

From: Miller, Elizabeth

Sent: Sunday, August 11, 2013 7:03 PM

To: GPS

CC: Allen, Susan; Porter, Louis; London, Sarah; Richards, Alyson

Subject: Weekly Reports - Executive Privilege 08 09 13

Attachments: Weekly Reports - Executive Privilege 08 09 13.pdf; ATT00001.txt

in case helpful to see the few highlight

WEEKLY REPORTS

Checklist
8/9/2013

Elizabeth Miller/Aly Richards

- ☒ Agency of Commerce and Community Development – Lawrence Miller
- ☒ Department of Labor – Annie Noonan
- ☐ Department of Financial Regulation – Susan Donegan (**no report this week**)
- ☒ Agency of Education – Armando Vilaseca
- ☒ VT Commission on Lottery – Greg Smith

Louis Porter/Drusilla Roessle

- ☒ Agency of Transportation – Brian Searles
- ☒ Agency of Human Services – Doug Racine

Sue Allen/Leigh Appleby

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

Sarah London/Carolyn Wesley

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

Susan Spaulding

- ☒ Boards and Commissions
- ☒ Department of Liquor Control

Other

- ☒ Irene Recovery Office

To: Governor Peter Shumlin
From: Lawrence Miller, Secretary - Agency of Commerce and Community Development
Date: August 9, 2013
Re: Weekly Report

will happen

We are making progress on **St. Albans**. Obie and I hope to be able to bring the next round of information to GPS before he heads out of town.

Mon. p.m.

Holding conversations about the future of **Vermont Life** with the passing of Publisher Dave Hakins, some immediate steps but waiting for Lisa to come on staff to take advantage of her industry experience.

Made in Vermont – Chuck and Lawrence will meet with the Attorney General to work out any final differences before the end of the month. Nancy Driscoll is getting current on the project. ACCD is in the Fee Bill this year and thus will be able to complete implementation.

Comprehensive Economic Development Strategy (CEDS)--A Committee of almost 40 individuals, most from the private sector has been created by ACCD to provide input into the state's Comprehensive Economic Development Strategy. The first meeting of this group (25 attendees) took place at the State House on Monday, August 5. We will send out information to the Cabinet after Labor Day. This might be good material for a 10-15 minute piece of an extended Cabinet meeting sometime in the fall.

Supreme Court 'Koontz' Decision Discussion: Noelle organized and hosted VT Law School Professor John Echeverria who led an interagency discussion on the recent Supreme Court decision which could have substantial implications for implementation of land use policies, particularly around mitigation. ANR, AG, Shems, and other attended. Copies of the presentation are available from Noelle for anyone interested.

Jamaica Buyouts: Jen reached out to the Chair of the Jamaica Selectboard and others to offer additional DHCD assistance as the town decides whether or not to buy out the properties of four residents whose homes were washed away by Tropical Storm Irene. Also contacted and responded to concerned citizens, homeowners and attorneys for the property owners and town. The buyout issue has become very contentious within the community with many members angry at the town for the delays (due to a variety of legal concerns) and others opposing the purchase behind the scenes. Buyout of second-homes is a key issue there.

Fair Market Rents: HUD released its annual update to the fair market rents used in the Housing Choice Voucher (Section 8) and HOME. FMRs for the Burlington-South Burlington area increased by 2% but declined in every other area of the state by 5 to 14%. VHFA is leading an effort to build a data-driven request to HUD that it conduct a rent survey to more accurately assess rental costs in Vermont.

Growth Center Program Review: A number of meetings are scheduled for second half of August with developers, homebuilders, affordable housing groups, realtors, RDCs, RPCs, energy efficiency advocates, planners and environmental groups. Interest is high and many groups are offering specific suggestions on how the state can improve policies and programs to attract more business and people to community centers. Next steps are to compile these suggestions and identify a steering committee to help us prioritize and build consensus on solutions that will work.

Burlington International Airport (BTV) Traffic Stronger for July: With 59,482 deplanements BTV had its busiest month of the calendar year, up by more than 8 percent over June. However, passenger volume remains down 7.42 percent calendar year to date.

State Marketing Plan Template: Nancy is working on a simple, user-friendly template for a marketing plan that can be deployed to state agencies as part of their annual budgeting process. This tool should help agencies comply with the Strategic Plan objective of annual marketing and communications planning, as well as serve an outreach and planning function for agencies that want to work with the CMO's office. That template will be easy for agency leads to complete, possibly even through an online survey tool. The results will flow in to the CMO's office in a standardized spreadsheet format that will enable us to make connections among various agencies' marketing activities and find synergies and efficiencies. The template will ask each agency to identify the key messages that help them fulfill their mission, then drill down into each message to define target audiences, dedicated budget, geographic reach, and performance measures. C661.

Irene Final Report: Heather is making good progress on the layout of this comprehensive 2-year-anniversary book. We were able to supplement the Irene Recovery Office's photo library by reaching out to other state agencies (BGS, DEMHS, AOT) and news outlets to build a strong library of photo evidence speaking to Vermont's resilient rebuild.

Reviving a Regular Inter-Agency Marketing Discussion Group: We got great feedback on the discussion held last week on social media, and we've heard from several folks who would like those networking opportunities to continue. If you serve in a marketing/communications role and would like to be invited to regular (monthly?) get-togethers to share best practices and current projects, please email Nancy Driscoll.

Sue reach
05+-

Memorandum

To: Honorable Governor Peter Shumlin

From: Commissioner Annie Noonan

Re: Weekly Report - Weeks Ending August 2 and 9, 2013

Most Current: VDOL has been responding to the inquiries from the furloughed IBM employees. If furloughed for 5 days with 30% pay, most employees will be ineligible for any benefit for that week either due to the One-Week-Waiting Period or due to monetary ineligibility. Employees can file a claim, be disqualified for the week, but have that serve as their one-week-waiting period in the event of further furloughs. We don't advise them if that is to their advantage, since it may not be if they are fully laid off in the benefit year. We are hearing that more layoffs are coming in October or December. Tivoly laid-off its 3rd shift, but hired all but 3 employees back already. We did a Rapid Response this morning for Vermont Castings, who laid-off 44, but has told us they are bringing them back to work on October 7th. Vermont Economy Newsletter has been critical of the job data, but Mat Barewicz is comfortable with our reporting. We are continuing to work with Entergy, asking them to identify the occupational 'types' of jobs being cut so we can help their laid-off workers.

Budget issues: I was in Boston on Monday and Tuesday at a mandatory region 1 USDOL meeting. USDOL claims to have no idea about funding relative to a continuing resolution (CR) or final budget for this year or next, however, the decline in funding for major programs has been significant enough that most of the other states are separating staff now. Vermont may weather this storm because we still have program money and we have been judicious in our filling of vacancies. We were told that WIA approval will come later, "if at all", which means we will run on CR. It appears that the Obama administration is only supporting a 7.5% Governor's Discretionary Fund in the WIA, although the state DOLS are asking for it to go back to 15%. Without the administration's support, that is unlikely; but it needs to go up from the current 5%. The USDOL took the money from the Governor's Discretionary funding and gave it to US Secretary of Labor for "innovation grants" to NON-DOL organizations. VDOL will begin looking into participating with Direct Employers Association through NLX, the successor to America's Job Bank, as it might be a cost-efficient way for us to engage in more job announcement activity. All federal contract jobs must post to this site. I would like to request that our own administration require employers who receive contracts be required to post job openings to Vermont JobLink, and that the Vermont DHR be required to do the same.

NEK Project: We are talking with Jeff Potvin about some apprentice-"like" training in clean room technology for the NEK project, if it could match up with AnC Bio's needs.

Unemployment Comp & Wage: We may see a one or two-tenth rise in the UI rate this month, but that is similar to what happened last June-August, and even VEN noted that anomaly in their latest newsletter, and said it may likely be the USDOL 'seasonal adjustment' issue. UI claims nationwide are almost back to the pre-recession numbers (pre 2007 = 2.7M, today = 3M UI claimants nationwide). At the USDOL meeting, we were told that REA (nationwide) may not be funded again next year, and would have to come out of UI Administration, which would make it difficult for Vermont to continue the program.

Claims Center Stats: For the week ending 08/03/13 we took 2,184 calls. This is a decrease of 24 calls from the week ending 07/27/13. We processed 371 initial and 380 additional claims. This is an increase of 11 initial claims and a decrease of 9 additional claims from the week ending 07/27/13. 72 claimants exhausted all tiers of benefits with the week ending 08/03/13 compared to 89 claimants who exhausted the prior week. In the past 2 weeks, only 2 claimants exhausted Tier 1. We paid 5,327 claimants during the week ending 8/03/13 compared to 5,374 for the week ending 07/27/13. We processed 55 Mass claims for week ending 8/03/13, primarily from Vermont Castings.

Other: WETF grant work on Internships and Regional Workforce Partnership grants; Met with Jim Pratt of WDC on S.155 and WDC issues; Met with legislative study on S.155; Press conference on S.155; Labor meeting with Governor; Met with private VR counselors on RTW plans; Met with Hitec on projects for VDOL; met with VMEC on NEK project.

Note: I am off next week for a week's vacation. Erika is in charge. I am reachable by phone 793-5212.



120 State Street, Montpelier VT 05620-2501
(p) 802-828-3135 | (f) 802-828-3140

**CONFIDENTIAL AND PRIVILEGED: NO SHARING
MEMORANDUM**

TO: Governor Shumlin
FROM: Armando Vilaseca, Secretary
SUBJECT: Agency of Education (AOE)
DATE: August 9, 2013

Adequate Yearly Progress (AYP): As of August 6th, AYP results were publicized; this year's results were not surprising. Over half of the schools made AYP in reading, but we continue to see struggles with math proficiencies and our free and reduced lunch population. It is important to celebrate the good work that the schools are doing, but also to recognize that we need to figure out how to close these achievement gaps. This year we did something different than in years past; we used test results and other measures of student performance to recognize schools that are making progress and are demonstrating a commitment to continuous improvement. By looking deeper into other indicators of successful schools and differentiating the school improvement process, we can convey a fuller picture of the challenges that schools face as well as the progress being made.

Deb Delisle Conference Call: This week Deputy Fischer and I had a phone conversation with US ED Assistant Secretary Deb Delisle regarding the ESEA waiver application. From what we were able to gather, even though US ED references "multiple measures" in determining AYP, the state assessment remains the focal point of the federal accountability. We will continue to monitor this and keep you abreast of any changes.

Pre-K: Rutland City School District plans to access the monies available to initiate a publicly funded Pre-K program and efforts in this direction are progressing.

Kindergarten Readiness Data Collection: This year's kindergarten readiness data collection will be changing from Survey Monkey to an Excel template, starting in mid-September. The Excel format will meet the AOE's data quality standards and also be compatible with the Statewide Longitudinal Data System. One major benefit for the kindergarten teachers is that they will be able to print out their class Readiness report upon completing the data entry of their students. They will no longer have to wait for the AOE to compile the data from Survey Monkey and then send hardcopy reports back to the schools.

Make VT Home: The marketing panels have been sent to the Vermont Information and Welcome Center division, where it is expected to take 3-4 weeks for production before the panels are rolled out at the Hartford Information/Welcome Center. Following Hartford, panels will be installed at the Bennington Information/Welcome Center. We await a list of other locations that will be posting these panels and promoting education in Vermont.

Career and Technical Education (CTE): Monday and Tuesday, the Vermont Association of Career and Technical Education Directors hosted a state-wide conference for CTE teachers and administrators at the Lake Morey Resort. All centers were represented and there were 240 educators in attendance, including individuals from the AOE's CTE team and the Common Core Implementation Coordinator. The conference was organized by VTC's Continuing Education Division. Conference strands focused on leadership, and teacher development/classroom management strategies that create a climate of personalization and support, integrating literacy and math Common Core State Standards, building transitions and preparing for tomorrow. Currently the AOE supports two centers, Barre Tech Center and River Bend

that have signed on and are doing a lot of hard work with the “Technology Centers That Work” program to the benefit of their students.

Education – Join the Conversation: This week I recorded episode eleven in this series, titled “Gender Equity in Career & Technical Education.” Joining me were: Jay Ramsey, CTE Workgroup Coordinator, AOE; Bob Travers, Director, The Center for Technology–Essex; Lynn Vera, Gender Equity Expert, The Center for Technology; and Kelly Walsh, Director of Girls’ Programs, Vermont Works for Women. This roundtable focused on raising awareness and increasing opportunities for young women and men to participate in education, training, and employment in career fields that have historically been filled by a single gender. Based on information provided to us by ORCA Media, the viewership has been increasing every month and last month WCAX featured my show.



LOTTERY

I am traveling today in NH. No notable activity on priorities, legis interaction or media contact. We are on the LCAR agenda in two weeks for a game rules change.

Lottery is sponsoring a car race at Champlain valley fair in two weeks. You can see this in BFP ads. Tristate commission mtg today in NH. We will be at Champlain valley fair the last week of august. Greg

Executive Privilege

TO: Governor Peter Shumlin

FROM: Secretary Brian R. Searles

DATE: Friday, August 9, 2013

SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

uh oh.

Amtrak Negotiations

Commissioner Redeker (CT), Secretary Davey (MA) and I signed a letter to Amtrak Pres. Boardman on Wednesday expressing our willingness to enter into a contract with Amtrak for services effective October 1, 2013 based on the costs previously agreed to as part of the Surface Transportation Board approval with the proviso that MA and CT would not have to pay until separate negotiations on their proposed commuter service between Springfield and New Haven are complete. We also want a role in determining quality of service performance measures and associated procedures. Boardman's response was to cancel our scheduled face-to-face meeting on September 12.

Vermont is in a difficult spot as we don't have a role in the Commuter service negotiations (Section 212 of PRIIA). However, The Vermonter is at risk because of these negotiations as, of course, there will be no service in Vermont if it is cancelled in MA and CT. We have a separate team negotiating the terms of the Vermonter cost-share (Section 209, PRIIA) and those discussions are moving along. Interruption of service, however, is not out of the question as Amtrak attempts to extract from states what it is losing in Congress.

HazMat and Rail

The Federal Rail Administration has issued notices related to HazMat traffic in response to the disaster in Quebec. Canada has also issued emergency orders and is reviewing all safety procedures with the expectation that changes will be forthcoming as the final details of the accident investigation emerge.

A great deal of research is being directed at the particular make-up of the crude oil that was being carried and whether it is more flammable than other crude oil commonly transported. The crude in question comes from the Bakken oil fields in North Dakota so there is keen interest in this research in the U.S. as well.

I-89 French Hill Work Complete

The emergency work in the southbound lanes of I-89 in Williston was completed last night. Both lanes have now been restored and in the way of lessons learned, we now have the so-called "Zipper Taper" strategy in our arsenal which was responsible for a 50% reduction in wait times and considerable praise from the regular users of this section of road during the afternoon commute.

NOTES FOR STAFF

Route 2 Drawbridge Design Contract

We are beginning a multi-year process to design a replacement for the drawbridge between Grand Isle and North Hero. A site visit by potential bidders on the design work resulted in a shot of adrenalin to the rumor mill in the Islands but the actual replacement of the bridge is likely 3-5 years away. This project is of particular interest to Senator Mazza and he is in the loop along with the Lake Champlain Chamber.

Paving Project on Rt. 128 Westford-Essex

An unexpected problem with the condition of the sub base in certain sections of this project which could add time and money. Currently there is a debate about the correct approach, which unfortunately has been shared with some members of the public and Rep. Martha Heath by a representative of the contractor, Frank W. Whitcomb.

Rich Tetreault and I visited the project this week and believe that we have an approach to the work itself and will also find a solution to off-handed comments to interested bystanders by our contractors. We need to get tough on some of these folks who clearly don't understand that their job is to stay within the terms of their contracts unless told otherwise.

Rail Issues With Canada

We've still not been able to schedule a meeting with the new Transport Minister despite several attempts. Further, we continue to get news from the north that does not serve our mutual interests of getting the Vermonter into Montreal.

This week we learned that we are not to deal with Ambassador Chretien and his assistant Ann Drost of Fasken Martineau as their "mandate has expired". Mr. Chretien was responsible for most of the positive movement on mutual projects in the previous Administration. Secondly, we have learned that the study of rail conditions in Quebec which is important to Amtrak has been delayed a couple of months and is now due in late September.

ugh. → call Marois?

Intercity Bus

The bidding process has been delayed at the request of the service providers. We now expect to award contracts for Springfield, MA/White River Jct., Albany, NY/Burlington and Rutland/White River Jct. on September 30.

Crash Statistics

Fatal Crashes **July 30 – August 5, 2013:**

6/8/13: Vernon – VT 142. Two vehicle, head on crash. Passenger fatality, no seatbelt worn.

7/31/13: Middlesex – I89 SB. Single vehicle crash into guardrails. Seatbelt worn.

8/1/13: Orange – Emery Rd & Eastman Ave. Single ATV crash into tree off roadway. Double fatality, no helmets worn.

8/3/13: Brattleboro – VT 9. Single vehicle crash, driver fatality. Unknown seatbelt use.

2013 Fatalities: **40 Total - 27** vehicle operators (1 snowmobile, 3 motorcycle, 2 ATV), **11** passengers (1 motorcycle passenger), and **2** pedestrians.

As of August 5 in each calendar year:		
Year	Fatalities (people)	Fatal Crashes
2013	40	36
2012	50	44
2011	26	23

2013 Fatal Crash data received to-date (**August 5, 2013**):

- 4** double fatality fatal crashes.
- 0** triple fatality fatal crash.
- 18** fatalities (persons): unbelted (12), not wearing helmet/DOT helmet (6), or improperly restrained (0).
- 7** operators suspected as driving under the influence of alcohol only.
- 3** operators suspected as driving under the influence of drugs only.
- 4** operators suspected as driving under the influence of both alcohol & drugs
- 5** operators suspected to be speeding.
- 1** operator(s) under suspended license.
- 0** person operating without a license.
- 13** "Older Drivers" involved (Older Driver is defined as any person age 65 or older.)
- 4** Junior License operators involved in fatal crashes.
- 6** Crashes involving a Large Truck/Bus

Total **40** Fatalities:

- 2 Pedestrians
- 0 Bicyclists
- 16 Belted
- 12 Unbelted
- 1 Snowmobile (No Helmet)
- 3 ATV (Unknown Helmet Use)
- 2 Wearing Helmet/DOT Approved Helmet (Motor-Driven Cycles)
- 0 Not wearing Helmet/DOT Approved Helmet (Motor-Driven Cycles)
- 0 Improperly Restrained/Incorrect use of Belt or Child Safety Seat

If you wish to see additional statewide crash information (including short term trends), please go to the Strategic Highway Safety Plan (SHSP) web page at: <http://highwaysafety.vermont.gov/index.htm>. The opening page counts are updated as soon as we are notified of a fatal crash. The chart information under “Data” is currently updated on a quarterly basis. If you wish further detailed queries, contact Mandy White in VTrans Highway Research at (802)595-9341.

SIDE NOTE:

	Number of Fatal crashes:		
	2011	2012	2013*
Two fatalities	1	5	4
Three fatalities	3	1	0

*2013 data received as of August 5, 2013.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: August 9, 2013

Late Breaking News:

CMS has granted an extension to Brattleboro Retreat to come back into compliance. New date: 9/16

As Alice Bonner from CMS indicated yesterday, CMS has this latitude with hospitals but absolutely not with nursing homes (Vets Home).

Agency Retreat:

We are having an AHS retreat for top management (about 60 of us) at Bolton Valley on Monday, September 16th. We are working with Shana to see if you can attend part of the day.

I am looking to continue the mission of working on human services as one agency, instead of six siloed departments. This is the work I described in our recent meeting. Starting with the strategic plan and its goals and indicators, and working with the results based accountability framework, we are improving the quality and efficiency of the services we provide. The ultimate goal is to make a positive difference in the lives of the Vermonters we serve. We are doing this through rebuilding agency infrastructure, integration of related services and coordinated systems.

You and any 5th floor staff interested and available will be warmly welcomed. This is exciting work. I described it to the Government Accountability Committee (which includes Michael Clasen) and they were strongly supportive.

Seriously Functionally Impaired (SFI) Study Committee:

Together with Commissioners Pallito, Wehry and Dupre; Monica Hutt in my office; and several other AHS staff; I presented information and participated in a discussion of the SFI population before a special legislative committee charged with making recommendations. It was very constructive. The committee members understand the complexity of the issue, the challenges involved in providing services, and the costs. VTDigger had an excellent report on the meeting.

Vermont Department of Health (VDH)

Arbovirus Surveillance Update:

- 249 mosquito pools tested
- 7 positive for West Nile Virus, 1 positive for Eastern Equine Encephalitis
- Testing at Vermont Department of Health Laboratory will begin next week

- Results on an additional 61 pools are pending

With the discovery of EEE in a mosquito pool, the VDH will issue a press release later today.

Department of Mental Health (DMH)

Rutland Regional Medical Center (RRMC)

Commissioner Dupre and Jeff Rothenberg, Acting CEO of the Morrisville facility, visited the Level 1 Unit at the RRMC. Major concerns addressed were the length of time it takes from the admission of a patient to commitment and if necessary, involuntary medication. Times range from 60 to 90 days.



Collaborative Solutions Corporation:

Collaborative Solutions Corporation (a collaboration of the Clara Martin Center, Howard Center and Washington County Mental Health) opened Second Spring North, an 8-bed intensive recovery residence program on Monday, August 5th. An open house will be announced for September.

Brattleboro Retreat (Retreat):

The Retreat has developed a security policy for CMS in order to meet their requirements. CMS will give them until the end of August to implement.

Green Mountain Psychiatric Care Center (GMPCC):

GMPCC is looking at security as well after last week's major event. The VSEA has started to hold meetings around staff safety at GMPCC. Jeff Rothenberg, Acting CEO, has been in contact with John Berard, Employee Labor Relations Specialist with the Vermont Department of Human Resources.

Length of Stays:

Level 1 patients are continuing to have long stays in emergency rooms as well as in Corrections facilities due to the shortage of beds. The DMH continues to look for other options; however this will continue to be difficult until the Vermont Psychiatric Care Hospital in Berlin is up and running.

Department of Disabilities, Aging and Independent Living (DAIL)

Vermont Veterans Home(VVH):

Senator Sanders, CMS, White River Junction Veterans Administration and VVH administration met with Secretary Spaulding, Commissioner Wehry and other state officials to discuss present and future opportunities at the VVH. Clearly, there is an expectation that the VVH will succeed in overcoming its deficiencies; CMS' Alice Bonner suggested to VVH administrators that they make unannounced off-hours visits and query the staff about resident care.

Settlement talks on Adult Protective Services (APS) may be nearing successful resolution:
Commissioner Wehry met with AAGs yesterday to review the latest proposal. Plaintiffs appear to have accepted most revisions and there are no new substantive requirements for APS. A request that some of the plaintiffs be nominated to the DAIL Advisory Board could be problematic if the Governor elects not to appoint them. Thus, this is under review with Governor's counsel.

Legislators question Developmental Disability Services (DDS) System of Care Plan changes:

The Vermont Council on Developmental Disabilities and Mental Health Services continues a misinformation campaign directed at legislators. In a letter to the Acting DS Director Camille George and copied to key legislators, the Council accused the Department of planning to implement changes on September 1st in violation of Act 50. Commissioner Wehry was approached by an alarmed Senator Kitchel at yesterday's Health Care Oversight Committee (HCOC) meeting. The Commissioner assured the Senator this was not the case and sent a clarifying memo to the others (Reps. Pugh and Heath).

Health Care Oversight Committee:

On Thursday, Commissioner Wehry testified on the successes at APS and presented the first quarterly report as required by last year's legislation. While acknowledging the report contained the required elements, Senators Lyons and Fox complained that it did not tell them what they wanted to know; we agreed to do our best to provide additional information. Alicia Freese reported this in her blog as legislators "not appeased".

Testifying about Choices for Care reinvestments, the Commissioner thanked the legislators for the clear definition of re-investment savings and reported the JFO approved amount as \$6.0M. She advised the Committee that DAIL plans to seek authorization to utilize a portion of those funds under the emergency use provision of Act 50 to offset sequestration losses in senior food programs and to present a more comprehensive plan in the Budget Adjustment Act (BAA) as required by law.

Department of Corrections (DOC)

Chittenden Regional Correctional Facility:

On Monday, the DOC experienced the highest level of recorded detention, 458 individuals. This increase appears to be affecting the female population more than the males. Although the population has since eased, as of Monday we had 179 females housed, which is near capacity for the Chittenden facility. We have a contingency plan in place should the event occur where we exceed the capacity in Chittenden. Likely, we would take over two units at the St. Albans facility and move any long term females from Chittenden to St. Albans. This would result in more males being housed out of state. Hopefully, we will not need to enact this plan.

Representative Kurt Wright:

Representative Wright called the Commissioner asking questions about the feasibility of civil confinement in Corrections. Commissioner Pallito said that it has been a number of years since

the State has looked into this issue. Representative Wright stated that he would be contacting the fifth floor regarding this issue.

See space w/ him.

Corrections Oversight Committee (COC):

The COC will meet on Monday and the two main topics are detention and the recent re-entry of Timothy Szad.

Department for Children and Families (DCF)

Temporary Closing of the Bennington Family Shelter due to Bed Bugs:

The Office of Economic Opportunity (OEO) provides a HUD Emergency Solutions Grant (ESG) to the Bennington Coalition for the Homeless (BCH) for emergency shelter, transitional housing and services to women with children, and single adults.

In March of 2013, OEO reported on the precarious financial situation and organizational sustainability of the BCH following AHS financial monitoring done at the request of OEO.

On August 1st, OEO reported on the closing of the family shelter at Six Bank Street due to bed bug infestation. There were three families at the family shelter and all were immediately housed at other BCH locations with the plan to reopen the shelter in two weeks. However, due to the high cost of eliminating the bed bugs; purchasing new bedding and equipment; and considering the long term plan of BCH; both OEO and BCH have discussed moving the shelter to downtown Bennington. The closure of Six Bank Street was in the BCH plan to consolidate its programs in downtown Bennington.

Family Services AIM Project:

As a part of the AHS AIM (Agency Improvement Model) efforts, Family Services' Revenue Enhancement Unit (REU) has had great success in increasing the number of children/youth in foster care who are receiving Social Security Income (SSI) benefits. Increased income from SSI offsets State dollars in payment for high cost foster care placements, usually in residential programs. In SFY12 REU completed 4 applications for SSI on behalf of children/youth in custody. In SFY13, 41 applications were completed. Of those, 40 were determined to be eligible. Each of these cases generates \$762.04 in income per month. In SFY 13, REU brought in \$336,679.68 in income from SSI.

Department of Vermont Health Access (DVHA)

Vermont Health Connect (VHC) Update:

Policy Update – The Secretary of Administration approved VHC's premium payment policy on 8/2/13. Beginning October 1st, individuals and small businesses will be able to pay their health insurance premiums via paper check, electronic check, debit card, or credit card. There will be no charge associated with using debit and electronic check online. There will be an estimated surcharge of 2.5% on individuals who pay with credit cards and a 4% surcharge on businesses

vgh.

that pay by credit card. Surcharge levels will be revisited by the State every 6 months to ensure that the percentage costs meet actual transaction fees.

Paper Application – This week the VHC paper applications for individual and families, employers, and employees were finalized. The applications will be printed for distribution by navigators, brokers, and certified application counselors. The format and design of the online application was also completed according to schedule.

Health Plan Training – Two training sessions are scheduled over the next couple of weeks for VHC staff to provide information specially designed for our health plan partners: MVP, Delta Dental and Blue Cross Blue Shield.

House Committee on Health Care:

On Wednesday, the House Committee on Health Care held their meeting at the VSAC building. Commissioner Larson testified on the Health Benefit Exchange Readiness.

Health Care Oversight Committee:

On Thursday, Commissioner Larson testified at the Health Care Oversight Committee regarding the Health Benefit Exchange public outreach, eligibility determinations and federal compliance. He also testified on the Dual Eligible Project update and the relationship with payment reform.

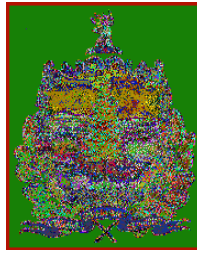
Legislative Committee on Administrative Rules:

On Thursday, Commissioner Larson presented the Health Benefits Eligibility and Enrollment administrative rule. The committee approved the rule.

WCAX:

Today, Commissioner Larson will be interviewed by WCAX for “You Can Quote Me” regarding VHC which will air on Sunday.

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 9, 2013

Secretary's Top Issues:

TRIPLE E - A EEE positive pool in Whiting has occurred. New York Lab is still testing samples; further results forthcoming – 20 of 82 samples tested thus far. This particular EEE positive mosquito pool sample was “hot” indicating high levels of virus detected was found. Plans for Press release which will be coordinated with Governor's office/Sue Allen once results are confirmed. Health & Ag working hand in hand; Health Leading on all Press.

Mosquito Pools POSITIVE - Two mosquito pools from Whiting tested positive for West Nile Virus (WNV) last week. No human cases have been reported in Vermont in 2013. These are the 2nd & 3rd positive mosquito pools for WNV this year.

Nuisance Mosquitoes - Nuisance mosquito populations in the Otter Creek/Dead Creek marshes remain high, & we have had numerous calls from concerned citizens - is the state or the mosquito control districts doing anything. The issue remains the same as earlier this summer; heavier than normal rains have led to increased hatches of mosquitoes, & it is very difficult to eradicate all the mosquitoes, all the time.

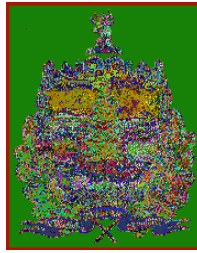
GMP and Cow Power - Secretary Ross, Deputy Secretary for Dairy Policy & Sr. Ag Devel. Coordinator Alex DePillis met with representatives of Green Mountain Power to discuss the Next Generation of the Cow Power Program. GMP is exploring investment in methane digesters for medium size dairy farms to generate more base-load power.

Legislator Involvement – Representative Ram and Wizowaty both contacted Ag & ANR in regards to VT Goat Collaborative. The Vermont Goat Collaborative is progressing on the custom slaughterhouse operation in Colchester & should be in operation around the beginning of September. Ag & ANR had to solve differences on permitting of slaughter liquid & solid wastes which was delaying completion. This has been resolved.

Animal Disease Testing Data Management - The amount of Animal Health disease testing paperwork & animal traceability paperwork continues to increase. Entering complete data, such as horse information, owner information, & location would enable VAAFM to know where equines are located in the state in case of a natural disaster or disease outbreak specific for horses. Animal Health received a number of inquiries last year during the EEE outbreaks as to why we didn't contact horse owners in the affected area to alert them & recommend vaccinations. A lack of adequate staff to enter the information decreased the Agency's ability to respond.

Meat Industry Growing – Continued growing demand for State Meat Inspection Services. May need to request additional staff **PRIOR** to the legislative session due to demand outstripping current staff. Lack of staff will limit the growth of this industry.

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 9, 2013

Status of Governor's Priorities:
Jobs in Agriculture

Press

WCAX, EU Ambassador, Montpelier: after interview asked an array of questions on marketing and regulatory enforcement issue of VT made products. Poorly organized interview but did touch on branding, emerging Made in VT program and federal issues relating to out of state enforcement.

Significant Events/Meetings:

Vermont Summer Fest Horse Show - AHS Darryl Kuehne and Dr. Mehlenbacher traveled to the Vermont Summer Fest in Manchester to meet with the event staff and check import paperwork for participating horses. Inspection last year revealed a large amount of unfortunate non-compliance as the event. Drs. Haas and Mehlenbacher worked with the event to make sure they understood VT import requirements for horses and provided them communication materials they could in turn provide to their participants. This year, the Summer Fest office required participants to present their Certificates of Veterinary Inspection and yearly Coggins test results upon check in. Other changes the event made included posting the import requirements on the event website and obvious signage posted in the check in area. These changes were of obvious benefit as every participant was able to present the required paperwork upon request.

Must be the Milk - Deputy Secretary for Dairy Policy Bothfeld attended a "Must be the Milk" event at the Billings Farm in Woodstock. This event highlighted the importance of dairy farmers to the regional economy and was sponsored by New England Dairy Promotion Board. Several legislators, funding institutions and dairy farmers attended this event.

Evolving Issues:

Emergency Management - The Animal Health section now has a fully executed MOU with the Rutland Area Disaster Animal Response Team (RADART), which serves as a support organization in the SSF11 plan. VAAFM is responsible for co-sheltering of animals during emergencies, and RADART can potentially help with this task.

TRIPLE E - A EEE positive pool in Whiting has occurred. New York Lab is still testing samples; further results forthcoming – 20 of 82 samples tested thus far. This particular EEE positive mosquito pool sample was "hot" indicating high levels of virus detected was found. Plans for Press release which will be coordinated with Governor's office/Sue Allen once results are confirmed. Health Department and Agency of Ag working hand in hand; Health Leading on all PR.

Summary of Key Agency Department Activity:

Administration

GIS Update

Joanna Grossman, GIS Specialist has been working with Tim Schmaltz, Scott Marshia and NOFA to come up with a solution to map organic farm fields in the mosquito districts. This is currently being done in case of a need to spray mosquito areas as was the case last year. Once a working product has been created it will be extended to mapping the rest of the State.

Upgrading the Agency's GIS to an enterprise system. Joanna Grossman has been meeting with VCGI along with Agency personnel to get information for this project. We are currently looking at Nurseries and Dairies will be the 1st two areas moved into the new system. This system will be able to pull attribute information from USAHERDS and USAPlants.

IT Help Desk

Jim Shover has been very busy lately dealing with the new equipment coming in. Some of the equipment that has been put into place lately has been:

- Upgrading the Dairy & Consumer Protection inspectors and Water Quality staff to smartphones.
- Replacing 13 of our older monitors.
- 3 printers for AH field staff.
- Preparing to issue 11 new laptops that will be replacing any computer that is older than 4 years.
- Testing out a new Windows Surface Tablet that will be going to Rob A.

For any IT Issues- send Jim or Scott an email and we will schedule a time to help you.

Training

Jim Shover will be hosting a training on Word track changes later this month or early September more details to come.

Projects

- Scott Marshia is currently working with Dairy and Water Quality to move their current programs into one of CAI family of products. For each of the programs a business case and cost analysis has been created and approved by DII. We have currently sent a needs document to CAI for both products and are talking with them further about requirement. Will keep you updated as the projects move forward.
- Grant management project has been fired up again. In the coming weeks will be hiring a Project Manager for the project and within 2 months have a vendor under contract.
- Scott Marshia is working with VIC to move the Meat Handlers license online. Finishing up the requirements gathering and should be signing an MOU in the next couple of weeks.

ACT 250 and Conservation - Deputy Secretary for Dairy Policy Bothfeld, AGG Zamos and intern Will Duane attended a presentation by John Echeverria (Vermont Law School) - Overview of Koontz and various views of the impact of this decision. This Supreme Court decision could have profound impact on the ACT 250 process for Criteria 9(b) and the use of mitigation funds for conserving land. Ag land ratios for determining mitigation amount and the use of mitigation funds outside of the district they were collect in – are two issues. Ag will work with Natural Resource Board and VHCB to review procedures to be compliant with this recent decision.

Marketing & Communications

- The Agency has been focused on the coordinated response to the bed bug situation in Rutland. In partnership with VDH, a letter was sent to 150 additional customers treated by AA Accredited Pest Control in 2012. A press release was subsequently distributed announcing this notification. The Agency

received and responded to an inquiry from Josh O’Gorman at the Rutland Herald, which resulted in a brief story. VDH is fielding the bulk of the inquiries, which are related to the human health implications.

- A round-table discussion regarding “taste of place” was held at the Capital Plaza on Tuesday evening as part of a visit from the EU Ambassador. The panel was attended by members of the Vermont Specialty Food industry and resulted in this clip from WCAX <http://www.wcax.com/story/23078657/spreading>
- Governor Shumlin is scheduled to participate in the Richmond Farmers’ Market on the evening of 8/9. Alison Kosakowski will accompany him on this visit. The media was alerted via a press release, coordinated with NOFA, which announced “National Farmers’ Market Week” and related activities across Vermont.
- The Agency is beginning final preparations for The Vermont Building at the Eastern States Exposition. VAAFM is coordinating closely with BGS to finalize building logistics.
- The Agency is preparing “save the date” materials for the 2014 National Association of State Departments of Agriculture (NASDA) conference, which will be held at the Burlington Hilton September 2014. The CMO’s office is creating a NASDA 2014 logo.

Agricultural Development

2 + 2 Dairy State Funded Scholarship Program -Deputy Secretary for Dairy Policy, Diane Bothfeld met with representatives from UVM and VTC to discuss the 2+2 Scholarship program that provides scholarships for students to major in dairy herd management – 2 years of technical education at VTC and 2 years of science based education at UVM. The meeting was an update on students, mechanics of getting students transferred from VTC to UVM and the amount of funds available in the 2014 class year. Some students choose to take a year or more away from the program – so the use of the scholarship funds at that time was discussed. If another qualified student is available then the scholarship could be provided for the term of the program if the advisory committee agrees and funds are available.

Farm Energy Handbook - Deputy Secretary for Dairy Policy and Sr. Ag Development Coordinator Alex DePillis discussed the rewrite of the Farm Energy Handbook with representatives of Farm to Plate and Dairy Industry representatives from Ben & Jerry’s and Cabot. Farm To Plate will take the lead on this activity and will incorporate the information into the chapter on energy and prepare fact sheets for easy access by farmers.

Food Safety and Animal Health and Consumer Protection

The Food Safety and Consumer Protection Division management team completed and submitted its updates to the Governor’s strategic plan this week.

Northeastern United States Animal Health Association -Dr. Haas worked this week on completion of a draft revision to the by-laws of the Northeastern United States Animal Health Association (NEUSAHA). The draft will be presented for review to the NEUSAHA membership during the national conference in October.

New England Veterinary Medical Association - Dr. Haas has been working on the agenda development for the New England Veterinary Medical Association’s Leadership Meeting, which will be held in Portland Maine in late September. The Leadership Meeting provides a forum for the New England state veterinarians to collaborate with representatives from each of the New England veterinary medical associations, the American Veterinary Medical Association, and USDA’s New England office on issues of common interest. Topics for this year’s meeting include discussion of rescue animal imports into New England from southern states, the development of a New England Veterinary Medical Assistance Team that could be “shared” across the region during emergencies, and discussion of veterinary workforce shortage issues in New England.

Maple Update

- Henry Marckres, Chief of Consumer Protection, participated in a meeting on Wednesday evening with Joao Vale De Almeida, EU Ambassador to the U.S. regarding maple syrup.

- Consumer Protection staff are serving as product judges around Vermont for Fairs and Field Days. Addison County Field Days judging was held on Monday.

Animal Disease Testing Data Management - The amount of Animal Health disease testing paperwork and animal traceability paperwork that the Section receives increases astronomically in the spring and summer months and a permanent funded position is needed. Due to time constraints and limited staff resources, current practice is to record the bare minimum data; much of the lab reporting data is not able to be entered. Ideally, all lab data and all information on the movement paperwork would be entered. The ability to have data on animal types, location, disease testing, and movement is essential for emergency response to natural disasters or disease outbreaks. For example, every horse is required to be tested for Equine Infectious Anemia on a yearly basis and all of the results are sent to VAAFM. Due to competing priorities and an already full plate, AH is only able to count the number of tests done, allowing us to meet the USDA reporting requirement for the National Animal Health Reporting System. Entering complete data, such as horse information, owner information, and location would enable VAAFM to know where equines are located in the state in case of a natural disaster or disease outbreak specific for horses. AH received a number of inquiries last year during the EEE outbreaks as to why we didn't contact horse owners in the affected area to alert them and recommend vaccinations. As livestock owners are not required to register with the state, we did not have a ready access list to utilize for an emergency response. Having the staff power to enter the essential information that is provided on an EIA test result would enable the Agency to have an idea of what horses were in the area and potential contact them directly. This is just one example of the many essential functions a permanent funded position would enable.

Animal Health Regulatory Work

- AH received an NOV payment from an individual who illegally imported a number of livestock earlier in the year.
- AH received notification from an unlicensed dealer who received a letter of warning that he will send in his license application. The case will proceed to an NOV if the application is not received by next week.

AH completed its cardio requirement by walking a fence perimeter as part of a cervid producer inspection in Fairlee. Part two of the inspection will occur in November, when the cervids are brought down off the hill, where we will ear tag and complete a herd inventory reconciliation.

Field staff have received combination printer/scanners and is working with IT to get them set up for their computers. As the Sections moves to more electronic versions of communication, it is important to be able to scan in reports and print out information for stakeholders.

Lots of fair activity this week. AH field staff helped coordinate horse pull drug testing for the Lamoille County Field Days, Caledonia County Fair, Orleans County Fair, and the Franklin County Fair. Staff is/was on hand at Lamoille, Franklin, and Addison to inspect livestock paperwork and official identification to ensure compliance with traceability rules. The Section worked with the poultry superintendent at Addison County Fair to provide poultry handling and biosecurity brochures for event attendees to pick up. Staff also spent a day prior to the Addison Fair opening day testing show poultry for Avian Influenza and Pullorum.

Meat Inspection

- Representatives of meat inspection met with Mad River Food Hub management to discuss details of getting state inspection, in addition to the plant's current federal inspection. The plant management would like to increase its services to value added products in VT by adding curing services and equipment. The plant feels that state inspection would initially be the best course of action, given the availability of the agency of agriculture versus the availability of FSIS to provide technical assistance in this new endeavor. This activity would increase the need for inspection coverage to 5 days per week compared to the 2 to 3 days currently required

- Meat Inspection is coordinating activities with USDA compliance officials for review of wholesale distributors within the state of Vermont
- Consulted with John Kleptz about the progress of construction on the new state inspected slaughter and processing facility being built in Milton. Also discussed the future expansion of the facility to include state inspected curing and smoking and facilities needed for those value added further processing activities
- The Vermont Goat Collaborative is progressing on the custom slaughterhouse operation in Colchester Vermont and should be in operation around the beginning of September giving consumers a sanitary facility for the slaughter of livestock intended for personal use.
- Another custom Processing operation has started in Londonderry and meat inspection officials are visiting another one that is almost completed and ready for operation next week in the Danby/ Pawlet area
- Conversations have begun with an individual in Alburgh Vermont interested in starting a state inspected beef jerky operation.
- Conversations concerning the restart of the Grand Isle Slaughterhouse continue as financing is being secured for the state inspected slaughter and process operation.
- The Maple Wind Farm State inspected Poultry slaughter operation is steadily increasing the numbers of poultry slaughtered per day as they gear up to offer their state inspected slaughter services to other producers again increasing the availability of locally grown and slaughtered poultry along with the need for more inspection coverage

The continued expansion of the industry within the state of Vermont further stress the need for expansion of the meat inspection program in order to have enough trained personnel available to keep the industry going and allowing for consumers to obtain locally grown slaughtered and processed inspected and passed meat and poultry products.

Agricultural Resource Management

Plant Industry

Arbovirus survey – On Wednesday, 82 mosquito pools were submitted to the New York lab for arbovirus analysis. Starting next week, and continuing indefinitely, our samples will remain in-state, going to the Vermont Department of Health laboratory in Burlington for real time PCR analysis for arboviruses. This represents a major accomplishment in the collaborative efforts between the Department of Health and Agency of Agriculture toward developing more reliable and advanced arbovirus identification capabilities in Vermont, and satisfies one of the major goals of the increased surveillance and survey program presented to the legislature and citizens of Vermont this winter.

Mosquito Pools POSITIVE - Two mosquito pools from Whiting tested positive for West Nile Virus (WNV) last week. No human cases have been reported in Vermont in 2013. These are the second and third positive Vermont mosquito pools for WNV this year. These detections do not in themselves present sufficient cause for aerial spraying or significant alarm in the mosquito districts; the need for increased caution (personal protection, repellent use, screen integrity, etc.) was announced as a result of the earlier WNV detection.

Triple E - Eastern Equine Encephalitis (EEE) virus was reported in two horses in the Amherst/Northampton Massachusetts area this week. EEE has not been detected in any of the mosquito pools from Vermont to date (2013).

Nuisance Mosquitoes - Nuisance mosquito populations in the Otter Creek/Dead Creek marshes remain high, and we have had numerous calls from concerned citizens in those areas wondering if the state or the mosquito control districts have been doing anything. The issue remains the same as earlier this summer; heavier than normal rains have led to increased hatches of mosquitoes, and it is very difficult to eradicate all the mosquitoes, all the time. People are encouraged to take necessary precautions to avoid being bitten, and be aware that the

larval survey and larvicide programs are doing their best to manage the problem. Drier and cooler conditions will also help.

List

On a bittersweet note, Thursday is Rhonda Mace's last day as the Forest Pest Outreach and Survey Program coordinator. She has chosen to leave us for the greener pastures of High School Chemistry instruction, and will be taking a job at BFA St. Albans this fall. Best wishes to Rhonda from the section. Rhonda has worked for the Agency in various capacities for years, as an analytical chemist under JJ in Waterbury, and in several outreach and survey positions with Plant Industry subsequently. Her service and enthusiasm has been a blessing to us, and she will be sorely missed. In her absence, Emilie Inoue will be doing double duty as CAPS and as Forest Pest Outreach coordinator until we find a replacement for Rhonda.

MFO and LFO Programs:

- Staff conducted 3 technical assistance visits to assist Medium Farm Operations (MFOs) with Best Management Practice (BMP) solutions.
- Staff received information from Dr. Mehlenbacher that a farm may be adding human solid waste to a manure pit. Further information gathering and an inspection is forthcoming.
- Staff conducted one compliance inspection due to a concern about a full and possibly discharging manure pit. The manure pit is owned by the Holden's and we have taken enforcement action against them in the past for the same issue. The pit was not discharging, but did not have required freeboard.
- Staff attended UVM Extension's Annual Crops Field Day in Alburg which showcases field practice experiments, grain trials and a host of other research that is conducted by UVM researchers.
- Staff are processing payments for the Capital Equipment Assistance Program.
- Staff are processing payments and closing FY2013 grants for the Farm Agronomic Practices (FAP) program.
- Staff finalized a grant agreement with UVM Extension for the FAP Program in the Champlain Valley. UVM Extension will administer a significant portion of the FAP Program which frees up staff time to focus on regulatory program requirements.
- To assist in the workload demands brought on by the current pesticide investigation, MFO/LFO staff are responding to all AAP complaints on small farms until further notice.

Secretary's Comments

Meetings:

Pesticide/Bedbugs, Conf Calls: participated in numerous conference call with Joint Health/Ag Operation Center calls to discuss, plan and implement Incident Action Plans. Calls include state, Governor's office and federal partners. Headway is being made on getting EPA to partner with VT to assist on problem.

Sarah Bittleman, Ag Liason to EPA Director, call with NASDA members : reviewed need to have EPA meet with state ag leaders to address issues.

GMP/AG Biodigester Team, Montpelier: Met David Dunn, Josh Castonguay, Steve Costello, Diane Bothfeld and Alex DePillis to outline next steps on developing business plan for GMP to partner with VT farmers to leverage GMPs financial strength and interest in renewable energy to substantially grow the biodigester industry in VT. Goal is to increase the percentage of manure digested to increase farmer viability and produce more green baseload distributed power AND to design and plan the many other revenue enhancing and environmental improving attributes that can be added to these facilities. More meetings planned to outline business plans, identify obstacles and develop plans to address issues. Ag Agency will work with GMP to survey dairy farmers, work through pending details of the program and prepare for a possible launch of this program at Farm Show January 2014.

EVENTS:

EU Ambassador Vale de Almeida Roundtable with VT Producers, Montpelier: Created product tasting and roundtable discussion with the Ambassador. Discussed trade opportunities and challenges between EU, US and Vermont with major focus on geographical indicators. Clear commonality between VT's growing local, specialty and value added production and marketing and that which is happening in Europe. The importance of using geographic indicators and "taste of place" for marketing is similar. Question exist as to whether or not this can be addressed as part of ongoing trade negotiations between US and EU. Ambassador would like VT's voice to emerge in dialogue, especially around geographic indicators.

Middlebury Farmers Market, Middlebury: Attended Middlebury's Farmers Market Saturday morning as part of National Farmer's Market week. Visited with vendors and customers. This market, like many are healthy but there are challenges around organization, growth and accessibility to low income Vermonters.

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

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

www.anr.state.vt.us



Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Justin Johnson, Deputy Secretary, Agency of Natural Resources
Date: August 9, 2013
Subject: ANR Weekly Report

Governor Level Issues:

CONFIDENTIAL Attorney/Client privileged Forsey v. State of Vermont: The State was served with a Wrongful Death complaint on July 29, 2013. The incident involved the August 2011 drowning death of Daniel Forsey in the Little River, which is located within the Mt. Mansfield State Forest and is adjacent to Little River State Park. This property is owned and managed by the Department of Forests, Parks and Recreation. Mr. Forsey was fishing in the Little River when there was a water release from the Waterbury dam, which is operated by Green Mountain Power Corp. (GMP) as part of the Waterbury Reservoir hydroelectric facility. The complaint alleges that the State of Vermont, acting through the Agency of Natural Resources and the Department of Forests, Parks and Recreation, was negligent and/or acted with wanton and reckless disregard of the safety of the public users of the Little River downstream of the Waterbury Dam by inviting the public to use the Little River and not posting warnings of the water release or requiring GMP to generally ramp up the release and provide warnings. The Estate of Daniel Forsey filed a wrongful death complaint against GMP in 2011. The AG's office is gathering information about the status of the GMP case.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Toxics Substances Control Act Reform (TSCA): U.S. Senator Vitter and the late Senator Lautenberg proposed the Chemical Safety Improvement Act (Senate Bill 1009) to reform TSCA and better regulate chemicals in products. DEC supports the goals of the Act, but has concerns with the extent of state preemption, the safety standard, and lack of focus on vulnerable populations. We have begun coordinating with the VT Attorney General's Office on the issue, which recently submitted comments to the U.S. Senate Environment and Public Works Committee expressing preemption concerns. This week Sanders office requested DEC input on the bill, which we provided in draft format. We have also reached out to DOH to coordinate. Once finalized, we will share comments with the full Congressional delegation.

Press Issues/Releases:

Act 148 Draft Report: This week, DEC released [*Systems Analysis of the Impact of Act 148 on Solid Waste Management in Vermont*](#), a draft report by DSM Environmental Services, fulfilling a requirement of Act 148, passed in September 2012. The report evaluates Vermont's solid waste management system, including the costs and benefits of expanding the beverage redemption program and single stream recycling. The final comment period on this draft report began on July 30, 2013 and will conclude on August 30. A public hearing will be held on August 20, 5:30pm, at the Pavilion Building, 109 State St., Montpelier. On a parallel track, we are working with solid waste district representatives and industry leaders to identify needs surrounding Act 148 implementation.

Vermont Turkey Brood Survey Online: F&W is asking people who see turkeys during August to report their sightings in the state's seventh annual online turkey brood survey. The data reported will help establish long-term trends in turkey reproduction and recruitment and will help with the setting of turkey seasons and harvest limits that are designed to manage Vermont's turkey population.

Moose Hunting Permit Winners Are Drawn: The winners of Vermont's 2013 moose hunting permits were determined Thursday, August 1 at a lottery drawing in Montpelier. Governor Peter Shumlin, standing alongside Fish & Wildlife Commissioner Patrick Berry, started the computer-generated selection process that randomly picked 405 winners among more than 11,900 lottery applications.

Waterfowl Meetings: Public meetings on the status of waterfowl populations and waterfowl hunting seasons for the State of Vermont and Lake Champlain zone in New York will be held Tues, Aug 6, in Whitehall, New York, and Wed, Aug 7, in Burlington, Vermont.

Significant Events/Meetings:

NFFPC Meeting: FPR's Steve Sinclair and Lars Lund traveled to Lake George for the annual summer meeting of the Northeastern Forest Fire Protection Compact (NFFPC). This group is the oldest international mutual aid fire organization in the nation, and encompasses the New England states, New York, and the Maritime and Quebec provinces in Canada. The NFFPC organizes training, information and equipment needs for fire protection/suppression organizations to be as efficient and responsive as possible.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Environmental Conservation

Regional Greenhouse Gas Initiative (RGGI): On July 29, the Air Quality & Climate division held a public hearing on proposed amendments to Vermont's CO₂ Budget Trading Program Regulations, which guide RGGI implementation in state. Notable proposed changes include: lowering the regional cap from 165 million tons to 91 million tons in 2014 and maintaining a 2.5% annual cap reduction thereafter; adding an interim control period, requiring regulated entities to acquire CO₂ allowances for 50% of their CO₂ emissions in each of the first two years of each three-year compliance period; and expanding the afforestation offset category to include reforestation, improved forest management, and avoided conversion.

Asphalt Plant - Rock of Ages: North East Materials Group began asphalt production at their hot mix plant at Rock of Ages Quarry in Graniteville. There have been several complaints from neighbors about dust, noise, odors and hours of operation. Staff looked into these complaints and determined that only the odor complaints are tied to the plant. Air Quality & Climate staff have responded accordingly and will continue to monitor the situation.

Middlebury College & Natural Gas Pipeline: Middlebury has indicated that it will apply to add natural gas as fuel into current oil boilers once the pipeline is permitted. Usage of the gas will enable Middlebury to discontinue No. 6 fuel oil completely.

Smugglers Notch: Drinking Water & Groundwater Protection staff participated in a meeting with engineering consultants for the Smugglers Notch Resort ski area on August 2 to discuss plans to increase the water disposal capacity of the Resort by approximately 50,000 gallons per day. Options include; increased indirect discharge, discharge to the Jeffersonville Wastewater Treatment Facility, and a direct discharge to the Lamoille River.

Waterbury Phosphorus Update: Facilities Engineering staff issued final design approval for the Village of Waterbury's Wastewater Treatment Plant Phosphorus Removal Upgrade Project. The total project cost is estimated at \$7.3M. Bid advertisement will now proceed.

Dam Safety Program Summer Inspection Update: A total of 91 dams have now been inspected this summer, including all 40 high hazard, 36 significant hazard, and 15 low hazard dams.

Business Transformation Initiative: The Business Analyst position, which will analyze the data we generate through implementing the Lean process, was posted this week and will be open for 30 days. The Project Manager position closed on Aug 5 and we are now reviewing applications. We continue to work through the vendor selection process, and expect to have a decision within a week.

Former Unifirst Facility, Williamstown: Waste Management staff have worked with Williamstown and consultants to remediate the former dry cleaning facility under the terms of the Consent Decree. Excavation is now complete, and we're ready to close up the site and cap the hole. The Town has been stymied in efforts to use the remediated site as a combination parking lot and recreation facility (e.g. basketball courts, tennis courts, etc.) because Act 250 is asserting jurisdiction if they paint lines on the asphalt cap that is part of the remedy.

AgriMark's Middlebury Facility: "Vermonters for a Clean Environment" have submitted public comments on, and requested a public hearing for, the draft stormwater discharge permit for the proposed equalization tank at AgriMark's Middlebury facility. The stormwater permit would cover the discharge of stormwater from the surface of the tank (it is an impervious surface). The discharge of any wastewater from the facility (i.e. non stormwater) would be covered by the wastewater permit.

Solar Installer Training: Watershed Management staff participated in a training day for solar installers and other interested parties. Approximately 50-70 attendees were present. The goal of the training is to demystify the permitting process.

Fish and Wildlife

Watchable Wildlife Program: Staff submitted an online AFWA survey on our agency's Watchable Wildlife Program. While we do not actually have a specific Watchable Wildlife Program, we do provide viewing opportunities, with Dead Creek being a great example of one of these areas. We sponsor and participate in wildlife festival events at this location as well. Our strategic plan includes the follow goal: Provide a diversity of safe and ethical fish and wildlife-based activities and opportunities that allow hunting, fishing, trapping, **viewing**, and the utilization of fish, plants and wildlife resources consistent with the North American Model of fish and wildlife conservation.

Bear Study: Staff spent a day this past week trying to capture a female bear with the assistance of hounds. This bear was collared as part of the Searsburg bear study earlier in the summer. The collar has not been functioning properly; the VHF still works but the satellite portion of the collar is not working. We started and ran the bear but the hounds were not able to tree the bear. We will continue our efforts to collect the collar at a later date.

Wild Turkey Brood Survey: Staff sent out material associated with the staff wild turkey brood survey to all cooperators. Last year there was very good chick survival resulting in an overall increase in the turkey population as well as a record spring harvest. This year's persistent rain during the spring and early summer may cause a downturn in the population.

Continued Bat Study: Staff surveyed the little brown bat colony residing in a covered bridge and nearby bat houses on the Cornwall/Salisbury border. This colony has been trapped and banded in 2006, 2011, 2012, and 2013 and is an important site to monitor long-term population trends for this endangered bat species.

Muskellunge management and Sea Lamprey control: Staff participated in a web-chat on muskellunge management and sea lamprey control. The web-chat was hosted by Vermont Public Television, and was initiated by Hilary Hess and Neil Hilt of VPT. The web-chat was designed as a way to repackage and present footage from previous episodes of Outdoor Journal in an interactive way that would more directly engage the public with experts on-hand to answer questions. Brad Young from USFWS participated (for the sea lamprey portion) as did James Ehlers from LCI.

Forest, Parks and Recreation

ANR Land Transactions: In light of the recent Bolton Development Review Board decision to deny the Department's proposed subdivision of the Lafreniere sale parcel at Camel's Hump State Park, the Department is considering a number of options for moving forward including adding more agricultural land to the sale parcel, providing the new owner an opportunity to enter into an agricultural license with the Department, and selling just the house and retaining the barns and agricultural land in state ownership. While appealing the DRB decision was an option that was carefully considered, the Department has decided it will not appeal and will be working with the DRB and the Town to hopefully address their concerns regarding the proposed sale of this property. Additionally, we will be moving forward with the planned barn stabilization work at this site over the coming weeks. Work continues on other priority ANR land transactions including acquisitions at Okemo State Forest, Rupert State Forest, Fitzpatrick parcel at Coolidge State Forest in Killington, and a land exchange at Alburgh Dunes State Park.

State Parks Visitor Numbers: As of last week, state park visitation for the prime operating season remained 15% behind last year at that time. Park operations staff are performing extremely well. We are receiving considerable numbers of positive comments from visitors, and this weekend there are 22 programs being conducted to make those visits even better.

Facebook Fans: State Parks' Facebook site now has exceeded 20,000 fans! The summer edition of the state parks e-newsletter was distributed last week to 23,000 readers.

Recreation Coordinator: Interviews for the vacant statewide Recreation Coordinator position will be held next week.

VMBA: Strengthening the relationship between FPR and the Vermont Mountain Biking Association is happening on several fronts including finalizing the umbrella Cooperative Agreement, refining plans for a pilot trail use research project, and clarifying the process of communication and project review between the local chapters and FPR field office staff.

Lake Willoughby: Planning continues toward improvement and professional management of the intensively used beach at the south end of Lake Willoughby in Westmore. The department, through a partnership contract with Northwoods Stewardship Center, has established a presence on site during prime weekend periods to gather data about use. We are collecting counts of people and vehicles at certain designated times and are noting the visitors' states/provinces of origin from their license plates. This information along with input from local citizens and users of the beach will help guide plans for improvement and management. We are not collecting license plate numbers.

EAB Monitoring: FPR supports a bio-surveillance project for emerald ash borer (EAB) that is in full swing right now. Volunteers are checking colonies of a ground-dwelling wasp called *Cerceris* where they are found near ash trees. These tiny wasps don't sting people but do collect small beetles, including EAB, for their young. The volunteers monitor the area near the nests for the remains of EAB specimens. This type of monitoring proved itself recently when EAB was found in two Connecticut communities where the purple traps did not yield EAB, but the wasp nests did.

Tree Care Grants Awarded: The Vermont Urban and Community Forestry Program's Communities Caring for Canopy Grant program awarded grants to Barre, Essex Junction, Peacham, Sharon, South Burlington and Warren. Mini-grants went to Johnson, Thetford, and Wallingford. The purpose of these grants is to assist communities in the development and sustainability of tree care programs.

Park Interpreter Meeting: Ben Kilham, bear expert, was the guest presenter at the mid-season park interpreter meeting on July 31. Thirteen interpreters, one park ranger, two regional park staff and three headquarters staff spent the day at Seyon Lodge State Park learning about bear/human behavior, invasive insect pest activities for children, and contributing to cooperative learning on thematic program design and advertising park programs. It was a busy, full day of learning. Because of various bear issues in parks around the state and the high number of young juvenile bears in the Vermont bear population this year, we are encouraging interpreters to lead regular programs on bears. The midseason meeting is an opportunity to reinforce these statewide themes and also revisit the lessons learned on best practices from training held in June.

Interpretive Program Participation: Overall, attendance at park interpretive programs is down 25% from last year due to poor weather conditions earlier this summer. Branbury and Woodford State Parks have the highest program attendance so far in 2013. The most popular programs include dragonflies, amphibian studies, Let's Go Fishing programs, fire making 101, fish-ology, wildlife watching and sunset paddles.

Information Technology

Cross-Agency Collaboration: ANR-IT and ACCD-IT created a well-documented process which provides access to each other's computer systems development environments. ANR doesn't have an immediate need for this but this is a good collaboration framework.

We made significant progress on ANR's new Records Management System and with ANR's migration over to DII's data backup process.

Peter Telep met with Bryn Oakleaf, Michal Duffy, and Josh Kelly, of the Solid Waste Program, to discuss their ideas around an organics (food waste) mapping site and database as part of the [Act 148](#) requirements. The team reviewed the project requirements and an example mapping [website](#) that illustrates the functionality that the Solid Waste program would like. One of the outcomes of this project is to have a public facing web mapping site with companion information to assist the public and stakeholders identify organic waste generators and suitable facilities that take organic wastes. Peter recommended a course of action to get the project off the ground. As they do not yet have a database to drive a web mapping experience, IT's Application Development team will be involved to create a database. ANR GIS will provide the web mapping functionality.

We're finishing up the development on the groundwater source protection area web submission tool. This will allow engineers, consultants, and water system operators the ability to submit the Source Protection Plan online using our web GIS software. The workflow not only includes the ability to submit attachments that are required for the permit process, like permission letters from the responsible operator, potential sources of contamination (PSOCs), and ancillary GIS files, but it also provides an interface for the user to digitize the actual Source Protection Boundary and have it post directly to our GIS database for staff to review, and approve. This workflow will increase the efficiency in the source protection plan process and automate the GIS data submission to our database, all through the web.

Business Office

ERP: There is increasing frustration by our Business Offices with the difficulties in the new systems (Time Management and Expense Reporting). The State's Time Management group has been able to give us little help. Some of our requests are stalled due to resources being diverted to serious issues with the new recruitment system. The new Vantage budget system, that is also intended to track current year budget-to-actuals, has been down for a long time for maintenance and is still not available to us.

Audits: Fish and Wildlife has auditors here this week from KPMG, OIG, and USFW. Lots of time is being expended meeting their requests for information.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: August 9, 2013

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

Net Metering Cap: Last week PSD held another large group meeting where developers presented their cost data. While there is common ground between GMP and developers on continuing program with continued solar adder, VEC strongly opposes that and would prefer to pay something akin to their avoided cost of solar with no additional environmental or other costs included. We are evaluating paths forward in conversations with legislators.

ISO Response: In media discussions PSD worked to focus attention on need to work with ISO going forward on a common understanding of curtailment issues during project development stage, and to work together on DG incorporation into load forecasting.

Lowell Fines: Hearing on 8/8, PSD had recommended fines for each of the 5 incidents of \$1,000-\$10,000 after PSB requested PSD recommendation and rejected original PSD recommendation of no fines. We suggested that fines be invested in continuous monitoring. All parties other than GMP requested continuous monitoring for noise. It was not a good day for GMP noise experts – they were shown to be sloppy and not competent on the stand.

Addison Expansion: PSD provided info on expansion cost data to Senator Bray and Representative Jewett. Bray met with PSD on 8/7 to discuss. PSD met on 8/8 with representatives of the group Rising Tide, which opposes the project.

FairPoint: FairPoint came in to discuss their customer service issues, and PSD expressed concerns about their recent record on residential response. Their 24 hour response time on residential plummeted from 78% several months ago to 30% more recently, an unacceptable level. We expect FairPoint to self report this to the board by the end of next week, or we will do so. We've received significant complaints about service response – outages taking as long as three weeks to fix. PSD also discussed several dig safe violations, and is in process of working out an agreement to reduce fines in exchange for adoption of a more rigorous safety plan to be implemented by FairPoint going forward.

Significant Meetings/Events:

August 5: Meeting with Quebec on NEG ECP

August 6: PSD meeting with FairPoint

August 8: Chris and Darren meeting with Rebecca Ramos on net metering; PSD meeting with Rising Tide (anti-gas expansion group); PSB hearing on Lowell fines

August 9: Chris and Darren meeting with Tony and Margaret on net metering; PSD joins Gov meeting with Don Gilbert; Chris phone call with Bill Dean of NRC Region 1.

Next Week

August 13: PSD tour of Georgia Mountain Wind and IBM

August 14: PSD meeting with VELCO and GMP; PSD VGS expansion rebuttal testimony

Media: Chris spoke with Terri at BFP on curtailment, Entergy cooling tower settlement. Darren spoke with AP, VPR, and Digger on ISO response. BFP did story on Lowell fines. AP did broader curtailment piece.

Everything Else:

PERD

Energy Efficiency Utility Activities

- Demand Resources Plan Proceeding (DRPP) - Staff met internally and with VEIC and BED in preparation for an AUG 15 filing of DPS recommended savings scenarios, modeling assumptions and QPI framework assumptions.
 - Staff developed historic electric “savings as a percent of sales” analysis for VEIC and BED to inform scenario recommendations for modeling savings and budgets for the 2015-2017 period.

- VEIC's results trend up overall with past three years being 2010- 2.08%, 2011- 1.92%, and 2012- 2.12%.
- BED's results trend up overall with past three years being 2010- 1.73%, 2011- 1.94%, and 2012- 1.75%.
- Staff spoke with VELCO regarding Peak Demand savings; VELCO is likely to intervene in the DRP and encourage aggressive summer and winter peak demand targets in order to reduce transmission costs.

ugh.

Renewable Energy Items

- Vermonters for a Clean Environment has filed a petition in CT to have Georgia Mountain wind RECs declared ineligible for their RPS starting in 2014.

Total Energy Study

- Held TES Session #1 on Residential Building Energy. The event included individuals representing the building sector, environmental groups, efficiency providers, utilities and others. State representatives included individuals from the Legislature, ANR, PSB and PSD. Discussion focused on policies that could address a number of market failures, including workforce expertise and information about building performance, as well as on pros and cons of a carbon tax as a funding mechanism or stand-alone policy.

Engineering

Station Blackout Diesel near completion

Work on installation of the station blackout diesel is progressing. The building and the diesel are installed, and running of cables should be completed this week. The diesel will still need to be tested and control room operators trained before September 1, when it will be operational. The Vernon Tie line will remain as a back-up source of power, but Vermont Yankee is not taking any regulatory credit for this.

Underground Damage Prevention and FairPoint

The Department had a conference call with FairPoint to discuss several outstanding incidences of their underground facilities that have been damaged. The incidences that we are concerned about are failures of FairPoint, through their location contractor, to adequately locate and mark their underground facilities. We had recommended fines totaling \$17,500 for these six cases as a means to incentivize corrective actions, but after much discussion on two conference calls, we have agreed to a total fine of \$5,000 and nine improvements to FairPoint's Damage Prevention Plan (DPP). The improvements to FairPoint's DPP were in concept, and the next step is to arrive at final language for these improvements.

CAPI

CONSUMER COMPLAINTS

Complaint numbers for the period July 31st – August 6th are approximately 150 calls and 105 complaints with over 25 complaints for FairPoint. FairPoint repair complaints continue to be the issue that just won't go away. Although in a meeting with Department staff, FairPoint has

indicated the implementation of a plan to increase techs assigned to clear the backlog of repair tickets by the end of the month, CAPI received two more complaints this week than last regarding consumers' frustration with not having service restored within a reasonable (and FairPoint promised) timeframe.

Post-CPG wind complaints

CAPI took in one noise complaint regarding Georgia Mountain Community Wind (GMCW), four complaints (both noise and health effects) from one consumer regarding Lowell Wind, and three noise and health-related complaints regarding Sheffield/First Wind.

OTHER CAPI ITEMS

CAPI and Finance & Econ met with GMP to review GMP's proposal to socialize the cost of accepting payment by credit/debit cards. Currently, the \$4.95 convenience fee is paid by consumers electing to pay in the form of credit/debit cards or online. GMP has been able to negotiate a better price with Western Union and, under the current proposal, will pay \$2.00 per transaction. GMP projects a savings of over \$300,000 if 12% of its customers participate. The Department agreed to support and recommended GMP submit an informational filing to the Public Service Board and track and report the costs and savings at both the six and twelve month mark of the initiative.

Public Advocacy

Summary of Key Public Advocacy Activity:

GMP Base Rates Adjustment filing – No Docket – On August 1, GMP filed its 2014 base rate adjustment, consistent with an MOU between GMP and the Department that allows GMP to increase base rates by 2.46 percent for the 2014 rate year, capped at a 2.5 percent increase for the 2015 rate year. PSD and GMP have received questions from counsel from AARP regarding the CEED fund, prudence of regional transmission costs, etc.

VTel Wireless Petition for ETC Designation – Docket 7966 – On July 29th, in response to the Joint PFD submitted by VTel and the Department, the Board issued a Memorandum containing a number of questions which it directed VTel and the Department to answer separately. Among the several inquiries in the Board's Memorandum are questions relating to the parties' interpretations of VTel's obligations as an ETC, given the MOU provision requiring VTel to submit a filing to the Board before it begins offering voice telephony service demonstrating that it is fulfilling those obligations. The Department's position over the course of this docket has been that VTel is subject to all requirements applicable to a CMRS provider, while VTel has taken the position that it is exempt from such requirements because it will be offering VoIP service. The parties were able to come to an agreement on the MOU by including a condition requiring VTel to demonstrate to the Board that it is meeting all its ETC obligations before it begins offering service, thereby postponing the need to litigate the issue given that VTel has not yet determined the means by which it will offer service. The Department must submit its comments by August 9th. A complete draft is under review.

Challenge to Transmission Owners Base Return on Equity – FERC Docket EL11-66 – The administrative law judge issued his initial decision. If accepted by the FERC, this decision would prospectively set the base ROE at 9.7 instead of the current 11.14.

Addison Expansion—Docket 7970 - The Department is drafting rebuttal testimony, which is due to be filed on August 14. Department staff is conferring with our engineering consultant on safety issues and had an engineering status conference with VGS this week; our disputes are minimal. The Department met with VGS and ANR last week to discuss areas of the Project that continue to present issues for ANR. The Department continues to spend a considerable amount of time responding to legislative inquiries about the Project.

Vermont Gas Rate Design Changes— Docket 8009- The Department joined with VGS in the submission of its Proposal for Decision on August 2. IBM and Perrigo each filed alternate Proposal(s). Additionally, VGS has circulated revised tariff sheets which reflect the rate design changes to all of the parties for comment in advance of filing them with the Board.

SunCommon Enforcement Matter & Harold Lemnah Net Metered CPG – Docket No. NM#-2748 – On August 1, the Department filed a recommendation with the Board addressing the installation of the 13kW PV system before a CPG was issued in this docket. The Department entered into an MOU with the installer, SunCommon, in which SunCommon agreed to forfeit its \$4,000 incentive for the project (under the SSREIP) and agreed to indemnify the owner to the extent the Board's fine was consistent with the Department's recommendation of \$500.

Claire Solar CPG Proceeding – Docket No. 8003 – All parties have reached an agreement in principle for approval of the 2.2 MW solar PV facility at issue in this proceeding. Importantly, South Burlington and the developer reached a side agreement that involves preservation of certain open space in South Burlington. The parties are working to memorialize the agreement and file it by August 12.

Swanton Rate Increase – Docket No. 8024 – On August 5, the Board issued a memorandum about the MOU filed between the Department and Swanton, pursuant to which Swanton agreed to lower its proposed rate increase from 10.69 to 1 percent. The Board's memo contained questions about the MOU. Department staff is preparing testimony, to be filed on August 14. A technical hearing has been scheduled for August 20.

TransCanada McIndoe Falls station improvements – No Docket – TransCanada notified the Department about proposed improvements to its McIndoe hydro facility. The improvements involve replacing three old transformers with a new one, replacing old electrical equipment in the station, and installing a 75 kW liquid propane emergency generator. TransCanada's position is that it does not require Board or FERC approval for the upgrades. TransCanada will provide detailed information about the upgrades next week and Department staff is coordinating review among DPS, ANR, and SHPO to provide feedback to TransCanada on the project and whether any of the agencies believes some review is necessary.

Winooski One Rule 4.100 Proceeding – Docket No. 8010 – Allco Energy moved to intervene in this proceeding. Allco Energy is the parent company of Otter Creek Solar, the entity that challenged Vermont's standard offer program at FERC. Department staff is evaluating the motion to intervene and planning to respond in a way that reserves the Department's right to comment on Allco's intervention once the scope of the proceeding is established by the Board.

North Springfield Sustainable Energy Project (Springfield Biomass) - Docket 7833 – On 8/6 the Board issued a second procedural order determining that the Memorandum of Understanding (MOU) between the Petitioner NSSEP and the Town of Springfield did not require additional process. NSSEP had urged the Board to decide the traffic issue based on the existing evidentiary record. The Board decided it would do so and noted that the MOU regarding a potential new access road is not part of the record and not germane to the proceedings. With respect to the MOU between NSSEP and the Agency of Natural Resources (ANR) the Board set an accelerated schedule for testimony and discovery on the MOU which concludes on 9/16. After that parties may request additional technical hearings but such request must specify why additional hearings are necessary. It is unlikely the Department will have any discovery on the MOU and associated testimony. We will however, be filing testimony indicating that the inclusion of more protective forest harvest policies and stricter wood procurement standards will now result in our support of the project.

GASNA 14P Williamstown Solar Project – Docket 7632 – On 7/29/13 the Board issued an Order amending the Certificate of Public Good (CPG) issued to this 2.0 MW Standard Offer solar project approving the transfer of ownership of the project to BAL Solar Leasing. In that same order however, the Board asked for comment on why the Petitioner, GASNA 14P should not be sanctioned for closing on this transfer without Board authorization in direct violation of a condition of the CPG. The Department filed comments suggesting a penalty in an amount ranging from \$5,000 to \$10,000 based on our analysis of the criteria in 30 V.S.A. § 30.

Stowe Electric Department 2012 Service Quality Reliability Plan (SQRP) - Docket 8091- The Department filed a recommendation on 7/31 calculating that Stowe Electric Department (SED) owed a penalty of \$3,265.50 in Service Quality compensation and requested an opportunity to review the billing insert notice to SED customers on this matter. The Board agreed with the Department's calculation but chastised the Department for filing the calculation beyond the 30 day deadline set in the SQRP, as amended in a Board memo. The Board's Order also held that the Department would not be given an opportunity to review the billing notice, a decision that seems misguided, as it would be in the best interests of ratepayers to allow this review. The Department's filing delay has been attributed to the paperwork not reaching the proper staff. Changes to document intake procedures have been instituted to address this problem.

St. Albans Solar – Docket 7871 – St. Albans Solar Partners (SASP) forwarded draft testimony to the Department and ANR for review ahead of penalty settlement negotiations. SASP, in its testimony, recommended \$4,500 for three CPG notice violations and clearing of 6,000sq/ft. of wetland buffer in violation of the CPG. The Department and ANR recommended a \$19,000

penalty. SASP is considering the state's recommendation, but has indicated that it will likely not oppose the recommendation. An MOU, if one is reached, is due August 14.

Mammoliti Wind Complaint – NM-1646 – The Board issued a memo seeking schedule proposals for the remainder of the investigation into the flicker and glare aesthetic impacts from the turbine. GMP has filed a proposed schedule putting a technical hearing out to February, 2014, giving Mr. Mammoliti ample time to meet various deadlines throughout the proceeding. The Department has voiced support for GMP's proposed schedule. Annette Smith is working with the Mammolitis on this matter.

Burlington Telecom – Docket 7044, Dist. Ct. # 2:11-cv-00214 – The Department continues to research and craft an amicus brief opposing Citibank's proposed order to appoint a receiver over Burlington Telecom. A hearing in federal district court is scheduled for August 16.

Telecom

Unserviced addresses – Based on the analysis of broadband data as of December 31, 2012, Stone Environmental identified 298 addresses that will remain without broadband availability. This week the VTA identified 100 of these addresses that it believes are either off-grid, camps, or will be served by projects in process. Stone is in the process of verifying this information with service providers. When it is completed the unserved address list will likely be revised to 198 locations. It appears that the VTA intends to award grants to bring service to 73 of these 198, which will leave approximately 125 unserved addresses.

Broadband availability databases – As soon as Stone verifies the status of the 100 locations identified by the VTA, hopefully this week, Stone will provide information to populate websites that relate broadband availability.

Cable Voice testimony – Expert witnesses for the Department filed testimony this week countering the claims by Comcast that its telephone service is an information service under federal law and that furthermore state jurisdiction is preempted by the FCC.

VT USF High-cost fund methodology – PSD staff developed a methodology for a high-cost fund based on increasing the VT USF fee from 2% to 4%. If the fund provided support in the amount of \$4 per line to all lines in rural exchanges, the fund would require \$8M, which is approximately 2% of the current USF revenue base. The PSD has developed draft language to implement such a process and has circulated this to Board staff and the telephone companies.

Finance and Economics

GMP -has filed its Third Fiscal Quarter 2013 Power Cost Adjustment Mechanism (PCAM), requesting an upward rate adjustment of \$2,890,142 or \$0.00282/kWh in the energy charge. PSD recommendation is due September 13th.

VEC – Special contracts/transmission tariff – VEC filed, as planned, a Specific Use Dynamic Pricing tariff for 3 phase service on July 17, 2013. Staff has reviewed the filing and is drafting a recommendation that is due August 16.

VGS---Alt Reg---We met with VGS to review its updated draft of its Cost of Service that it plans to file on August 28. The update reflects an increase in the amount of the rate decrease from about 2% or \$2.2 million to a decrease of 4.6% or \$4+ million for the new rate year that begins on October 1, 2013. Our consultant working on this case, J W Wilson has begun a review of the filing.

Financings/Mergers/Acquisitions/Consolidations

GMP has advised staff it plans to file for approval to issue \$75 million in bonds with a closing planned for December. VELCO has advised staff it plans to file for approval to issue \$30 million in equity with a closing planned in December.

Regional Policy

Winter 2013/2014 Reliability Proposal

- ISO received responses to its RFP for supplemental resources to ensure sufficient capacity during this coming winter. The responses represented only 60% of the requested capacity at a cost of \$60 million. ISO originally estimated that the full cost of the program would be \$16-40 million.
- ISO is planning on revising its proposal – primarily by reducing penalties for non-performance – and reissuing the RFP on August 12.
- NESCOE is convening a call on August 9 to decide if states will take a position on ISO's proposed plan.

Discussions regarding transmission costs

- Staff initiated discussions with IBM and Vermont Businesses for Social Responsibility regarding possible actions to reduce transmission costs. Staff explained that federal requirements are driving some of the costs; however, the ISO-NE transmission planning process does not take into account the load reductions associated with distributed generation and most New England states are not pushing for analysis of non-transmission alternatives in the transmission planning process.
- The majority of interest groups that have historically advocated for recognition of distributed generation and NTA analysis have been environmental groups. Increased electric rates caused by increased transmission costs appear to be providing an incentive for business groups to begin advocating in favor of these issues.



State of Vermont
Agency of Administration
Office of the Secretary
Pavilion Office Building
109 State Street
Montpelier, VT 05609-0201
www.aoa.vermont.gov

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

Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Jeb Spaulding
DATE: August 9, 2013
SUBJECT: Confidential Report to the Governor

A COUPLE OF NOTES FROM JEB:

Made a trip to White River to get the scoop on a possible new location for our state office building. Here are the basics. The plan is to move from leased space in an old tired building near the interstate to a redeveloped brownfield site on the outskirts of downtown that will include three other buildings. The alternative McCormack suggested downtown site is not workable. I had John Campbell with me and he agreed. Traffic and parking would be impossible. We can address John's main concern about moving the state's attorney's office easily by leaving them where they are. The BGS proposed site is supported by the town manager and others. We would be the lynch pin for a pretty cool riverfront redevelopment, so I told our team they should tell the developer, DEW, we would need an especially good deal since their project will not go without us. I also have asked DEC to take a second look the potential contamination issues in the area to be sure they can be mitigated as has been suggested.

July revenues were pretty much on target, realizing that one month in to fiscal year does not make a trend and July is notoriously fickle: GF .3% below monthly target and TF 2.1% above target. Compared to last July: PI +2.8%; Sales +.5% (but, you need to consider this includes the reduction of the portion of this tax from 35% to 33% going to the GF); Rooms and Meals +7.6%; Corporate -87% (this is due to a technicality from large transfers related to reconciliation of out-of-state taxpayer payments via the so-called ETM process (huh?) and should be considered an economic indicator. We had a big estate tax payment that meant the total GF revenues for July were up 12% over last year.

BUILDINGS AND GENERAL RESOURCES

Press/Media Notes:

Mileage Reimbursement: Terri Hallenbeck from the Burlington Free Press has contacted BGS for information on the Fleet program; she was referred to the FMS website, trip calculator, Administrative Bulletin 2.3, and sent a copy of the FMS FY 2012 Annual Report.

Evolving Issues:

- Electric Vehicle Leasing discussions with Mitsubishi was successful, BGS is waiting for final agreement from their attorneys.
- Waiver for time approved by the Administration for fuel requirements; this will allow us additional time working with LIHEAP on leveraging our combined activity and volume.
- Working on backfill at “Harry’s” Lease once Education leaves.
 - Education will be leaving 18 months before this lease runs out. Necessary to backfill \$600K per year. Property Management is working on potential occupants.
- WSOC bus stop issue resolved for commuter van.
- Staff at 134 State Street continues to sell bus tickets. As of 8-7-2013 VICD has been invoiced \$22,220 for bus tickets to date.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

Nothing to report.

HUMAN RESOURCES

Significant Events/Meetings:

Secretary Spaulding, Commissioner Reardon and Commissioner Duffy met with representatives from the VSEA regarding the Pulling Report, a report commissioned by the Legislature on the governance structure and management issues at the Vermont Veterans’ Home. Secretary Spaulding summarized the report and indicated he hoped the VSEA would consider a new health care bargaining unit and other changes at VVH, in lieu of the recommendations made in the Pulling report. VSEA indicated it will provide a formal response next week, after it sees the report.

Commissioner Duffy, along with many other state representatives, attended a meeting with Senator Sanders, his staff, and representatives from CMS and the Veterans’ Administration to discuss the possible suspension of federal funding at the Vermont Veterans’ Home in light of deficiencies noted by Licensing and Protection. Steve Howard from the VSEA attended as well. The meeting was productive, and stressed the progress made to date and the ongoing commitment to quality improvement at VVH.

Commissioner Duffy met with Auditor Hoffer and his Deputy Susan Mesner. During the meeting, the Auditor raised concerns about contract language in the Express Script contract that permits Express Scripts to claim some information as proprietary and withhold it. DHR will examine the language and discuss it with the Auditor's office before agreeing to include the language in any future contracts.

Evolving Issues:

Finalist bidders for the medical, behavioral, stop loss, pharmacy and dental plans have submitted best and final offers. Commissioner Duffy has reviewed the information with Secretary Spaulding, Chief of Staff Miller, Commissioner Larson and Robin Lunge. More information will be requested from two of the bidders to determine if additional movement in the offers can be realized. The parties will make a recommendation to the Governor early next week.

DHR is working on a significant number of public records request, many requesting information on compensation and overtime. Among the requests is a standing request from Jack Hoffman, a report that, last year, highlighted the amount of overtime received by James Deeghan. DHR will forward a draft of the report to Secretary Spaulding once the information is generated.

Official RIF letters were sent to five employees involved in the Starbase Program at the Military Department. Another letter will be delivered next week when the employee returns from leave.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

PeopleSoft/VISION/ERP: The ERP Administrator team continues to plan the update to the PeopleSoft Security Certificate from 1024 bit to 2048 bit cert in the test and dev environments. A meeting is scheduled with state security experts as well as Cherry Road this week and next to fully explore all alternatives.

Cherry Road and State developers are creating a timeline and process for completing and managing the remaining critical and high tickets from implementation. There are approximately 15 open issues not yet assigned. Additionally 64 issues are in various stages leading to completion. There will be a more comprehensive estimate of time to close these tickets this week as well as an understanding of what additional resources may be needed. Note: not all tickets are technical in nature; some are business process or training related.

Healthcare: The primary healthcare projects continue to make significant forward progress.

Significant Events/Meetings:

Nick Waringa (currently with Blue Cross) has accepted our offer to be the Chief Information Security Officer (CISO) and will be starting September 30.

Evolving Issues:

Web: IT has come to terms with Socrata for the creation of a pilot Open Data service that will include 10 datasets and unlimited data manipulation. DII will begin with a focus on Finance data and then try to identify a few other data resources for development in the first year. *good.*

Design has been nearly completed on the Boards and Commissions Web Service. Next steps include the creation of the source databases that will feed into the service and finalization of design criteria. Development should be able to begin in August. *good*

Tax: After losing the primary tax DBA (resigned to go work at UVM), the ERP Admin team is digging in to “catch up” on tax related issues. The team is evaluating the tax migration project and working with other DII teams to ensure the project and environments are set up to state standards.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:


Sharing Data With JFO: The Commissioner and Steve Klein signed a preliminary MOU to meet the Aug 1 requirement in statute. Basically an agreement to continue to try to agree, listing principles and challenges. In meantime, we are getting reports from Sarah Teachout and Victor Gauto (our new economist) on their findings in visiting RI and CT, which use the Chainbridge microsimulation model – one alternative to giving JFO more robust tools without direct access to data. Preliminarily, both states seem happy with product, but it does have its limitations – good for very quick, high level analysis; but given the limitations due to blurring, likely still would want to have Department perform parallel analysis against full set of data. Interestingly, we got a late response to our RFI from the other vendor who has worked on microsimulation for states. This response even more sharply called into question whether there was any feasible way to provide the JFO with a data set to perform independent analysis. One alternative suggested by this company was that JFO pay for two positions at the Department that would be dedicated to legislative work.

Property Tax - Late Filed Homestead Declarations and Property Tax Adjustment Claims: The Tax Commissioner and staff had a very constructive meeting with Rep. Sharpe, a practitioner from our working group, the head of the Listers' Association, and town officials including two clerk/treasurers and Steve Jeffrey. There was guarded optimism that the steps the Department is taking to help towns handle the late filings and re-issue bills will be effective, and although this transition year could be bumpy, a uniform October 15 late filing date could continue to work going forward. Molly Bachman, our longtime general counsel, was particularly impressed with the towns' cooperative attitude. We also discussed in general outreach to populations that fail to file for adjusted tax, even when personally contacted. In contrast to Rep. Komline's suggestion earlier this summer that more could be done, Commissioner Peterson was astounded by the lengths these two clerks go to reach each and every one of their residents. This certainly will inform the study that staff is performing in response to Rep. Komline.

Vermont School Board's Request for CLA Study: Steve Dale addressed a letter to the Commissioner calling for a study of alternatives to the current method of equalizing rates across towns through the CLA. As part of our succession planning, the Department is bringing on a consultant to our Property Valuation and Review Division, and ironically, this very issue was the main project the Commissioner had identified for immediate attention.

Operations:

RFP for Integrated Tax System: The Tax Department has collected all of the feedback on the proposals and demos from the three bidders. It is clear that FAST Enterprises is the top of the three bidders – in every facet of proposal, and from every group who reviewed all or part of the submissions. RSI, our current data warehouse vendor, was a close second in some aspects – but certainly not in terms of risk, since they do not have a complete implementation of their product across all tax types, and some functions in their product are still in development. On the other hand, FAST has implementations in 16 states, and brags without dispute that they have never come in late or over budget. We are in the process of checking references (all positive so far for FAST, with this comment typical: “they are not perfect, but they are pretty darn close and better than any other vendor we have ever worked with”). We are pulling together the documentation for our decision, the total cost of ownership (in the context of our budget), as well as communication pieces for our staff. The caution is that there is a fairly high risk that we will not be able to come to terms with FAST, and will have to pursue some fallback plans. FAST has indicated to us that they are concerned about entering into a benefits based contract, although we have been clear that we will not get an appropriation to cover the shortfall between their stated cost and the balance of our current modernization fund. The Department is also exploring resources that we might bring to bear for the negotiations.



CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: August 9, 2013
RE: Boards and Commissions Update

ON HOLD TILL FURTHER NOTICE:

Liquor Control Board

DESIGNATED as CHAIR: Stephanie O'Brien

ur selling

Veterans' Memorial Cemetery Advisory Board:

APPOINTED: Clayton Clark, Winooski **HOLD** – Richard Reed called to voice his concern but he couldn't articulate what his concern was. Will talk to Obuchowski and clear things up before going forward with this.

APPOINTMENTS

Milk Commission:

REAPPOINTED: Paul Doton, Barnard (Dairy Farmer rep AgriMart)

REAPPOINTED: Rachel Johnson, Colchester (Public Member)

Travel & Recreation Council:

REAPPOINTED: Steve Wright, Newport

Travel Information Council:

APPOINTED: Lisa Lang, Fayston (Lodging rep)

Symptom Relief Oversight Committee:

APPOINTED: Mark Tucci, Manchester Center (Registered Patient)

APPOINTED: Alice Means, Burlington (Registered Nurse)

Governor's Emergency Preparedness Advisory Council (Formerly Homeland Security Advisory Council) :

APPOINTED: Michael Burke, Monkton (*VT Utility Industry*)

Public Safety Broadband Network Commission:

APPOINTED: Robert White, Essex Junction (VTrans rep)

Standards Board for Professional Educators:

APPOINTED: Charles Phillips, Montpelier (Public Member)

APPOINTED: Roberta Baker, Montgomery Center (Teacher)

Children & Family Council for Prevention Programs:

APPOINTED: Michael Reyes, Rutland (YOUTH & PERSONAL EXPERIENCE)

Organ and Tissue Donation Working Group:

APPOINTED: Jeffrey Knight, White River Junction (funeral director or crematory operator)

APPOINTED: James Carter, (family member of a decedent who made an anatomical gift)

State Police Advisory Commission:

APPOINTED: Glenn Boyde, Colchester

Justice of the Peace – Town of East Montpelier:

APPOINTED: Julia Haines, East Montpelier

Employment of People with Disabilities:

APPOINTED: Raymond Chadwick, Williston (Person w/ Disability)

APPOINTED: Donald Masi, Wolcott (Provider)

APPOINTED: Paul Meier, Georgia (Business)

REAPPOINTED: Linda Carbino, White River Junction (Person w/ Disability)

REAPPOINTED: Kevin Beal, Northfield (Business)

REAPPOINTED: Chris Bernier, Underhill (Disability or rep)

REAPPOINTED: Diane Dolan, Elmore (Disability and Business)

REAPPOINTED: James Ryan, St. Johnsbury (Disability or rep)

REAPPOINTED: Helen Hipp, Jericho (Business)

Interagency Coordinating Council for Families, Infants & Toddlers:

REAPPOINTED: Elaine Carpenter, Fairfax (Parent)

Developmental Disabilities Council:

APPOINTED: Rachel MacMartin, Montpelier (Person with Disability)

Self-Determination Alliance:

APPOINTED: Betty Milizia, South Burlington (Family Member) CHAIR.

APPOINTED: Max Barrows, Montpelier (Self-managing DS service recipient)

APPOINTED: Nicole LeBlanc, Montpelier (Self-managing DS service recipient)

APPOINTED: Nicole Gero, Bellows Falls (Consumer-directed Choices for Care recipient)

APPOINTED: Michael Wentworth, So. Burlington (Attendant Services Program self-manager)

APPOINTED: Brian Irish, Colchester (Attendant Services Program self-manager)

APPOINTED: Courtney Blasius, Winooski (Receives services from Traumatic Brain Injuries program)

APPOINTED: Doreen Gianelli, Essex (Family Member, Children's Personal Care Services)

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Michael J. Hogan, Commissioner of Liquor Control
Date: August 9, 2013
Re: Weekly Report

Status of Governor's Priorities: Revising our strategic plan. Thank you for your support of the in-state distilleries. Vermont is a leader and will continue to be as we help these folks get their product to market. We will be meeting with them this fall to talk about future needs and growth.

Legislative Issues/Contacts:

- Reviewing draft changes to Department Regulations with AG's Office- mostly cleanup language and clarifying. Continuing to work on regulation changes on break open tickets as outlined in the Executive Fee Bill. Planning other meetings this summer and fall with target of October to be before LCAR for final approval.

Press Issues/Releases/Contacts: Nothing to report.

Significant Events/Meetings: Next Board Meeting 9/11 Enforcement Hearings.

Evolving Issues:

- Working with DII on our ERP/POS Project and reporting to them on progress with vendor.
- Preliminary review of department processes for potential licensing and enforcement system. Outline of department processes and workflow is being drafted.
- Working on some regulation changes- mostly clean up with a few new ones added.

Summary of Key Department Activity:

- August sales are looking good. Re-looking at the border stores as we are seeing more Canadians coming to Vermont. They are definitely here for the products we have on sale.

Commissioner's Commentary: Have a great weekend!

Irene Recovery Situation Report 08/09/2013

IRENE RECOVERY OFFICE

Individual Assistance

- In collaboration with DEMHS, the Vermont Digital Economy Project issued invitations for a 09/23/2013 workshop for Vermont's emergency managers and their extended partners designed to leverage social media to organize volunteers and community groups for response and recovery efforts. The workshop is part of the Vermont Digital Economy Project and is donated by IBM's Service Grant program.

Public Assistance

- On 08/03/2013 President Obama signed federal disaster declaration 4140, authorizing Public Assistance for seven Vermont counties for damages incurred June 25 – July 11, 2013, per Governor Shumlin's request.
- Applicant briefings have been scheduled for DR4140: Tuesday, 08/13 at 10:00 at Lyndon; Thursday, 08/15 at 10:00 at EOC in Waterbury; and Thursday, 08/15 at 1400 at AOT District 4 Garage in Royalton.
- The Waterbury Office Complex FEMA funding announcement ceremony has been confirmed for 08/29 at 1100, with FEMA Director Craig Fugate and Senator Leahy in attendance.
- Hazard Mitigation staff met with Region 1 HMGP staff on 08/05, to review current HMGP plan.
- DEMHS Leadership met with FEMA FCO Mark Landry and new Region 1 Federal Disaster Recovery Coordinator Jim McPherson on 08/06 to discuss JFO transition plans; the Williston JFO is expected to stay open at least into December.
- To date, 199 of 322 large project close-outs have been submitted to FEMA. Counting all known outstanding appeals, scope changes, alternate projects, and improved projects, there are approximately 50 PWs which still need to be (re)written prior to close-out.
- FEMA agreed to a scope change for Shrewsbury's PW2867, Upper Cold River Road; the applicant is moving forward to get bids with optimism that actual cost will be covered. This is a critical step forward for the priority PWs.
- Congressional briefing held on 08/09/2013 to discuss likely appeals of denials for bridge span increases (e.g. Chester, Brownington). This is a subgroup of projects which FEMA is not considering eligible for re-write with 406 hazard mitigation funding based on the Townshend PW1803 decision.

ACCD

- Received approval from the Joint Fiscal Committee for a limited service position to oversee the EDA-funded Vermont Economic Resiliency Initiative.
- Began process to create a new limited service position for CDBG-DR - Environmental Review Officer - in response to HUD requirements. The position will be paid for with CDBG-DR II admin funds.

- CDBG-DR funded Vermont Downtown Assistance Program met with the Barre Community in rebranding and visioning exercise.
- Contacted Jamaica Selectboard, as well as concerned citizens and homeowners to offer additional DHCD assistance as the town debates whether to move forward with the buyouts of 4 residences. This matter has become very contentious within the Jamaica community as a result of town delays (due to a variety of legal concerns) and others opposing the purchase behind the scenes.
- Met with VHFA and VHCB to discuss the development pipeline and available resources for DR Housing Projects. DHCD will use a significant portion of CDBG-DR II for the Melrose Terrace redevelopment, but project will also require funding from VHCB and VHFA.
 - Disaster Recovery housing projects are placing additional pressure on VHCB and VHFA funds – more resources are needed.
 - Funding Melrose at the projected levels would severely their ability to fund other non-disaster related projects.
- Presented 4 proposed projects to the Vermont Community Development Board for CDBG I funding. Projects included an additional \$775,000 for the business assistance programs administered by the RDCs, a planning grant for the Town of Wilmington for vacated high school and a new town hall in Moretown. Secretary Miller will consider the board's recommendations and make final funding decisions by the end of the week.
- Continued drafting CDBG-DR II Action Plan outlining the state's proposed uses of the second allocation of \$17.9million disaster recovery funding.

HMGP

- Current status of buyout properties:

HMGP Purchased (75% HMGP, 25% CDBG)	22
HMGP Approved	73
HMGP Pending	15
Round 4	4
Round 5	7
CDBG-DR Only	13
Grand Total	134

Link to Map: <http://www.trorc.org/buyouts.html>

VTrans

Finance and Administration Division

- Transportation System Recovery Expenditures through June 10, 2013: **\$2,271,940**

	Totals	Federal	State	Local
FHWA-ER	\$109,261,479	\$102,288,904	\$4,700,633	\$2,271,940
FEMA – 4022	\$115,185,719	\$110,852,457	\$4,333,262	\$0
FEMA- RREW	\$2,866,205	\$0	\$2,866,205	\$0
	\$227,313,403	\$213,141,361	\$11,900,101	\$2,271,940

Operations Division

All District Irene Related FHWA ER Sites	This Week
Total sites	689
Total sites complete	462
Total sites under construction	16
Total sites awarded not completed	92
Total sites ready for bid	47
Total sites scoping/design complete	57
Total sites no activity	19
Total sites given to PDD	66
Total sites on hold ROW/ENV	28

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