diets

VTrans Chief Engineer made the decision to make the Route 302, Barre-Montpelier road diet permanent. We anticipate some blow back from local community members who don't like change. The change in line striping will extend the commute by 7 seconds on average in the section of the corridor, more than worth the potential 40% reduction in crashes in the corridor.

The North Avenue Pilot Project in Burlington reconfigures the 4-lane segments of North Avenue to a 3-lane segment with bike lanes and other changes to enhance safety for pedestrians, bicyclists and motorists. In support of this project CCRPC staff is collecting various forms of traffic data on North Avenue to quantify the effects of the pilot project and aid decision makers in determining whether to make the changes permanent. Whether to keep this configuration will be a local decision by Mayor Weinberger.

SIB Loan to Barret Trucking

On Wednesday of this week, the State Infrastructure Bank, issued a loan of approximately \$1.3 million to fund in part the salt shed intermodal transfer facility that has caused a bit of controversy in the town of Shelburne. I supported this loan application because the application was solid and the company had resources to pay back the loan even if the Town were successful in federal appeals court which is extremely unlikely given past decisions as advised by VTrans AG's. The salt shed that was previously used has been taken down to make the way for a new City Market store in the southend of Burlington and this proposed salt shed in Shelburne will provide all the road salt for Northwester VT, for state and municipal roads. It's critical that this facility be constructed as soon as possible so that we have salt to treat the roads this winter.

Guilford Pump Station

This project is advancing. ACCD and Commonwealth Dairy reached agreement on the capacity that Commonwealth needs and we are Advancing this project forward as expeditiously as possible. This is a joint effort between VTrans, BGS and ACCD.

NOTES FOR STAFF

Champlain Parkway

Michele continues to work on finalizing a letter from VTrans to the City supporting their efforts to remove the Limited Access Designation from Sections C1 & C2 of the project once construction is completed. The City would like to begin the proceedings to remove the LAD prior to the conclusion of construction, with a written assurance to VTrans that the implementation of the removal of LAD would not commence until following CON – Michele is vetting this concept with FHWA, a second draft was sent to FHWA on 08/10.

FHWA Alternative Fuels Corridor Designation

Executive Staff signed off on the participation of VTrans in the Transportation Climate Initiative to submit a Northeast & Mid-Atlantic states application to FHWA for designation of a regional Alternative Fuels Corridor, focused on EV charging. Vermont will also serve as the lead applicant; TCI is preparing the application, VTrans will submit for consideration I-89, I-91, I-93, US 7 and US 2 be designated in Vermont. At this time there are no programs, funding, standards, or requirements associated with the corridor designation.

Quechee Gorge Hope Holder Initiative

Continued correspondence with local stakeholders regarding legislative requirements. Working with DuBois & King to finalize scope for Phase 2; completed scope review and edits. Continue to meet with various VTrans staff to discuss potential communication capabilities at bridge, general project updates, and preparing for Phase 2.

Missisquoi Bay Scoping Report

Joe is finishing revising the report and the draft will be ready for widespread review once an outreach strategy has been finalized. Michele met with staff representatives from Northwest Regional Planning Commission to discuss outreach strategies. A recommendation was provided to Secretaries Cole and Markowitz for review and advancement.

Transportation Board

The Transportation Board has scheduled two (2) events for Thursday, August 11th in the Rutland area.

- West Rutland – Break in limited-access at Boardman Hill Road and US 4. Theresa Gilman will be attending the site visit and hearing.
- Rutland Town – Modification of limited-access at Green Mountain Drive, Farrell Road and US 7. Craig Keller and Chris Clow will be attending the site visit and hearing.

Cambridge – LVRT

Boyden Farm was caught taking down guardrail (on the trail) and also driving farm equipment down the trail to access a field. VSP was called and Boyden Farm owners were escorted by police off trail. VTrans has agreed to let farmer have a temporary two-day access agreement to harvest the crops this year and then a permanent access needs to be established by the land owner.

Rail Bridge Inspection

The team is being backfilled with consultant engineers and district folks for the rest of this inspection season. Based on this new staffing arrangement, we anticipate that we will meet the FRA inspection deadline for this year.

TIGER VII

Pre-award authority has been approved by FRA. Many personnel changes at FRA have made it challenging to get approval for the CE. Dan and Paul are actively working with new staff to advance the CE.

Vergennes Train Station Depot

BGS is working through sole source justification to allow S2 Architecture to begin fit-out design updates. It is anticipated that the design contract will be executed this month.

Wallace Nolan – Public Records Request

After a hiatus of several months, Rutland resident Wallace Nolan again has been in touch with VTrans, this time alleging non-compliance with a previous broad request for records pertaining to VTrans' review of proposed projects for compliance with the Americans with Disabilities Act (ADA). In late October 2015 VTrans assembled various records for a "walk-in" inspection by Nolan. However, Nolan never appeared. Nolan, who has a long history of contentious disputes with State agencies and departments, as well as municipalities, over compliance with the Vermont Public Records Act, relocated from central Vermont to Rutland in 2015.

Proposed Expansion of Costco Retail Store near I-89 Exit 16

In a decision released on August 5, the Vermont Supreme Court affirmed a decision of the Environmental Division of the Superior Court upholding several permits (including Act 250) issued to Costco Wholesale Corp. for the expansion of its existing retail store and the addition of an adjacent six-pump gasoline station in the Town of Colchester, near I-89 Exit 16.

Here is a link to the text of the Supreme Court's decision:

<https://www.vermontjudiciary.org/LC/Supreme%20Court%20Published%20Decisions/op15-372.pdf>

Costco's expansion plans have been vigorously opposed by the owners of two nearby retail gasoline-service facilities – R.L. Vallee, Inc.(Maplefields) and Timberlake Associates, LLP (Champlain Farms/Simendinger). Before the Supreme Court, Vallee contended that the E-Court erroneously: (1) determined that Costco's proposed traffic-mitigation measures were sufficient for issuance of an Act 250 permit; (2) made findings concerning the impact of an underground stormwater outlet pipe not addressed below, and with respect to which the court limited cross examination by Vallee's counsel; (3) concluded that the project would not adversely affect a Class 2 wetland for issuance of an individual wetland permit; and (4) excluded testimony and a related exhibit prepared by Vallee's wetland consultant. For its part, Timberlake asserted that the E-Court erred in relying on a presumption with respect to the project's impact on water pollution and waste disposal under Act 250. The Supreme Court rejected all these arguments.

Although Costco's expansion plans are not directly related to VTrans' Colchester HES NH 5600(14) (I-89, Exit 16, Diverging Diamond Interchange; improvements to US 2/7) project, construction of the VTrans project would moot the Vallee/Timberlake argument that Costco's interim traffic-mitigation measures are inadequate. Conversely, if the Costco expansion does go forward, Vallee/Timberlake have less economic incentive to oppose the VTrans project.

Vermont Green Line Devco, LLC. (Development Compasny for Anbaric Transmission and National Grid (VGL)

VTrans and VGL have reached an agreement on the amount of VGL's annual lease payments to VTrans for accommodating its proposed high-voltage direct current (HVDC) electrical transmission line within state highway rights-of-way. The Proposed Line will connect upstate New York, at Plattsburgh with northern Vermont, at New Haven, and extend from the Lake Champlain exit point in Kingsland Bay State Park in Ferrisburgh (controlled by the Vermont Department of Forests, Parks & Recreation). The Proposed Line will be buried in public rights-of-way, or private property controlled by VGL, for approximately 14 miles. Of the 14 miles, approximately 6.5 miles (46%) is within rights-of-way controlled by VTrans. The transmission line also is proposed to cross State-owned railroads at three points. The approximate lengths in VTrans' controlled public rights-of-way are:

- US 7 in Ferrisburgh to Waltham (2.0 miles)
- US 7 from Waltham to New Haven (1.6 miles)
- US 7 from New Haven to VT 17 in New Haven (2.2 miles)
- VT 17 in New Haven (0.3 miles)
- Re-entering US 7 in New Haven (0.4 miles)

VGL must engineer, construct, and install the facility to be compatible with the continued operation and maintenance of existing utility infrastructure within the affected state highways and railroad corridor. In addition, it must agree to relocate its facilities at its own expense to accommodate future maintenance, reconstruction, or expansion of the highway or railroad. VGL must obtain, among other things, a 30 V.S.A § 248 Certificate of Public Good from the PSB and the following documents from VTrans prior to

beginning construction: a lease agreement; a reimbursement agreement to pay for an engineering review of this large and complex project; and a 19 V.S.A. § 1111 highway access permit. The lease payment will be \$425,000/per year, with a 3% escalator starting in Year 11. The yearly charge per linear foot is about \$12/LF.

Zbitnoff v. James (NEPA Challenge to U.S. Air Force Decision to Base F-35 Fighter Aircraft at BTV)

In a 35-page decision released on August 10, U.S. District Judge Geoffrey W. Crawford rejected a challenge to the decision of the U.S. Air Force to base F-35 fighter aircraft at the Burlington International Airport in South Burlington:

The court has determined that the [Environmental Impact Statement (EIS)] meets the requirements of [the National Environmental Policy Act (NEPA)]. When it is read in conjunction with the supporting documentation, it is clear that Defendant took a “hard look” at the environmental consequences of the basing decision, including the specific areas about which Plaintiffs complain. It is also clear that the EIS process served its second purpose of generating public interest and examination of the agency's decision-making process. The record demonstrates that a large number of Vermont residents turned out for meetings or sent in comments about the process. Finally, the court is satisfied that the decision to locate the F-35 at [the Vermont Air National Guard (VANG)] meets the requirements that the agency action not be arbitrary, capricious, an abuse of discretion, or otherwise not in accordance with law. The EIS documents the adverse environmental changes that basing the F-35 aircraft at VANG will bring to the surrounding community. These changes received thoughtful and detailed consideration. The agency’s decision to locate the aircraft at VANG reflects the trade-offs between Defendant’s mission-driven needs and the interests of the community in limiting noise and other environmental impacts that are frequently present in major federal projects. The decision itself cannot reasonably be said to be arbitrary or otherwise in violation of the requirements of the [Administrative Procedure Act (APA)] and NEPA.

Although the decision does not involve a VTrans project, it does provide insight into how Judge Crawford approaches a challenge to an agency’s compliance with NEPA. It’s also worth mentioning that the plaintiff’s counsel, Jim Dumont of Bristol, is representing some of the parties opposing the Middlebury WCRS(23) project (replacement of the Main Street and Merchants Row bridges over the Vermont Railway).

The plaintiffs have 60 days – until October 10, 2016 – to file a notice of appeal to the U.S. Court of Appeals for the Second Circuit in New York City.

Here is a link to the text of Judge Crawford’s August 10 decision: the project:
https://www.scribd.com/document/320902522/F-35-Decision#from_embed

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

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

www.anr.vermont.gov



Deborah L. Markowitz
Agency Secretary

Trey Martin
Deputy Secretary

State of Vermont
Agency of Natural Resources

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: August 12, 2016

Subject: ANR Weekly Report

Governor Level Issues:

Clean Water Initiative Program: On, August 8, DEC released the Draft Vermont Lake Champlain Phosphorus TMDL Phase I Implementation Plan. The public comment period will be open until September 7. This schedule should allow ample time to complete the Phase I update by the statutory deadline of September 15, 2016 (three months following EPA's release of the final Lake Champlain phosphorus TMDLs).

EVERYTHING ELSE:

Legislative Issues/Testimony:

Primary Battery EPR Program: DEC Waste Management staff met with a representative of Call2Recycle, the stewardship organization that implementing the new primary battery collection and recycling program, which started in January. The meeting provided updates on the amount of batteries collected (more than 28,000 pounds in 6 months in 2016 compared to ~1,000 pounds for the first 6 months in 2015). Although the program is running smoothly, it was reported that the battery manufacturers would like to make legislative changes this January to the program to require manufacturers of products that contain primary batteries to be required to either submit a plan or be a member of a stewardship organization that has a plan. When this had been discussed in House Natural Resources Committee, they decided to have the program run for two years before addressing the issue of products that contain batteries.

Press Issues/Releases:

FWD Press Release Headlines: 2016 VT Moose Hunting Permit Winners Are Drawn; Learn More About Hunting at Free Seminars; More than 5,500 Wild Turkeys Harvested in Spring; Vermont's Moose Hunt Auction Closes Aug. 10; and Putney Landing Fishing Access Closed for Repair

Congratulations Seven Daysies Winners! Seven Days, an alternative weekly paper in Burlington, hosts a "best of" reader poll each year, and several state parks are winners: <http://www.sevendaysvt.com/vermont/BestOf?category=2400185&year=2016>

- **Best State Park - Mt. Philo**

other finalists: Burton Island, Camel's Hump, Groton Forest, Sand Bar

- **Best Day Hike - Mt. Philo**

other finalists: Camel's Hump, Mt. Mansfield, Sterling Pond Trail

- **Best Place to Swim - Sand Bar**

- **Best Place to Kayak and Canoe - Lake Champlain**

other finalists: Green River Reservoir, Waterbury Reservoir

Significant Events/Meetings:

Costco Environmental Permit Appeals: The Vermont Supreme Court issued a decision on Friday, August 5 upholding the ANR and NRB permits issued to Costco Wholesale Corporation for its gas station expansion project. In a related matter, the Superior Court Environmental Division upheld a stormwater permit amendment that ANR issued to Costco. Costco is now assessing its options for moving forward with construction, including an assessment of which stormwater system design it will use. The deadline to appeal the Environmental Division decision regarding the stormwater permit amendment to the Vermont Supreme Court is August 29 and it is unknown whether Skip Vallee will undertake such an appeal.

Morrisville Water & Light Water Quality Certification: ANR issued a water quality certification to Morrisville Water & Light (MWL) on Tues, August 9 to continue operating its three facilities. The water quality certification includes conditions necessary for ANR to find reasonable assurance that the project will be operated in a manner which will not violate the Vermont Water Quality Standards. The most significant requirements included in the certification are that MWL operate the Morrisville and Cadys Falls facilities in true run-of-river mode and operate the Green River Reservoir facilities in a modified run-of-river mode. The ANR leadership team reached out directly to MWL and other key stakeholders on Tuesday morning in advance to alert them of the decision before it was issued. None of the conditions of the permit came as a surprise to them. ANR anticipates that MWL will appeal this decision to the Superior Court Environmental Division. The deadline to appeal the decision is Sept 8, 2016.

Hermitage Master Plan Permit Proceeding: Last Friday, the District Commission denied Hermitage's motion to alter the District Commission's denial of Hermitage's request to narrow the scope of the master plan permit proceedings to just the Mountainside Tract. Although Hermitage sold the Airport and East Tracts and claimed they no longer have any interest in or

control over these parcels, the district commission found they still had an interest in these properties due to the easements related to services for the Mountainside Tract. The Agency and Hermitage have reached an agreement to resolve all issues related to the Mountainside Tract, and the Agency will continue to work with Hermitage to resolve natural resource issues related to the Airport and East Tract. However, the district commission's decision means that Hermitage is not likely to receive its Master Plan permit in the next 1-3 months.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of the General Counsel (OGC)

Verizon Ruby Raymond Road Cell Phone Tower: Verizon has applied for a certificate of public good to install a telecommunications tower in the North Hill forest block, which straddles the Waterbury Stowe town line. This has been a very controversial application with the towns and neighbors weighing in against the development. Our staff also had significant concerns because it would impact a high value forest block. The board ruled that ANR raised a significant issue with respect to the tower's potentially undue adverse impacts on ecological connectivity as a result of forest fragmentation. Evan Meenan, John Austin, and Eric Sorenson are working on sending out ANR's written discovery requests, which will likely be followed by depositions of Verizon's radio frequency and wildlife experts.

Environmental Conservation (DEC)

Casella Meeting on Universal Recycling Compliance: Solid Waste Program staff and legal counsel met with representatives from Casella and their legal counsel to discuss Casella's concerns about two recent warnings they received about disposal of paper. The paper was discovered during the Solid Waste Program's "spot-check" day at 10 major transfer stations around the state looking at hauler loads for recyclables and leaf and yard debris. Casella was warned about two incidents, whereas thirteen incidents were warned statewide. None of the warnings result in further state action and the meeting was generally positive and resulted in productive exchange of ideas.

City of Burlington's "Northern Marina" Takes Shape: Watershed Management staff represented DEC at a meeting hosted by City of Burlington Parks, Recreation and Waterfront Department with US Army Corps, Burlington Harbor Marina developers Chuck Deslauriers and Jack Wallace, the City's Community and Economic Development Office, and Maryland-based consulting firm Applied Technology Management. The purpose of the meeting was to discuss federal and state permit requirements for the privately funded, 160-slip northern marina.

Another meeting will occur likely in September to review a draft Lake Encroachment Permit, followed by full permit submission later in the fall. Please note that Burlington's publicly owned "southern marina" is a separate project that will likely not reach the permitting stage until next year.

Fish & Wildlife (FWD)

Osprey: Staff worked with Vermont Electric Cooperative on installing 3 osprey nest pole structures in west Swanton, Alburgh, and North Hero. All of these structures were placed in areas that experienced recent power outages due to osprey nesting activities this spring.

Bats: Staff resurveyed historically significant Indiana bat roost trees in Salisbury that were found in 2014. No bats emerged from the historic snags, which had both lost much of their previous bark but still had cavities. Staff also submitted NEPA and Section 7 paperwork in order to accept the next round of White-nose Syndrome grant funding which we have just been awarded and will be announced on Tuesday.

Cell Towers: Staff reviewed the latest development proposal from Verizon for a cell tower in the town of Rockingham and participated in a conference call with Verizon and ANR Planning staff. Verizon has been attempting to site a facility in this area since 2006, but siting at the chosen location (and its access route) is complicated by the presence of a deer wintering area, bat seasonal restrictions, a Class II wetland, a vernal pool, finding of rare and endangered species, and neighbors who will not grant access on nearby possible alternative access routes.

Law Enforcement: Two new warden candidates began the 16 week Police Academy. Warden K9 units are actively training and conducted outreach. Wardens also participated at the GMCC and at Hatchery Day events.

Roxbury: Staff along with the Roxbury Fish Culture Station supervisor attended the Town of Roxbury selectboard meeting. The purpose of this visit was to update the Roxbury town selectboard on the current status of the Roxbury Fish Culture Station rebuild. Town officials understand the current status of the project (still in FEMA Environmental / Historic Preservation Review, capital funding allocated, hopeful construction start prior to winter 2016/2017) and continue to be supportive of the project. Staff also met with DEC Rivers staff to discuss the Roxbury Fish Culture Station intake and its role regarding Section 404 of the Clean Water Act. Discussions are ongoing regarding this project and the associated Army Corps of Engineers 404 permit for the intake structure.

Commercial Fishing: Staff met this past week to discuss the issue of regulating commercial fishing in Vermont. Currently, there are no regulations on the commercial sale of fish in Vermont, yet it is an industry that generates hundreds of thousands of dollars each year. The Department is interested in getting a handle on what fish are being sold, how many fish are sold, and that there are no negative biological impacts to fish populations. This process is in its infancy and formal proposals have yet to be developed.

Forests, Parks and Recreation (FPR)

Forest Legacy: Applications for new Forest Legacy projects are due by August 15. We expect to receive several applications, including applications for projects that were proposed but not funded last year as well as at least one new project application. The Department has been notified by the U.S. Forest Service that they will not contest the Department's decision to allow the Sweet Tree sugaring operation on Forest Legacy lands, but have asked that we coordinate with them in developing clear guidelines for allowing similar uses of Legacy tracts in the future.

State Parks Visitor Numbers: Total state park visitation is now 5% behind 2015 to date. Both day use and camping are trailing slightly behind.



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

To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: August 12, 2016
Subject: Weekly Report

Priorities:

Administration

We are under a very tight deadline to submit a level fund FY18 budget proposal (Sept 20) and identified program cuts to offset pressures. Part of the pressures, along with FY17 COLA and steps, we face in FY18 is the loss of the \$900k in T-Funds in FY18 for vehicles with the mandatory spending requirement remaining at \$2.1M.

We have implemented a DPS Fraud, Waste, and Abuse Policy that when in place at DPS will get us in compliance with the State's best practices. The policy is high level focused on controlling the risk of fraud, waste, and abuse, through attention to internal controls.

Indirect rate approval delayed: Marie submitted our FY17 indirect rate proposal to the Federal Agency of Health & Human Services (HHS) for approval as per usual back at the end of December. As you know, our actual cognizant agency is the Agency of Homeland Security, but they use HHS to review and approve the indirect rate proposals. We have had multiple discussions with HHS about our submission this year, mainly because we had questioned Homeland Security about our ability to charge indirects to our local share subgrants as is appears to be allowed under 2 CFR 200. They are also now questioning whether we should be including dispatch/911 call-taking costs in our indirect cost pool (which has never been questioned in our previous applications). HHS is trying to negotiate between DPS and Homeland Security to figure out how to deal with this. HHS has now informed us as of yesterday that they do not feel as though they can complete our rate approval so they have returned our application to Homeland Security/FEMA. Marie and I will reach out to FEMA right away to try and resolve these issues so we can get our rate approved and in place for FY17. Still waiting for our FEMA contact, Danielle Unger, to get back to us to so we can discuss and resolve these issues. Danielle Unger says that FEMA legal is still working on some of the issues that came up in our rate proposal, so we are still waiting on this. I emailed Danielle Unger on 8/8/16 to follow up on Marie's attempted contact, to inquire about status of our indirect rate approval. I let her know that we are now seeing some of our federal awards held up because our rate has not yet been approved. I'm hoping this will accelerate their response.

Revision to Statewide Bulletin 2.3 – State Vehicle Policy: Per our discussion this morning Marie and I will work on gathering the documents (logs, etc.) that DPS employees will be required to complete and will draft a simple PowerPoint with key items (responsibilities, how/when to report, etc.). Our plan is to send out all of

this when we schedule the meeting with all affected employees and ask that each attendee come to the meeting prepared to discuss specifics and ask any questions they may have.

CJS

Forensic Lab-

Backlogs (as of 7/31/2016):

Blood Alcohol (0)

Drug Chemistry (747)

Serology (82)

DNA (casework) (148)

DNA (CODIS) (168)

Firearms (34)

Latent Prints (510)

Arson (0)

Inquiries made by VSP to integrate their FileOnQ system with the lab's LIMS. This will require a coordinated effort from two vendors and IT

OTM-

The Police Data Initiative project is moving forward slowly but steadily. Our original public release date has been postponed until all data sets have been approved by VSP. We are scheduling a collaborative meeting of DPS leadership to discuss and agree on a release date.

National Criminal Justice Reform Project

A response to the RFI published by The National Governor's Association was submitted on 8/1/16. We will be notified by 8/22/16 if we have been selected as one of the initial 20 states to participate in this program.

VSP Bias-Free Policing

We have been meeting with Capt. Ingrid Jonas regarding the requirements of the VSP Bias Free Policing initiative. This work is highlighting the increasing focus on the need for data analytics capabilities. Capt. Jonas and I are working together to explore the possibility of co-funding a temporary position for a data analyst that would support this work through the development of data extract and analysis applications for VSP as well as other analytics needs within law enforcement.

A set of law enforcement analytics dashboards was developed last year as part of the VJISS Program. We have demonstrated the capabilities of these dashboards to many law enforcement entities in the state and they have been very well received. Last we received approval from the VIBRS and Valcour policy boards to release these dashboards to all of law enforcement. We are initiating the release and will be sending out a general announcement next week.

The eTicket project pilot has successfully demonstrated the power and savings of this new technology. The email below from Jen Mincar, eTicket Project Manager, illustrates what has been accomplished.

Hi Scott/Dean/Jeff,

Good news. As of this morning we have successfully processed 15 eTickets! Even better news....two of the tickets from Friday have already been paid.

8/5 - ticket issued by SBPD

8/8 - payment arrives at JB; processed.

8/9 - violation record goes to DMV

It ONLY TOOK FOUR DAYS to go from violation to payment and recording at DMV. And the data was entered ONLY ONCE and then electronically moved around. That is a big difference from the old paper process. In the old paper intensive process it could have taken 30+ days to move from violation to DMV and people would have had to enter the information THREE times: once by the officer, once into Valcour, and once into Judiciary.

Bottom line (old versus new):

Total ticket Processing time: 30+ days versus 4 days

Data entry: 3 times versus once

Resources used: 30 minutes of data entry versus 5 minutes of an officer's time

Accuracy: 5% voided/dismissed versus 0% voided

We are working through the details of the annual bill from DII for infrastructure and support services. The bill they presented to us is rather complex and confusing. We are scheduling a series of meetings to review the specifics of the bill and determine what our exact expenses are.

We are also reviewing their proposed Service Level Agreement for this year in order to ensure that we are getting the level of service we need. DPS has a unique set of requirements, due to the nature of our business. DII's standard services often do not meet our needs and we are forced to negotiate agreeable terms.

The DPS internal intranet home page, commonly referred to as "The VIBRS Page", will soon be going away. As part of the DPS web site project, we are modernizing and replacing this very outdated component of the DPS technical infrastructure. We are gathering the specific requirements of each division within DPS, and designing a new and improved version of our intranet system. Since "VIBRS" is no longer a term that applies, we will be changing the name.

VCIC-

Spoke with Annie Ramniceau with the Department of Corrections concerning the Pre-Trial Services program (that is receiving no cost access to the Vermont Criminal Conviction Record Internet Service).

Responsibility for the program is shifting to the Attorney General's Office (from DOC) but the end service providers (individuals doing the screening for services) are not changing. Thus any impact on VCIC operations are expected to be minimal.

Work continues on review and response to triennial FBI audit of Vermont criminal justice information services. At this time all necessary responses have been submitted except for the IT Security section as responses are still pending from the state Department of Information and Innovation and Department of Motor Vehicles.

An inquiry was received from the Child Development Division of the Department for Children and Families relating to the ongoing fingerprinting issue for Pre-School / Daycare employees, specifically in relation to fingerprint volume. After reviewing with Record Check staff there does not appear to be any significant growth in volume at this time (outside of normal cyclical variations from year to year).

The Montpelier marijuana dispensary is moving forward with a greenhouse summer grow operation in Moretown, including all required security and oversight being deployed (tentatively scheduled with an 8/15/16 go-live). The dispensary in question reported last year's similar operation was successful in both economic and product terms.

DEMHS

Director and DPS Legal Counsel met with representative from VTNG JAG and Governor's office to discuss flow of requests from VTNG through DEMHS.

Local Emergency Operations Plan submission rate is at 84% as of 8/4.

Wings Over Vermont Airshow is planned for 8/11-13 on the Burlington Waterfront.

Three more HMGP applications were approved by FEMA: Brandon - Phase II Overflow Relief Culvert for Bridge #114 for \$1,195,533 (previously announced in July when it cleared the Congressional queue) Charleston - Hudson Road Culvert and Ditch & Road Improvements for \$329,923; Marshfield - Emergency Shelter Generator for \$11,668.

A total of 16,740 public users have signed up to use VT ALERT as their primary notification system.

HS Chief sent out confirmations to speakers for the Preparedness Conference and conducted outreach for demonstrations and exhibitors for the Conference.

Fire Safety

The Division received \$35.4 million in new plan review construction valuation collecting \$282,000.00 in permit fee revenue.

This morning a fire in a two family dwelling claimed the lives of 2 adults. The structure was very narrow in size similar to a mobile home and the lower level basement (walkout) was occupied by another family. One victim was found on one end of the structure and the other victim on the other side. It appears the fire started in one of the occupied bedrooms. Initial information from one of the living residents seems to indicate there were smoke alarms present but let us see what additional information surfaces on this.

On Friday August 12, 2016 environmental contractors will be at the fire academy to work on the plan to clean the underground water tank. All the water was drained through a carbon filtration system and the effluent was tested and no chemicals found thus the water could be discharged on the ground.

Fire Academy staff have been working with BGS on the new burn building permit and a lot of progress has been made.

The academy has scheduled 14 solar safety classes throughout Vermont- one in every county at no charge to departments. The departments that have elected to take the 3 hour class seem to be excited about the training opportunity.

We are in the process of organizing and scheduling this year's annual fire safety calendar program to be held at the State House again in the house chambers. Once we have dates confirmed I will pass them along to Karen.

The Fire Academy will staff a booth at the VSFA convention in Bennington Saturday which will show we are supporting the efforts of the association.

Vermont State Police

A Troop-
FF

17 Total Arrests, 3 DUI

Fugitive from justice on an extraditable arrest warrant out of Ohio for failure to pay child support. Did not meet the statutory limit. SA agreed to release on a citation.

Jericho - Mother called 911 after checking on her six week old daughter that was asleep in the middle of a queen size bed. She found her unresponsive and discolored. Rescue immediately pronounced deceased upon arrival as lividity and rigor were present. Detectives Thomas and Cota, AME Ginny Eriksen and DCF Investigator Sara Dalton investigated the incident. Mother had been co-sleeping with the infant and it appears infant died as a result of positional asphyxiation due to co-sleeping.

Fatal crash that involved a car and a large agriculture tractor. It happened on busy Rt.2 in the middle of the day in the center of South Hero. Many people saw this violent crash occur. The male operator (deceased) of the car was traveling east when he crossed the center line and drove head on into the front of the agricultural equipment. The car was forced backward and flipped upside down. Alcohol is believed to be a factor. The female passenger survived and was reportedly heavily intoxicated.

A local agency started a pursuit which ended in Waterbury on the interstate. The suspect ran into the rear of a marked cruiser prior to spikes being deployed. No injury to the trooper who was outside of the vehicle however K9 was inside the cruiser-uninjured thankfully.

The Public Service Board had their last hearing which drew a crowd of 50 plus protestors-no arrests.

Death which the victim (19 YOA) had been involved with an ATV crash hours earlier. (Intoxicated as well)
Death appears to be of natural causes.

BCI

Arson unit responded to a vacant barn in Colchester. Barn fully engulfed and juveniles were seen in the immediate area and questioned. They admitted to playing with fire but not wanting to set barn on fire. Colchester investigating.

Arson unit responded to Whittingham for an arson of a single unit home. Owner was not at home during fire. Investigation revealed a 16 and 32 year old males set building on fire. Both lodged for arson.

Assault case at CRCF. Inmate threw a pair of urine soaked pants at a CO striking the CO in the leg. Inmate admitted she knew the consequences.

Report submitted to NUSI of a sex offender who was out of compliance in Franklin Cty. Male has also been subject to a number of complaints regarding potentially other sex offences. Investigation showed male was in compliance.

Assisted DCF with vigil for Laura Sobel.

Reports made to NUSI regarding sex offender and staying out of the area being non-compliant. Det Cota assigned.

NUSI assigned a sex offense case of a 12 year old female alleging a family friend was inappropriately touching her.

Suicide in Moretown. 21 year old male who recently returned home from active duty in the military. Victim was a heavy drinker and made numerous calls saying goodbye. Victim suffered a self-inflicted gunshot wound to the head.

Suicide in Northfield. Northfield PD requested VSP assist with the case. 56 year old male suffering from marital problems and depression. Male suffered a self-inflicted gunshot wound to the chest.

Infant death in Jericho. One month old child found unresponsive in bed shared with the baby and mother. Investigation on going. Sgt Thomas and Tpr Cota assigned.

Assist to Barre City PD with locating wanted person Desiree Herring.

Assisted CUSI with victim interview who resided in Washington Cty. Tpr Crick assigned.

Assisted uniform with protest event in Berlin. VT Gas pipeline hearing.

Evidence barcoding at HQ.

B Troop-

FF

12 Total Arrests, 4 DUI

VSP St. Johnsbury had 151 cases this week, resulting in eight arrests for the following offenses.
Arrests due to outstanding warrants.

BCI

Assist to Essex County Sheriff's department (Cellbrite).

Suspicious at Newport Prison. Report of inmate planning to introduce contraband into facility.

Report of 17 yr. old female having sexual relations with 43 yr. old male.

Sex offender Registry Checks.

Training Uniform personnel on New Barcoding.

Follow up on Background Investigation.

Reported Sex assault-Victim uncooperative.

Bradford, VT- 59 yr. old male with heart condition - Natural

Fairlee, VT 34 yr. old male with psychiatric condition found deceased at a residential facility. He had digestive problems and was reported to be vomiting frequently. He had been taking medication for an infection in a tooth. No indications of foul play. Autopsy is pending.

Barton, VT 41 yr. old male appears to have had cardiac event while swimming. Autopsy pending.

Kirby, VT 44 yr. old female found deceased at her residence. Does not appear suspicious at this time, possible medical issue. Autopsy Pending.

C Troop-

FF

14 Total Arrests, 4 DUI

Assist with the Parade and presence at Castleton University, Shrine Maple Sugar Football Game.

Administered Narcan on unconscious person reversing opiate overdose.

BCI

Follow up with AG's office regarding pending inquest for undisclosed matter.

Follow up with our legal counsel and AG's office regarding Windsor OIS discovery request.

Additional discovery for Poultney sexual assault/kidnapping.

Court packet assembled for Fair Haven sexual assault; offender out of state, citation pending.

Retrieved SANE kit from RRMC regarding anonymous victim; submitted to evidence.

Follow up with Great Neck (NY) PD regarding suspicious complaint; complainant updated on findings.

Telephone interview of witness from Florida regarding suicide by firearm in Pittsford.

Federal proffers for Nick & Amanda Greeno at courthouse. Hart homicide.

Assist uniform with burglary.

Case follow up - Agency Assist – interviews conducted in possible child abuse case – case submitted to Addison SA for case reaction.

Case follow up –Sex Offense – case submitted to Rutland SA for case reaction – case will remain active until victim is able to relocate and move forward with charges.

Case follow up –Background. Waiting for return phone calls from HS staff, college staff, neighbors and associates.

Follow up on Hinesburg Special –

Case work and write up on Schaff case.

Worked on scanning evidence (Shaftsbury).

Worked on bring evidence room up to CALEA standards.

Call out - Assist Det. Trooper Pfindel with untimely death of 53 year old male with extensive history of drug abuse. Appears to be a possible overdose.

Attended monthly Advocacy Board meeting.

Completed jail assault case. Uncooperative.

Sex Offender Registry James Williams.

Sex Offender Registry Roger Grandchamp.

Completed and submitted paperwork to State's Attorney Office on two jail drug cases.

Assisted Rutland County Sheriff's Dept. with sex offense.

Follow-up with insurance company on Killington Suicide.

Contacted by Rutland Police Dept. reference letter sent to Rutland Herald regarding alleged inappropriate behavior by correctional facility staff. Sgt. Patten offered to assist and follow-up.

Case Follow-Up: Sex Offense. Town of Brattleboro. It was reported a 23 year old autistic male subject sexually abused his 15 year old niece. Offender interviewed in the Town of Brattleboro. Criminal charge pending.

Case Follow-Up: Sex Offense. City of Rutland. Assisted Detective Corporal Dumas of the Rutland City Police Department with the CHINS of a 4 ½ month old baby. The baby suffered a broken legs and broken ribs by an unknown subject. Case Completed.

Public Panel: Town of Brattleboro. Discussed race related issues locally and nationally.

New Case: Sex Offense. City of Rutland. A 12 year old girl was sexually abused by her biological father. Offender arrested.

Numerous interviews conducted in St. Albans and Rutland over three days.

New Case: Agency Assist. City of Rutland. Completed Cellebrite cell phone download for Detective Corporal Dumas of the Rutland City Police Department.

Multidisciplinary Team Meeting.

Meeting with States Attorney's Office and DCF.

Sex Offender Registry Case.

Assisted with a residential home fire in Whitingham. The fire was found to be a burglary and arson. Prior to the fire being initiated, it was discovered an urn with the homeowner's deceased wife's ashes had been stolen. In the end, two perpetrators were arrested and one lodged.

D Troop-

FF

18 Total Arrests, 2 DUI

Responded to a possible intoxicated driver in Londonderry; the operator of the vehicle ended up striking a parked vehicle at Wayne's Auto in Londonderry and then left the scene; Cpl caught up the vehicle and operator arrested him for DUI #3 and Leaving the Scene of Accident.

Responded to a fire investigation in Whitingham; arrested one juvenile and one adult for Arson and Burglary.

Tpr. Steeves investigating the theft of bottles from the Montessori School bottle drive in Londonderry; the two suspects were identified and arrested for Petit Larceny.

Responded to a domestic disturbance and investigation led to arresting a male for Domestic Assault and Interference to access to emergency services. While at the residence the odor of marijuana was detected and Troopers observed marijuana plants growing. 11 plants were seized and the male was charged with cultivation and possession of marijuana.

BCI

Arson (residential house) in Whitingham. Two arrests made.

Applicant Background-started.

Evidence Room work-Westminster & Royalton.

Fair and Impartial Policing Sub-Comm./Review New Training PPT.

2 DRE Evaluations reviewed.

Windsor County SIU case review.

Completed Case – Sexual Assault Investigation in Rockingham, numerous interviews transcribed, media copied and meeting with deputy SA.

Sexual Assault Investigation in Sharon, victim reported in initial interview last week that she was raped by her brother, follow-up interview done at CAC in Norwich and she advised that she made it up to get attention, no additional disclosures were made.

Relay of burglary evidence to Charlestown, NH PD to give back to victim.

Interview with victim from sex assault.

Forensic Interview for 16D301990 – Per SA's write up and sent to AG's for review.

Call out – reported sex offense – “victim” lied about it but provided drug information that proved beneficial from Sgt. Loan's NIU task force.

Completed background investigation.

TOPS-

Several CRT assists to include two CDR downloads.

Work Zone enforcement admin.

VHSA meeting.

POLYGRAPH-

Pre-employment polygraph for OPD.



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

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

Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: August 12, 2016
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Property Management:

- DEW – Barre – Needing to find a tenant for the DCF space.

Engineering and Facilities Division:

- Newport – Hebard Building – Chemical Pollution of Groundwater and Air – DEC's John Schmeltzer is requiring 2 more rounds of testing which will occur in August and December. The cost of these tests will require a contract which we will be drafting this week.
- WSOC Project Closeout – Change Order Management – We have negotiated and have come to an agreement. We will be finalizing the paperwork soon.
- Randolph – VAEL New Construction – Received the State of Questions on the Randolph DRB approval appeal. Saw correspondence from VTC's lawyer to Jeff, but nothing further. Need to understand the process and next steps. Who will be handling the appeal for the State? Still have not seen anything from the interested parties on the Act 250 application. They have until 8/15/16 to provide their evidence. Still catching up on change orders.

Security:

- Statewide AHS Security – Exterior Building Security Assessments – The pre-bid for the RFP was held on Tuesday. Several firms did not have a security background. Assessment of the panic and lock down buttons and CCTV will take place next week.
- New Director of Security – Paul McManus will start work on August 22nd.

Legal:

Bill Griffin – Has been extremely helpful in providing legal representation and in helping BGS hire legal help due to the separation of Jeff Lively.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

APM: We sent a letter to the CMS Administrator escalating issues that CMMI does not believe it can address. These include additional financial support for the model, exclusion of LTSS from the services included in the ACO payment, and concern about the GC waiver being aligned with the APM. The negotiating team expects to meet with CMS leadership in DC before the end of August in order to determine which issues need escalation to the Secretary when the Governor visits DC in September.

The GMCB sent a letter to DVHA requesting information for the advisory rate case on the ACO payment. The team is concerned that GMCB may publicly release the ACO rate in the middle of the negotiations, giving the ACO bargaining power. Mostly, the team is just having trouble accepting advice from an external entity.

Global Commitment: We are sending a letter this week to Elliott Fishman, the head of the state demonstrations group, to escalate several issues on the Global Commitment waiver. The issues are:

- sufficient financial flexibility in the model to allow for MCO investments for the APM – right now CMS staff is narrowly defining what might be funded with these dollars.
- Flexibility in payment reform – CMS staff wants to approve all payment model changes. In our experience, this takes too long to allow for Medicaid to participate in a nimble fashion in the APM.
- Resolving the negotiation in a timely fashion – we thought we'd be closed by early July but things have slowed down
- Funding for mental health and substance abuse – we are concerned that the waiver changes will limit funding for these services, even with a new MH/SA waiver that we are pursuing.

Overall, the waiver negotiations are not going well and we will likely need escalation of these issues with the Secretary.

SIM: The SIM Team presented the potential payment model for Medicaid mental health and substance use services to AHS stakeholders this week. This is a key step in our Medicaid Pathway work and in our continuing Medicaid innovations. The proposed payment model will be focused on mental health and substance use services and is undergoing refinement with State folks. Over the next few weeks we will continue refining the model and put it out for public comment (and RFI). The model phases in reforms over several years to allow for operational changes and provider readiness. The model aligns well with the APM and addresses several of the compliance/1115 waiver issues we have encountered. Of note, now that there is an actual model, some AHS staff are getting nervous about actual change.

HUMAN RESOURCES

Communications Update

The Caledonia Record inquired about the status of a DOC employee.

Significant Events/Meetings

- Met with DII regarding the FY17 Service Level Agreement governing the ERP. We are negotiating language with an emphasis on establishing disaster recovery capability.
- ESI contract amendment is nearing completion. Currently being reviewed by Finance and Management.
- Work has begun to draft an RFP to add a telemedicine option for employees participating in the employee medical plan.
- Taking steps to move to a new platform for our recruitment and hiring processes. We hope to make this transition in FY18.
- Began initial planning and information gathering for attorney study.
- Completed final draft of the rule establishing guidelines and oversight for administrative hearing officers.
- Final coordination with AOE/AOA of contract waiver.
- Payroll has revamped envelopes that are created when a paper check is mailed. This will result in a cost savings to the state.
- The payroll team is preparing for end of year by putting together a timeline and plan for testing out the close out of CY 16.

INFORMATION AND INNOVATION

Evolving Issues:

Web Updates

- Harry met with the Governor's Office to discuss moving some data to the data.vermont.gov portal on 8/5. After a brief discussion it was determined that the data, formerly housed on the Governor's Dashboard, would be recreated on the Governor's Website once update become available.
- The new Agency of Education website was scheduled to go live on 8/29. Launch has now been delayed until 9/6.
- Development on the Disabilities, Aging and Independent Living, Division for the Blind and Visually Impaired Website is complete and the site will be going live sometime in the next week.

Project Updates

DPS eTicket: The eTicket Pilot continues successfully, with more tickets flowing through the system; a sampling from the past week revealed ticket throughput from inception, through the Judicial Bureau, to payment and its final destination has taken just 4 days (vs 30+ days with the paper system). As of Monday morning, 2 of the tickets issued on Friday had already been paid.

ANR – DEC Record Management System ABC form submitted to DII for review this week. Project total lifecycle costs are estimated at \$925,601. Project team plans to capitalize on existing SharePoint Online platform. RFP draft is anticipated by end of month. Charter and timeline to be drafted following RFP completion.

1. Drafted a revised Million Dollar detailed report template. I'm in the process of creating a prototype to show how project info will look in the template. Richard and I met to define a list of 10 projects for detailed reports and are currently awaiting JFO feedback.

LIBRARIES

Nothing to report.

TAXES

Nothing to report.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: August 12, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: Review of S250 has commenced. Departmental regulation recommendations are being prepared for Board approval.

Press Issues/Releases/Contacts:

Significant Events/Meetings:

On Monday, August 8th I met with Tim Iverson the Chief Operations Officer for the Iowa Alcoholic Beverage Division. We had an insightful discussion about the operational challenges facing our organizations and compared notes about best practice operational procedures. We concluded our meeting with a tour of our warehouse facilities.

On Wednesday, August 10th the Liquor Control Board met to conclude a hearing on infractions for the Karib club in St. Albans. The board settled on levying a fine without a suspension of the business. Additionally, the Board concluded the on-going hearing concerning perceived infractions at the Zen Lounge. Due to the closure of the business and the relinquishment of the liquor license a fine was levied against the owner to close the case.

On Thursday, August 11th a meeting was held with McClean Publications to finalize decisions regarding the re-vamping of 802 Spirits magazine to commence a monthly publication schedule and to focus the content on increasing sales and decreasing editorial content.

Summary of Key Department Activity:

Agency Issues:

The contract bid submission for the Pownal agency has been completed. The Dept. made a recommendation to the Board on August 8th to award the contract to Ron Dwyer and attempt to re-open this critical store location within 30 days.

Staffing:

We continue working towards reclassification of a vacant driver position to a Warehouse Supervisor position. A meeting was held on Thursday with DHR to expedite the re-classification of our warehouse one and two positions to increase employee retention and decrease the wasted resources incurred as a result of chronic employee turnover rates.

Warehouse Reorganization:

We had a pre-planning meeting with BGS, our warehouse team and the installation contractor.

The area to be replaced has been de-constructed. Shelving installation has been completed. IT has commenced the project to print location signage for the new shelving. This new storage space will accommodate storage for an additional 250 pallets of merchandise. This is a key feature in improving efficiencies in our listing re-classification and bailment replenishment

Commissioner's Commentary: Tangible progress is being made in laying the groundwork for operational improvements which will improve our efficiency and result in better, more profitable operating procedures.

**116 STATE STREET
MONTPELIER, VERMONT 05620**



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

Chuck Ross, SECRETARY

**STATE OF VERMONT
AGENCY OF AGRICULTURE**

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: August 12, 2016

Swine Brucellosis – Vermont swine herd has tested negative for Swine Brucellosis. NY state still is having issues and NY famers are trying to find slaughter facilities to remove animals from affected swine herds. Vermont slaughter facilities, when faced with greater protective equipment requirements are refusing to slaughter these animals. The same is true for NY slaughter facilities. Agency of Agriculture is working with Department of Health, CDC and USDA on what protective measures need to be taken to protect workers from any disease exposure from slaughtering these animals. Each agency has a different requirement and slaughter facilities in Vermont are reluctant to slaughter animals with the unclear jurisdiction on how to protect workers. Agency will take part in a conference call in early September with all parties to try and work this out so Vermont Slaughter facilities can take on the business of slaughtering these animals without confusion over regulations to protect staff.

The 2016 Statehouse Buy Local Market takes place during National Farmers Market Week and is organized by the Vermont Agency of Agriculture, Food and Markets as part of the State's Local Food Wellness and Consumer Awareness Initiative. More than 1,000 visitors enjoyed products from more than 40 vendors on a warm summer day on the Statehouse Lawn.

Kristin Haas, State Veterinarian, met with Jenny Nelson from Senator Sanders' office this week to answer her questions about the antibiotic residue avoidance technical assistance and outreach grant that was received. This grant will fund the development of a drug residue avoidance program in VT over the next two years.

Upcoming Launch of VT Farmer Veteran Homegrown By Heroes Marketing Campaign

- The discussion was between VAAFM Senior Ag Market Development Specialist Zipparo, National Farmer Veteran Coalition President Michael O'Gorman and Vermont chapter president, Jon Turner
- The kickoff is set to take place August 25, 9:30am at the Statehouse. The event will recognize the work of veteran farmers, and raise awareness about farming as a viable way for veterans to continue serving our country.

116 STATE STREET
MONTPELIER, VERMONT 05620



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

Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: August 12, 2016

Press Issues/Releases/Contacts:

Deputy Secretary Bothfeld was interviewed by the Canadian Broadcast Company (CBC) on raw milk – Vermont's regulations and why our state allows sales at the farm and delivery to farmers markets but not retail sales. CBC was also interviewing Jasper Hill and Doug Flack (against and for raw milk sales) while in Vermont.

Henry Homeyer contacted Alan Graham, to get information about deer ticks and what the deer tick season might be like with all the dry weather we have been having. He shared information from our tick survey and gave him general information about the deer tick life history. Henry is writing a blog for the Daily UV <https://dailyuv.com/organizations/795-the-gardening-guy> which covers topics in the Upper Valley region of the Connecticut River in New Hampshire and Vermont.

Food System Section Staff Sweet and Zipparo were interviewed on Fox 22/44 on Morning Brew, to Promote Statehouse Buy Local Market. The short interview was a way to highlight the upcoming event, and entice new consumers to give the market a try. The producer of the show learned about the event by watching Sweet and Zipparo on Across the Fence, promoting the Statehouse Buy Local Market the prior week.

Legislative Issues/Contacts:

Kristin Haas, State Veterinarian, met with Jenny Nelson from Senator Sanders' office this week to answer her questions about the antibiotic residue avoidance technical assistance and outreach grant that was received. This grant will fund the development of a drug residue avoidance program in VT over the next two years.

Significant Meetings

- The USDA FSIS FRAS financial audit of the Meat Inspection Program is taking place this week.

Evolving Issues:

- Investigating a Vermont origin claim on a label concerning pigs and "Vermont grown"
- Investigated a report that was received in regard to a firm in Washington selling unlabeled meat.

Summary of Key Agency Department Activity

Administration

Deputy Secretary Bothfeld was interviewed by the Canadian Broadcast Company (CBC) on raw milk – Vermont's regulations and why our state allows sales at the farm and delivery to farmers markets but not retail sales. CBC was also interviewing Jasper Hill and Doug Flack (against and for raw milk sales) while in Vermont.

Agricultural Development:

Upcoming Launch of VT Farmer Veteran Homegrown By Heroes Marketing Campaign

- The discussion was between VAAFM Senior Ag Market Development Specialist Zipparo, National Farmer Veteran Coalition President Michael O’Gorman and Vermont chapter president, Jon Turner
- The kickoff is set to take place August 25, 9:30am at the Statehouse. The event will recognize the work of veteran farmers, and raise awareness about farming as a viable way for veterans to continue serving our country.

Statehouse Buy Local Market

- Food System Section Staff Sweet and Zipparo Are Interviewed on Fox 22/44 on Morning Brew, to Promote Statehouse Buy Local Market. The short interview was a way to highlight the upcoming event, and entice new consumers to give the market a try. The producer of the show learned about the event by watching Sweet and Zipparo on Across the Fence, promoting the Statehouse Buy Local Market last week.
- More than 1,000 visitors enjoyed products from more than 40 vendors on a warm summer day on the Statehouse Lawn.
- The 2016 Statehouse Buy Local Market takes place during National Farmers Market Week and is organized by the Vermont Agency of Agriculture, Food and Markets as part of the State’s Local Food Wellness and Consumer Awareness Initiative
- The event was done in partnership with the Vermont Buildings and General Services, Agency of Administration, Capital City Farmers’ Market, Green Mountain Transit, the Vermont Farmers’ Market Association and the Northeast Organic Farming Association of Vermont. The event provided the opportunity to celebrate Vermont agriculture and farmers’ markets under the gaze of Ceres, Goddess of Agriculture.
- Vendors offered an amazing mix of Vermont products as well as prepared food options featuring local, Vermont ingredients, featuring drinks, ice cream, produce, yarn & fiber products, candles, meat, baked goods, yogurt, dog treats, cheese, local food cooking demonstration using gleaned produce, free yoga and live music! For a full list of vendors: <http://bit.ly/vtbuylocalmarket>.
- Debit and EBT were accepted, thanks to the Capital City Farmers Market.
- At noon, a tour of the market was given to the Mayor of Montpelier and Tom Berry of Senator Leahy’s office.

Food Safety and Animal Health and Consumer Protection:

- A VAAFM position posting was completed this week – that of the Food Systems Coordinator. This PG 20 position will provide administrative support to the dairy and produce industries, as well as other programs within the Food safety and Consumer Protection Division.

Animal Health:

- The quarantine was released this week on a VT swine herd that was undergoing Brucellosis testing as a result of an epidemiologic trace from an infected herd in NY. All pigs tested from the VT herd were negative.
- The recruiting team is completing the first round of interviews for the open dairy programs section chief position over the next five days.

Meat Inspection:

- Review of materials to be printed for the statutory revision documents is underway
- Beginning the interview process for Food Safety Specialist I.
- Ongoing preparation for the annual self-assessment by FSIS.
- Inquiry from Co-op Insurance company concerning allowable poultry exemptions and claim by a producer that a particular itinerant slaughterer was USDA certified which he is not
- Custom Smokehouse operation in Orange is rebuilding after a fire last fall and they plan to reopen around the end of September
- Working with Admin Public Relations staff to update power point presentations concerning on-farm slaughter related to 6 VSA 204 § 3311(a) and the mandate for an education and outreach program

Compliance – Meat Inspection

- Working on informational materials for inspection staff and retailers concerning USDA's new requirement for retail stores to keep ground beef grinding records to identify source materials

Agricultural Resource Management:

North Lake Contractor Initiative:

- Staff continue to coordinate with North Lake contractors as projects move forward. Many work plans have been received and are under review.
- Several activation letters have been signed and returned to the North Lake contractors.
- Onsite visits continue with North Lake Contractors, farmers and AAFM staff.
- Now that several projects are well under way VAAFM staff will meet at least every other week for status updates. NL contractors will be invited to call in to these meetings if they feel the need.
- Staff scheduled a meeting to meet with FNLC to further refine the North Lake contractor process and develop relationships between the two organizations.

Small, Medium and Large Farm Operation (SFO, MFO and LFO) Programs:

- Consultation meetings with LFOs to discussed Agency direction, LFO's permit compliance, and reviewed insufficiencies with LFO's nutrient management plan are officially complete!
- Staff are continuing to work on and test the FoodSafety Water Quality database.
- Staff continue to review 5 applications for LFO permit amendments or applications to become an LFO.
- 2 MFO inspections were conducted in Orleans County.
- Staff continue gathering data to visualize the SFO territories for each staff member.
- Staff are coordinating Lake Memphremagog Water Quality – Agricultural Work Group meeting for August 11th.
- Complaint investigations were conducted on 1 SFO egg farm in Caledonia county.
- Inspection and complaint report write-ups are very numerous and ongoing.
- RFP planning meeting was held with staff.
- Staff attended several trainings including RUSLE2, GIS and FarmViewer.
- Staff continue to improve inspection forms.
- Reminders are being sent to MFOs and LFOs to send in any missing information for annual reporting.
- The enforcement process continues to evolve to meet program goals and staff have been assisting in this development effort.
- Inspection staff toured the Lab at UVM to understand Lab capacities and to understand water sampling protocol for pick up and drop off.
- UVM Ext held a farm tour at a Franklin County farm and several staff attended.
- In house discussion were held with staff concerning the new RAPs and how that relates to assessment of buffers and the top of bank of a stream; discussions are ongoing.
- Organizing priority farm list for collaboration with partner Agencies with staff.
- Several staff assisted with the Buy Local Market.
- Several staff were out on vacation during this reporting period.

Secretary's Report:

Secretary Ross was on vacation.

LOTTERY WEEKLY REPORT

No media contact

No legislative contact.

I met with Gary Kessler from Liquor Control to look through our warehouse location and size as DLC continues to determine their warehouse needs.

Our results from July were strong with sales up approx \$2M and profits up approx \$500K over last year.

Greg