

From: Springer, Darren [Darren.Springer@state.vt.us]

Sent: Sunday, June 14, 2015 12:26 AM

To: Springer, Darren

Subject: Weekly Reports - Executive Privilege.pdf

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

WEEKLY REPORTS

Checklist
6/12/15

Darren Springer/Alyson Richards

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

TBD

- ☒ Agency of Transportation – Sue Minter
- ☒ Agency of Human Services – Hal Cohen

Sue Allen

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

Sarah London

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

Susan Spaulding

- ☒ Boards and Commissions – Susan Spaulding
- ☒ Department of Liquor Control – Jim Giffin

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: June 12, 2015
Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

- **GS Precision:** BDCC submitted their EDA grant for funding for infrastructure in the Exit One Industrial Park on Thursday, June 10. Both Joan Goldstein and I have sent support letters to EDA officials in Philadelphia and DC. The VEDA Board approved two loans to BDCC as part of the construction. One to acquire land formerly owned by Joe Famolare that will facilitate a shorter route for the road saving \$1m in construction costs. A second loan to assist with construction. GS is proceeding with their VEGI application this month. Once that is approved, Norm Schneeberger can publicly make a commitment to stay in Vermont. The Town of Brattleboro was going to approve their ownership of the extended road at Exit One at their meeting Tuesday but they postponed to avoid pre-mature release of the information and so Governor Shumlin could make the announcement when GS has committed.
- **VERMED/Graphic Controls:** Shana has confirmed July 7th in the morning for a presser at Vermed in Bellow Falls announcing their plans to keep the company in Bellows Falls, Vermont and to grow it there. This will be a great opportunity to highlight the use of Windham County Economic Development Program funds as will the GS announcement!
- **Record breaking skier days in 2015** is the word from the Vt. Ski Areas Association. \$4.7 million skier visits topped the 2001 record and was the only northeast state to increase skier visits. YAY good snow and great marketing!
- **Advanced Manufacturing Report from the New England Council:** The event on Tuesday was fairly well attended. The Governor did a great welcome, he was right on. The report from Deloitte was very interesting. A fair amount of similarities to our own report. The New England Council is pursuing a “National Network for Manufacturing Innovation (NNMI) Institute” for New England. This is a Presidential initiative to establish at least 8 of these institutes around the country, each specializing in a specific area of manufacturing innovation. I expressed interest in participating to Chris Averill from the Council. More to come.
- **VTDigger:** Anne Galloway continues her pursuit of EB5 through records request. I spoke with her Thursday regarding recent record released from DFR. There was not a lot of meat there. I spoke to her off the record on a few things. She is struggling about what to write. She was angling for a story about the credibility of the scientists involved in the project but I do not believe has much ammunition.
- **Vtel, Middlebury:** Vtel has cleared historic preservation review for the antenna in the church in downtown Middlebury. After months of going back and forth, Vtel finally fell back to the design the Historic Preservation folks recommended to them. I received a nasty gram from Michel Guite but was happy to let him know two days later, he was good to go.
- We are working on year end financial reporting. Also, my *sincere* thanks to Jim Reardon for finding us nearly \$36,000 to fund an unbudgeted re-audit of the CDBG program by the Auditor. That is hugely helpful. We had no idea a re-audit would be more than twice as expensive as the original audit. I also thanked Doug Hoffer for raising the need to Jim.

LUCY LERICHE, DEPUTY SECRETARY

- **Downtown Conference:** Gary led the charge for the DHCD Team on creating an exceptional Downtown Conference. Participants were impressed and inspired by the Governor’s remarks. The day was filled with positive energy and optimism around the transformation that is possible in our downtowns. Kudos to the whole team!
- **Advanced Manufacturing Report:** The New England Council and Deloitte Consulting presented their Advanced Manufacturing Report at the State House. The Governor gave perfectly spot on remarks about the advantages of the industry in Vermont, and Secretary Moulton served on a panel of experts. A few highlights:
 - Vermont is part of the New England Advanced Manufacturing cluster. This is a huge advantage to our region compared to other parts of the country and the world. BUT, the landscape is always changing and we need to remain competitive.

- The single greatest challenge to this industry is the lack of a prepared, skilled workforce. In fact, this lack of labor is suppressing business growth.

KIERSTEN BOURGEOIS, SENIOR PROJECTS MANAGER

Brownfields

- **100 River Street, LLC:** Finalizing a loan to support the fit-up for a new brewery that will be locating in the former PVDC building. This project will result in the creation of a few new jobs. Continued redevelopment of this site is very good not only for the building owners, but also for the general morale of the community.

Recruitment (CONFIDENTIAL)

- **BHS Composites:** The property that we originally pitched for BHS is now being taken over by Revision, so we had to expand our search a bit. Next week, we will be showing the prospect the former Kennametal Building and also an existing facility in the St. J/Lyn Park. Both are good options for BHS. The company expects to create 50-75 jobs over the next few years. We have committed training funds, they are working with VEGI and I also am talking to VTC about a possible training opportunity. The company is concerned about keeping employee skills current due to their ongoing work.
- **drinkMaple:** Handed off this great little company to the St. Albans team. drinkMaple is presently located in MA, but wants to move their operations to VT. They make a sap beverage (which is actually quite good) that is currently being sold throughout the US, as well as locations in Canada, Mexico, Korea and Australia. Their raw material – sap – comes from several maple producers in Franklin County and they want to be close to the source. The projected employment will be about 5-10 over a few years and they absolutely are looking forward to becoming a part of the Franklin County community.
- **ThirstyVentures:** Out of the blue, this company reached out again to let me know of their plans to expand their existing facility and bring more work to VT (likely Chitt Cty). They make all-natural pre-mixed beverages (read: just add vodka) that are distributed through the US. I actually tried to make a connection with the above company for packaging, but the maple company needs very specific, low acid aseptic packaging which is done in Buffalo. ThirstyVentures wants to create a sort of campus in this Chitt Cty area and we have offered up land next to VT Teddy Bear and a site in Colchester.

Vermont Quebec Enterprise Initiative

- **Montreal Ouest/Monteregje:** Following up on their visit of 5-20, I have organized specific follow up information for each company and will get that out in the mail early next week. I have a call scheduled for next week to talk with the organizers of the event on the Quebec side to discuss next steps. I also held a post-event briefing with the Vermont attendees to get their thoughts/input. Basically they are delighted to have been a part of it and want to participate in additional events.
- **Federations of Chambers of Commerce of Quebec:** Met with Claudine Carpentier to review a very rough draft of an MOU between the VQEI and the FCCQ. I offered edits and it is now back in the Chamber's lap for additional input. The purpose of this document will be to formalize the relationship and clearly articulate areas where we can collaborate, specifically related to commerce/trade.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Commissioner MacKay

Downtown Conference, Dirty Dirt Bill Signing and a Governor 'on fire'

- **Downtown Conference:** On Friday, 250 preservationists, downtown leaders, municipal leaders, architects, developers, business owners and more converged in downtown Burlington for our annual Downtown and Preservation conference. We partnered with Preservation Trust, but this year was our turn to lead and the Community Planning & Revitalization and Historic Preservation teams rose to the challenge ably and calmly led by Gary. This is Gary's first conference and he did a wonderful job. Great speakers, great energy, great conversations, great tours – AMAZING WORK! Congrats team!
- **Governor on Fire:** The Governor opened up the Downtown Conference and during the day on Friday, dozens of people came up and mentioned how wonderful it was to see him so relaxed, passionate about downtowns and 'on fire.' I guess after Tuesday's announcement, we know why he was relaxed!

Deputy Commissioner Hollar

- **Vermont Community Development Program**

Nice
Job Gov!

- **Funding:** The U.S. House of Representatives has approved its version of the Transportation and Housing and Urban Development FY16 appropriations bill. It includes essentially level funding (\$3 billion nationally) for the Community Development Block Grant program which funds our VCDP. It also includes deep cuts to the HOME program and essentially eliminates the new National Housing Trust Fund program. An amendment blocking HUD from implementing its proposed new Fair Housing rule was approved on the House floor. The Senate now begins work on its version. President Obama has warned he may veto this and other appropriations bills if funding for discretionary programs are too low.
- **Projects:** Supported the staff as the board considered eleven applications for more than \$4 million. Difficult decisions were offset by the informative presentations from communities on projects ranging from child care centers and failing retaining walls to new housing development and a mobile home park. Final decisions will soon be made by Secretary Moulton.
- **Clean Energy Development Fund:** With the rest of the Board, approved changes to the Small Scale Renewable Energy Investment Program. SSREIP is shifting its emphasis from solar to encouraging the development of wood pellet systems.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Personal Preservation Loss:** On Saturday, Matt attended the wake service for Randolph historian Miriam ‘Mim’ Herwig. Ms. Herwig was the author of many books on Vermont’s history, a longtime correspondent to the *Herald of Randolph* and was very, very instrumental in the installation of three Roadside Historic Markers in Randolph Center, her home for the past sixty years. Matt met with Billy Smith, President of the Randolph Historical Society, and they viewed the recently placed Roadside Historic Marker for Jonathan Peckham Miller, a freedom fighter in the Greek Revolution and Randolph native. The marker was placed in front of Vermont Tech’s campus and directly across the street from Ms. Herwig’s home.
 - We are grateful for the dedication Ms. Herwig had for Vermont’s history and her assistance in helping us document it. She was committed to having a marker placed in honor of Jonathan Peckham Miller, and thankfully, she was able to see the marker installed. Our thoughts are with her family and friends.

State Archaeologist

- On Tuesday afternoon, Jess, Taber, and Brennan Gauthier, Jacquelyn Lehmann, and Jen Russell of VTrans installed a new archaeology exhibit at the Montpelier visitor’s center. It features artifacts recovered from an approximately 600 year-old Native American site in Jonesville near the confluence of the Huntington and Winooski Rivers. Please check it out if you are in the area.
- Jess and Jenni attended the Vermont Commission on Native American Affairs meeting. The commission welcomed two newly appointed commissioners, Cheryl O’Neil and Carol Irons. (Thank you to Susan Spaulding for expediting the nominations.) At the meeting, each commissioner summarized their progress on their action plans before adjourning for the remainder of the summer. The next VCNAA meeting will be on September 9. Two additional seats will be opening in August due to term limiting. The deadline for applications is July 1, 2015.

Project Review

- **Waterbury:** Work continues to progress at a very good pace at the Waterbury State Office Complex (WSOC) with an anticipated first phase of occupation to commence in December of this year. Over 300 workers are on-site and some of the last phases of structural work will be happening in the next few weeks on the north end of the complex. Meanwhile, back at the south end, some rooms are receiving final check-offs for finishes and a few have even been carpeted and will be sealed off while active construction continues over the summer.
- **St Johnsbury:** Laura, Jamie and Caitlin met with Adam Kane, Executive Director of the Fairbanks Museum, to discuss the Museum’s interest in the adjacent Church of Christ Scientist building on Main Street. The Congregation is no longer active, and the Victorian Gothic Revival-style building, constructed circa 1882, has been unoccupied for many years and is suffering from differed maintenance issues in the cellar. The Church is willing to sell the building to the museum for \$30,000, but according to the museum’s projections it will require at least \$750,000 to upgrade and refurbish. The group discussed these plans, regulatory review, and the use of tax credits and potential grants needed to accomplish these goals.

State-Owned Historic Sites

- **Top Vermont Attractions:** The President Coolidge and Bennington Battle Monument State Historic Sites were included in the recent Go New England top 12 Vermont attractions to visit. The listing was a huge success on our site FB page, with nearly 12,000 views and 174 shares so far.
- **Naval War College Visit:** On Tuesday the Hubbardton Battlefield hosted 38 active duty military personnel enrolled in a Naval War College (Rhode Island) class. This class regularly comes to Hubbardton as part of their studies on the Revolution’s northern campaign. Looking at the strategies employed in the 1777 Battle of

Hubbardton are still relevant to today's military. We are honored they choose to visit us. Attendees also like the book choices in our museum shop.

- **Bennington Battle Monument:** The Monument hosted the Lung Association's Race/Climb on Saturday, June 6. There were 84 registered climbers, 20 firefighters (in full gear) along with volunteers, and EMT's. The ages ranged from 8 up to 70, with an average age of 39.9. The times went from 1:28.5 (and that is one minute, 28 seconds!) up to 12:32.8. The Monument had visits last week from 4 schools, one group came up from Pittsfield MA, 2 from Bennington and one from Dorset VT. We also had a visit from a Model T Car Club. On June 5, Marylou was at the HP Conference in Burlington with a selection of books from the various Historic Site gift shops.

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

- Shaun received a call from the owner of a mobile home park in Berlin. The owner had previously indicated to Arthur that he was planning to close the park, which is home to nearly 40 households. In this latest phone call, the owner voiced a willingness to consider park sale as long as he understood what the process would look like and was aware of his rights as the seller. Shaun agreed to put together a packet of information about what the legal process was for a park sale and to mail it along. Avoiding the displacement of 40 families from an affordable housing situation in Berlin would be a very worthy endeavor.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

Technical Assistance to potential applicants

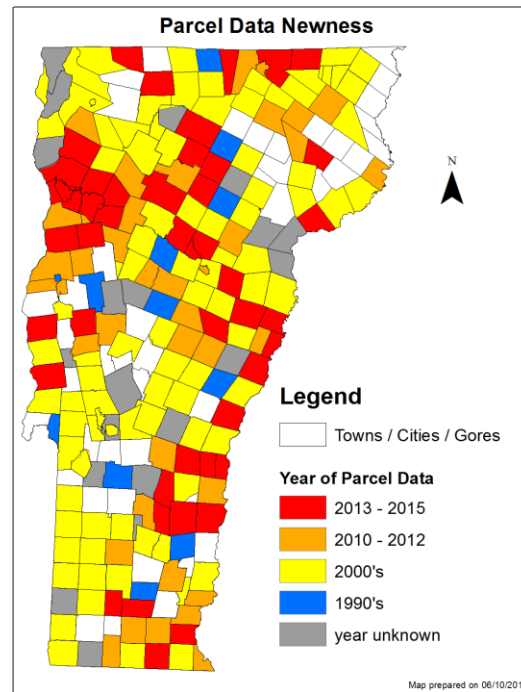
- **City of Newport:** Staff met with Mike Welch from NCIC, and Greg Maguire from Revision Military LTD to discuss a potential VCDP application that would support the expansion of the Newport facility. The existing facility in Newport employs roughly 50 individuals, and this project would see the company expand into 30,000 square feet of space located in an adjacent building. The project has the potential to create up to 58 new jobs, and would entail an investment of at least \$5 million for building fit-up, machinery and equipment. Along with VCDP funds, Revision is seeking funding from VEDA, New Market Tax Credits, and bank financing, and VEGI. The company is currently targeting the February 2016 CD Board Meeting.
- **Town of Salisbury:** A pre-application was received from a citizen led Town Hall committee. They would like to undertake a planning and visioning process to preserve and better utilize the historic Salisbury Town Hall. This two story structure was originally constructed in 1869 as the Town Hall. Today it houses the Salisbury Library, Historical Room on the first level. On the second level is an open space with a stage and curtain, and can hold up to 49 people. In addition to the library a number of other groups in town currently utilize the space, including Yoga Classes, the Historical Society, Conservation Commission, and Library Trustees.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Universal Recycling:** The next phase of the implementation of the Universal Recycling Law starts July 1, after which all recyclables (metal, glass, paper/cardboard, and plastic bottles and containers) will be banned from Vermont's landfills. In preparation, the solid waste team at DEC has been working with the CMO and one of the master marketing contractors to develop consumer-friendly messaging and outreach materials to explain the ban and raise overall awareness. Using the tag 'Recycling Resimplified' a radio PSA campaign will be launching in the next few weeks, as well as the release of a creative materials 'toolkit' to assist local solid waste districts in their communication efforts.
- **Intended Use Plan:** Each year, the Facilities Engineering Division within DEC releases an Intended Use Plan that identifies the Priority List of public drinking water projects that will be funded over the next year, as well as federally mandated program details and budget numbers. Thanks to a new layout and design created by the CMO, this year's report is no longer a dry, government document, but rather an 'annual report' that highlights program accomplishments and the coming year's priorities, in an engaging, easy-to-comprehend format.
- **Farm to Plate Local Food Campaign:** Under the direction of the Vermont Sustainable Jobs Fund, the Farm to Plate Network is embarking on an ambitious 'Local Food' campaign to encourage and facilitate the purchase of more local foods across the state, not just by individuals, but also institutions (schools, hospitals, gov't) and restaurants. In parallel, the group is working with independent grocery stores and distributors to stock more local food where Vermonters actually shop. Heather participated in a consumer education working group meeting this week to develop the brand strategy for the campaign and identify the target audience (based on detailed consumer profiles) that will be the focus of the initial outreach.

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

- **GIS Data**
 - **New/Update Data and Web Services**
 - **Imagery Services:** VCGI announced the availability of 2013/2014 aerial imagery (VT ortho photos and NAIP) via imagery services and map service. These include both dynamic and cached services.
 - **Statewide Parcel Data:** Ivan has posted parcel data of 31 towns and cities to the Vermont Open GeoData Portal. Some of the new data sets are products of the NBRC Parcel Data Project. Coverage of the statewide parcel data layer continues to increase.
 - **VT Open GeoData Portal:** CGI has continued its testing of ESRI's ArcGIS Online Open Data Platform. We have run into some technical issues during the test, but are working with ESRI to resolve them. We hope



to have a final test report by June 15th for review by the State's Enterprise GIS Consortium (EGC). The EGC will consider whether to move forward with this or other platform at its July 1st meeting.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **International PowWow:** Megan and Laura attended IPW (International PowWow) with representatives from 6 Vermont businesses, every New England state and Discover New England. At the conference there were 6500 delegates from 73 countries learning about our destinations. The response to Vermont was very positive, with interest from new markets including Australia and Brazil. VDTM will be working with SkiVermont to determine where to go with sales missions and what tour operators to host in Vermont.
- **Wings Over Vermont Air Show:** Megan attended the press conference for the August, 2016 Air Show that took place at the waterfront in Burlington. This will benefit UVM Children's Hospital.
- **SkiVermont Annual Meeting:** Megan and the VDTM team attended the annual meeting of the Vermont Ski Areas Association (VSAA) at Jay Peak. VSAA announced the 2014-15 season set a new record for ski-rider visits to Vermont: 4,670,903 visits!

Steve Cook, Deputy Commissioner

- **VT State Parks – VT Fish & Wildlife – VDTM COOP:** This digital coop campaign is seeing a strong performance after its first week. All media is focused in YouTube with both in and out of state coverage. Highlights include an 8.52 view rate and 18% of viewers watching the full spot.

Budget	⊕ Impressions	Views ?	View Rate ?	Avg. CPV ?	Total cost ?	Clicks ?	Video played to: ?			
							25%	50%	75%	100%
\$600.00/day	333,252	28,379	8.52%	\$0.16	\$4,622.60	607	94%	50%	31%	18%
	333,252	28,379	8.52%	\$0.16	\$4,622.60	607	94%	50%	31%	18%
\$600.00/day	333,252	28,379	8.52%	\$0.16	\$4,622.60	607	94%	50%	31%	18%

- **Orbitz Summer Performance:** Vermont bookings from January thru May 2015 are up 45% in revenue and 47% in room nights compared to the same time frame last year. This far the domestic campaign is performing well. The international media focused in Canada is not seeing the same performance. This was anticipated given the fluctuation in currency at this time.

Vermont Hotel Bookings

State	Booked Year	Booked Month	Metrics	Gross Room Nights	YOY Gross Room Nights Chg %	Gross ADR USD	Gross AP Days	Gross Booking Amt. USD	YOY Gross Booking Amount USD Chg %	Gross LOS Days	Gross Nbr of Bookings	YOY Gross Nbr of Bookings Chg %
Vermont	2015	January		2,081	30.47%	\$153.89	25.78	\$320,253.30	29.62%	1.86	1,093	33.46%
		February		1,882	34.72%	\$142.19	22.81	\$267,605.85	36.82%	1.84	1,009	23.05%
		March		2,065	59.34%	\$127.97	23.39	\$264,257.84	56.42%	1.74	1,166	52.42%
		April		1,865	51.63%	\$125.03	24.44	\$233,178.98	44.90%	1.79	1,016	38.99%
		May		2,307	65.97%	\$136.83	23.05	\$315,665.97	63.04%	1.88	1,189	44.65%
		June		311	52.45%	\$144.02	23.74	\$44,791.57	44.99%	1.87	162	33.88%
	2014	January		1,586		\$155.85	23.06	\$247,182.31		1.90	816	
		February		1,414		\$140.95	20.68	\$199,299.99		1.67	822	
		March		1,272		\$130.41	25.23	\$165,884.46		1.65	754	
		April		1,248		\$130.86	27.25	\$163,312.61		1.66	741	
		May		1,396		\$138.58	23.11	\$193,458.38		1.66	822	
		June		1,538		\$148.48	21.83	\$228,369.21		1.69	893	
		July		2,005		\$149.02	17.10	\$298,791.75		1.63	1,198	
		August		1,939		\$159.84	19.34	\$309,932.12		1.63	1,162	
		September		1,715		\$163.20	19.27	\$279,891.05		1.60	1,045	
		October		1,746		\$150.71	16.85	\$263,139.33		1.67	1,012	
		November		1,436		\$150.40	17.45	\$215,972.94		1.82	775	
		December		1,939		\$150.35	17.12	\$291,528.92		1.89	1,009	

2015 vs 2014 (Jan-May) Increase in room nights Increase in Revenue
47% 45%

CULTURAL HERITAGE TOURISM ♦ Catherine Brooks, Cultural Heritage Tourism Coordinator

Cultural Heritage Projects

- **Not Your Grandmother's Museum:** Catherine is finishing text and images for a webpage that will highlight engaging activities taking place at Vermont Museums and Historic Sites this summer. The consumer newsletter will include a short article about this, and send traffic to the page.

RESEARCH & STATISTICS ♦ Greg Gerdel, Research & Operations Chief

Publications

- **Bikeways Map Update:** We have been working closely with Tom Stuessy, Executive Director of the Vermont Mountain Bike Association, to update chapter listings and the location of mountain biking trail systems on the Bikeways Map. David Burnell has redesigned the map cover and incorporated highway changes. Utilizing information provided by the Department of Fish and Wildlife, he also updated public boat launches and fishing access area locations.

Research

- **Meals Rooms Alcohol (MRA) Performance:** Taxable receipts for room rentals is the most direct measure of visitor spending available because 90 percent of that spending is by visitors to Vermont. As the table below indicates, the growth in taxable receipts, and consequently state revenue, has been consistent through the recent years of economic recovery.

Calendar Year Taxable Receipts: % Change 2014/2013/2012/2011				
	Meals	Rooms	Alcohol	MRA Total
2014*	\$ 958,007,981	\$ 461,046,297	\$ 183,077,973	\$ 1,602,132,251
2013	\$ 912,556,509	\$ 434,545,813	\$ 171,557,220	\$ 1,518,659,542
2012	\$ 874,187,148	\$ 397,673,819	\$ 158,659,866	\$ 1,430,520,833
2011	\$ 831,367,980	\$ 381,001,406	\$ 149,421,238	\$ 1,361,790,624
2014/2013	4.98%	6.10%	6.72%	5.50%
2013 /2012	4.39%	9.27%	8.13%	6.16%
2014/2011	15.23%	21.01%	22.52%	17.65%
*Preliminary				

Moreover, the growth in Vermont room rentals is well ahead of the rate of inflation in the price of lodging nationally. The Travel Price Index shows a 7.10 percent inflation in lodging prices from 2011 to 2014. By contrast, the VDTM survey of Vermont lodging properties shows an increase of 13.01 percent in average room rates between 2011 and 2014. Still, Vermont's taxable room receipts were up 21.01 percent in comparison, indicating that Vermont's lodging receipts have appreciated at a rate at least eight percent greater than that of price inflation.

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

- **General:** Mary and Sky met with Country Walkers and Vermont Bicycle Tours to develop a Vermont Life walking tour. It will run next summer and Vermont Life will be receiving a sizable commission for each tour booked. The tour will include Vermont Life components like a dinner with Mary, a day of being photographed by a Vermont Life photographer, calendar gift bundles, and more. We are very, very excited about this partnership!

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- **Met with Richard Hall, CEO Champlain Cable, winner of the Deane Davis award:** The good news here is that he said they will never leave Vermont but they will also not grow in VT. They will stay because it is part of the agreement they have with the union. They have 130 employees, 90 of which are hourly and 40 are salaried. They will not grow here because of geography. Their customers are parts manufacturers for the automotive industry. They have a plant also in Texas which is very close to Juarez, Mexico where most of their customers are. They also have Tesla in California as their customer. So their growth location is tied to where the logistics and costs associated therein are minimized. Their specialty is cable that has been radiated so that it could withstand heat and other harsh environments. You will find it in some of the dashboard componentry and battery wires. They utilize Carris Reels as their sole supplier of the spools in which they package their cables. As for issues that impede/or constrain them is lack of available housing. He hired a manager months ago who still cannot find suitable housing. Transportation also seems to be an issue as there is not a quick way to get to Colchester from New York State. Truckers are paid by miles not hours and the delays on Route 7 sometimes cause the shippers to defer the deliveries as quicker routes are more preferential. He also thought that BTV could use some enhanced investments in more than just the parking lots. They will be having an anniversary open house sometime in August and will be sure to invite us.
- **Visited with Chroma Tech:** Met with Millman, CEO, and Lessell, CFO, and Clark, the operations director. Chroma has attended the Medica trade show in Dusseldorf via our SBA step grants and is very pleased with the outcome. They were able to garner 5 great leads from this show and intend on attending again this year. They are looking to enhance their presence in China and Japan and need our help in deciphering how they can do this. Millman is very keen to play a role in helping to market economic development for the state and I said we would definitely take him up on this. He also believes in the apprenticeship programs and will follow up with Dan Smith. We mentioned the elementary and high school exposure to the workplace via a few programs (school of Tech at GW) and he appears to be interested. There is also the possible development of a property in Bellows Falls that he may be interested in (has been on or off for a few years) if it makes economic sense. There will be a funders meeting as soon as is practicable.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Risk & Insurance Management Society (RIMS) Legislative Summit:** Dan was in Washington, DC this week attending this summit put on by RIMS. RIMS members represents the primary target market for captive insurance as their members are Risk Managers (typically the key decision maker for captive insurance

companies). This summit was also an opportunity to continue to advocate for the legislative fix concerning the confusion surrounding the Non-Admitted Reinsurance Reform Act and its non-applicability with captive insurers. Dan was also able to network with several current Vermont captive insurance companies including Disney, AES and Boston Properties. Dan attended legislative visits with other Risk Managers.

- **Senator Leahy and Republican Lindsey Graham of South Carolina to Introduce Captive Legislative Fix:** Dan met with Maggie Gendron, Legislative Director for Senator Leahy. Dan continued to push the importance of coming up with a legislative fix to solve the confusion around the Non Admitted Reinsurance Reform Act. Dan stressed the urgency as new captive insurance formations were down last year in part, because of this confusion. During the meeting Ms. Gendron committed to making another attempt with Senator Graham's office to get them to sign on to the bill along with Senator Leahy. Having legislation introduced in a bipartisan manner is the only way to give the bill a real chance. Dan hadn't left the Russell Building before he was emailed by Ms. Gendron that her call was successful this time and that the legislation should be introduced in the next few days with the co-sponsorship of Senator Graham. This is a very big step forward in coming up with a permanent solution. It also proves that persistence pays off!

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **Logic Supply:** Beth Demers met with HR Director, Mary Heyman, of the South Burlington based Logic Supply. Beth gave an overview of how the Vermont Training Program has changed and how Logic Supply could apply in the future. The company has recently completed its physical expansion and continues to hire employees. VTP could be used for the next expected growth phase.

ITS/CONNECT VERMONT ♦ Robert White, ConnectVermont Director

Activities and Accomplishments

ITS

- Attended and presented at AASHTO STSMO and ITS America Annual joint meetings. Highlights:
 - Met National Operations Center of Excellence staff and discussed VTrans TSMO needs including RITIS.
 - Toured Pittsburgh dedicated busways and streets that include DSRC devices on their traffic signals.
 - Toured PA Western Region TMC.
 - Attended overview of and ride in Carnegie Mellon University fully autonomous 2012 Cadillac SRX.

MATS

- none

Future Plans/Activities

- Attend Region 19 700/800MHz Meeting via conference call.
- Schedule meeting with DPS to review TDI Power Connect plans to identify and agree on vault locations along the route.

Obstacles and Opportunities

- none

Memorandum

To: Governor Peter Shumlin

From: Annie Noonan, VDOL Commissioner

Re: Weekly Report – week ending 6/12/15

Unemployment Insurance and Wage & Hour/Employment Practices:

For the week ending 06/06/15 we took 1,669 UI claims calls. This is an increase of 120 calls from the prior week of 05/30/15. We paid 3,700 claimants during the week ending 06/06/15 compared to 3,775 for the prior week. This is a decline of 75 paid claims. New UI rate coming out at the end of next week, probably going to stay the same, but we won't know for certain until Monday. UI Modernization (computer) consortium continues to be time-consuming for the UI Director and key IT staff of VDOL.

VDOL won three UI cases at the Supreme Court this week: Magee v. Chittenden East Supervisory Union: The Board did not err in concluding that the claimant's resignation was a voluntary quit. Maccione (2 cases): Claimant argued that he should not have to repay overpaid benefits because he has a cognitive disability. Court agreed with Board that repayment was mandatory under statute, and claimant never notified VDOL of a need for accommodation under the ADA/VPAA.

LCAR: We refiled the UI Newspapers Rule just recently. VDOL has received approval for: UI Self Employment Assistance; various VOSHA rules; the WARN Act. We have filed the WC Rules this week. These will bring out a big crowd. We are separately filing for the WC Opioid Rule. We anticipate filing WC Administrative Penalties rule, including debarment. We are still working on UI Employment Security Board rules update and WC medical fee rule.

Workforce Development: The regional offices have been holding a lot of job fairs and hiring events all month. We have been working with Airboss on the Rapid Response for their Dislocated Workers. We are also planning a RR for a retail shop in Williston. We are working with Plasan, VY, and FairPoint, as 3 large displacements, as well as many smaller businesses. I am running reports to outline the info on Vermont's dislocated worker population by business, by town, by county. FCI in St. Albans laid-off 7 FTE in mid-May, but failed to tell VDOL. I believe we need to revisit the number of layoffs that will trigger notice to VDOL and Commerce. It's now at 50, and only 3% of the Vermont employers have more than 50 workers. The information exchange is critical to getting people back to work or into their federal training benefits. We are all anxious about the possibility of TAA being cut off in the fight over the new trade agreement. VDOL is working through the WIOA transition, holding meetings with the key partners (AOE, VR, VAL) and others. VDOL has 4 grant applications pending with the USDOL. Three of these will target job training under the 'ITAR' guaranteed job/apprenticeship/OJT model. We partnered with AHS/ESD on one to put TANF and VDOL populations into training for health care work. One of the grants is for Apprenticeship. One grant is for long-term unemployed workers' job training. DHMC and Precyse will be starting hiring this summer and early fall. VDOL is also helping VTC, UVM and CCV with their TAACCCCT grant work. VDOL also provided ACCD with support letter on the US DoD grant they are seeking.

Economic & Labor Market Info: Annual determinations completed and distributed. VDOL provided letter of support to AOE grant application. LMI and WDD divisions have hired about 12 summer interns (paid interns, through our federal program monies). LMI is finalizing a survey to St. Michael's College juniors and seniors on their post-grad plans and their reasons for staying or not staying in Vermont. Mat was interviewed by Fox44 about job openings in VT. LMI prepared data for Kiersten B. at ACCD comparing VT to Quebec. Mat spoke to Gareth Henderson of the Rutland Herald about construction jobs and provided some occupational data. Mat assisting Barb Hagen of VT DOC on 'training wages';

Workers Comp and Safety: Workers Comp and Safety Division: We are working on a work flow chart in connection with the Request for Proposal (RFP) for a new WC electronic claims management system. VOSHA inspected the crane accident in Montpelier this week; there were no injuries, but there will be violations cited. Project WorkSAFE has provided assistance on work-related asthma education for doctors through the statewide asthma steering group. Passenger Tramway has concerns about the Jay peak Tramway. The lift manufacturer shares our concerns and is putting together a recommendation. Jay Peak's is expected today, and needed before they can operate.

Final Note: Pete: I continue to be proud and honored to work for you, the finest Governor is the country. You have my support and loyalty, as much today as you have for the many, many years we have been friends and colleagues. As the Irish say, "The work honors the man", and your efforts and work will long be remembered and admired. Annie

Gov



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

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

A handwritten signature in black ink, reading "Susan L. Donegan", written diagonally across the page.

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: June 12, 2015
Re: Weekly Report

Insurance Division:

Commissioner Susan Donegan on Wednesday signed an order mandating Nation Motor Club LLC to pay \$50,000 to DFR as reimbursement for expenses incurred during litigation against the company for selling insurance in Vermont without a license. Nation Motor Club, which operates in some states as Nation Safe Drivers, is a company similar to AAA that provides roadside assistance, travel information and insurance products to more than 15 million U.S. consumers. The company had been selling hospital indemnity benefits to Vermonters through its travel club. As part of the settlement, Nation Safe will discontinue the sale of such benefits to Vermont customers and will state clearly on its website and in brochures that certain insurance products are not available to Vermont residents. Headquartered in Boca Raton, Fla., Nation Safe Drivers operates primarily through third-party companies and automobile clubs.



Lottery Weekly Report

I am at tri state meeting yesterday and today. No legis contact and only media was a press release for 2nd round of tech awards to smaller schools in cooperation with Ag. Of Education. TS auditors were doing field work in office this week with no concerns raised. We have an interested party for taking over prob gambling efforts next year. We finished May a little ahead in profits over last year and budget so still holding a slight edge.

Greg

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, June 12, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

/ Gov

To start, I just want to say that I regret that I was not in Vermont on Monday to be present for your big announcement. It was a big surprise that has left me with a lingering sadness to know this era of your leadership will be ending (but not for another 18 months!). You are an inspiring leader and have accomplished a tremendous amount on a broad range of issues. I am very proud to have served, and continue to serve, within your Administration. We are a great team. Thanks coach!.....

TIGER Grant for Western Rail Corridor

Next week is the optimal time for you to make your advocacy calls on this essential project for our goal of delivering Amtrak to Burlington. We want you to call USDOT Secretary Foxx (which I will also do), as well as to speak to Welch, Sanders and Leahy to encourage them to reach out to Secretary Foxx. It is critical that everyone understands this is your # 1 Transportation /TIGER priority, so that they will help advocate for us. Emphasize that this is the final special grant needed to complete the track and safety improvements and bring this project to fruition. Once you have a time scheduled to call Secretary Foxx, let me know and we will send along the key points to emphasize.

NASTO

Had an excellent meeting and conference in Delaware with my colleagues from around the region, which I hosted as the NASTO president. The Board endorsed our project on infrastructure resilience to Climate Change (which we will need to call "extreme weather" for this project), which we will lead and will include a convening in Vermont in the fall. We also discussed something which is **a concerning regional trend: Premature Failures of Pavements**. This is a very significant and costly issue which we need to organize with other states to take coordinated action with industry. The bottom line is that we do not really know what they are putting into the liquid asphalt binder, and we need to figure this out and pressure industry to address and correct the problem.

Finally, I was really inspired to hear about Governor Malloy in Connecticut who is GOING BIG on transportation, building a 30-year vision with a massive investment. You should

talk to him, and we should consider a similar approach here! We are developing for you a strategic re-investment in some key downtowns (perhaps Springfield?) that could get a stimulus through a coordinated public investment. More to come on this.

Federal Highway Funding

Congress has been posturing around the highway trust fund and a threat of a possible FHWA shutdown. Our expectation is that Congress will proceed with a 6-month extension once again, however, there is new momentum that suggests reauthorization could be possible, if unlikely. Senator Sanders' office reports that the EPW committee is working on a reauthorization draft. Sanders' advocacy is absolutely critical to maintaining our interests are addressed. We are in close contact about our key needs/goals and provision. **Sen. Leahy's office has requested our help for a Floor speech he intends to deliver next week. We are focusing on the way in which Transportation/Infrastructure investment can drive Economic Development, with the examples of Barre and St. Albans (where some \$16M in public investments lead the way for \$45M in private investments).**

Recall that now we have two dynamics emerging at the end of July: (1) Expiration of Transportation Reauthorization, and (2) the Highway Trust Fund becomes insolvent. Failure to enact an authorization extension will effectively shut us down. We would not be able to obligate funds to projects and thus advertisements would stop immediately. And we would not be able to bill FHWA for reimbursement for project expenditures. If authorization is extended and the HTF solvency issue is not resolved, we would not be fully reimbursed for project expenditures but "quasi-normal" operations would continue. I continue to discuss this issue in public, will write an Op Ed in July, and coordinate with my NASTO colleagues around messaging.

Scott

Storm Response: 6/9/15

As you know we received heavy rainfall over the evening of June 9th. Although we received rain statewide, the heaviest and longest durations seemed focused on the NW region of the state. Accordingly, although we did have issues statewide with short-term road closures caused by plugged culverts, water over the road and downed trees, the only newsworthy damage to state infrastructure occurred in the NW region. Route 2 in the Richmond/Jonesville area was the hardest hit, with the road being undermined causing us to close a lane overnight. Total damage to the state system from the storm is currently estimated at \$350,000. This is well short of the \$700,000 required to trigger an FHWA Emergency Relief (ER) declaration, so our maintenance districts will have to bear the cost of repairs.

Damage to town infrastructure also occurred primarily in the NW region of the state. Our District technical staff were out in force and in close communication with municipalities in their areas. The last reports we heard from the field indicated just over \$700,000 in damages, but some of those damages occurred to Federal Aid town highways so the total FEMA eligible damage is expected to be a bit lower. Data

collection continues, and we continue to report damage to DEMHS who administers the FEMA PA program for the State of Vermont.

Construction Program

- 48 active work zones: 25 bridge, 5 reclaim, 7 paving, 8 safety, 2 park n ride, 1 rail. We anticipate a total of 105 projects in 2015. 46% of the program has an active work zone.
- The bi-weekly estimates paid to the contractors this week amounts to \$5,041,064.48.
- The accelerated bridge project in East Burke will open to traffic three days ahead of schedule. The contractor from Maine, T Buck, has done well. This is the same contractor that completed the Middlebury project.
- The bridge deck for the Waterbury Interstate project was cast this week. Generally it takes 6 weeks from this point to open it to traffic. They are on schedule to progress with the northbound structure this year.

Middlebury

Airport: This week I received a nasty letter, along with a petition with 230 signers, from a neighborhood association in East Middlebury who are opposed to and organizing against the Middlebury Airport improvements. The letter (which you and the Congressional Delegation were copied on) was quite inflammatory and also disrespectful, but clearly indicates we have some irate people who do not want this airport improvement. Rep. Nuovo called me because she was very upset about the letter which she felt was unfair. The Town of Middlebury Select Board voted in favor (5-2) of the current safety improvements (which include tree removal, taxiway repairs and enhancements, and runway widening and lengthening). I am concerned about Guy's plans here and, while supporting his (short-term) safety work, plan to carefully scrutinize to assess what is mission critical, and also consider alternative uses for these long-term plan funds. Future efforts will require Act 250. I don't want to waste time and resources on a project that may fail in the public and permitting phase.

Sue
✓

Tunnel/ bridge project: We also have a major bridge project for the middle of town which is complicated and has raised additional local concerns (which Betty Nuovo also described). We have worked to get this rail bridge project funded by FHWA (which was a huge feat and essentially enabled the project to be programmed), and needed statutory language this year (in T Bill) to go around the T Board, which will reduce time and costs, so we have been working hard to make this project possible. I am planning a visit to the area and will be working to see if there is any way to shorten the duration to reduce local impacts, but expect more on this in future.

NOTES FOR STAFF

Brattleboro Bridge

At my request staff met with representatives from the Town of Brattleboro to discuss the many facets of this complex project on June 10th. In summary, the town was very appreciative of the outreach, the emphasis we have placed on communication and that VTrans has listened to their concerns and is working in conjunction with the Town when using their roads for detours. VTrans and PCL/FIGG are preparing for the public meeting scheduled for June 23, 2014. The teams are working through the quality issues associated with the pier table. The NCR process will be followed. A revised schedule was submitted this week and the team is digesting the information and will prepare a response.

Hartford Bridge – Lateral Slide

There were rolling roadblocks this week for the delivery and setting of the steel girders. The traffic volumes at night are very low and the rolling road blocks have gone well. There have been some traffic delays during the evening when the girders are delivered. PCL is on schedule and is aware of the remaining submittals and work required as the shutdown weekends approach.

Waterbury I-89 Bridge Project

This week crews poured the new bridge deck on the southbound bridge. To date this construction project is going very well and the contractor is currently on schedule to open the southbound bridge and begin work on the northbound bridge in mid-July. Recent improvements to the work zone appear to be improving the flow and safety of traffic in the work zone. The team continues to look for opportunities to improve the expectations and associated driver behaviors through the work zone.

Waterbury Interstate project/CCTA Partnership

With the I-89 bridge construction underway and the lane reductions on the interstate scheduled to last until the fall, VTrans is looking for any and all ways to mitigate traffic delays and improve safety through the work zone. One potential way to do so is through a partnership with CCTA. Since work began this spring, traffic on I-89 has flowed relatively smoothly with only minor delays. Historical traffic trends indicate that traffic volumes on I-89 in this area increase up to 17% during the months of July and August. One way to mitigate potential delays through the work zone is to change travel patterns and reduce the vehicular volume of traffic during peak periods. An opportunity exists to work with CCTA to add an additional afternoon route and increase ridership through fare incentives.

we have update

VTrans and CCTA have worked together on a proposal that would cost \$175,000 (project eligible at 90% federal funds) to provide one additional route and free service on all of the Montpelier –Burlington link routes for 70 days during the summer months. The capacity on the interstate is approximately 300-350 vehicles through one lane of the work zone during a 15-minute period. So far we have seen up to 320 vehicles through the work zone with very little delay. However, with the potential for increased traffic up to 17% over what we have experienced so far this year, there is a potential for delays.

By providing an additional route and fare incentives, it is anticipated that up to 15,000 vehicle trips could be eliminated through the work zone through these 70 days, which equates to over 200 vehicles trips per day. This reduction is anticipated to minimize the potential for delays through the work zone during the peak periods and make for a safer work zone experience.

Randolph Projects

During the course of this summer, many of the roads into and around Randolph will see construction activity. The following projects represent an approximately \$40M investment on transportation infrastructure. The following are roadway rehabilitation projects scheduled for this summer:

- VT 66 started last summer and is scheduled to be completed around Labor Day.
- VT 12A from Randolph to Braintree started this spring and will be completed this fall.
- VT 12 from Bethel to Randolph is slated to begin later this summer and be completed in the summer of 2016.

In addition to these large scale roadway rehabilitation projects, VTrans has the following projects scheduled for this summer:

- VT 14 – this is a state funded district paving project that will pave approximately 10 miles starting in Royalton and ending in Randolph.
- A town highway bridge on Palmer Road started earlier this year and will be completed this fall.
- I-89 from Bethel to Brookfield is scheduled to have a preventive maintenance surface treatment starting soon and will be complete this fall.
- There are two state highway bridge replacements in Royalton, just south of Randolph on VT 14 that will be completed this fall.

In addition to these projects, VTrans is also engaged in an ongoing dialogue surrounding projects specifically in Randolph Center. Earlier this week, Deputy Chief Engineer Kevin Marshia met with representatives from the Town, Two Rivers Regional Planning Commission, VTC, Gifford Medical Center and BGS. The primary purpose of this meeting was to discuss the various projects in this neighborhood, concerns that have been raised and opportunities to work together to strengthen communication and planning in this area of Randolph. VTrans plans to be a partner with these entities (and others) as the group works with residents and stakeholders to clearly identify concerns and create a path to the future for this part of Town.

Transportation Board – Lisa S. Eastman “Pothole” Claim

In a decision dated June 4, 2015, the Transportation Board awarded Wells River resident Lisa Eastman damages of \$1,054.30. This award was for damages to Eastman’s car caused by striking a pothole on March 27, 2015, at approximately 7:30 a.m. on VT 110 in Washington, Vermont.

← Sarah

The T-Board's decision is very troubling. The Board imposed liability on VTrans for a pothole that formed sometime on March 26, was reported to VTrans at about 7:30 a.m. on March 27, and was repaired by VTrans at about 9:30 a.m. on March 27 (*i.e.*, within two hours of the report!). Worse yet, the Board found negligence even though it also acknowledged that VTrans was not notified of the pothole until after the claimant collided with it. This is not negligence as a matter of law, but rather some form of strict liability for roadway defects. VTrans will seek judicial review of the T-Board decision in Superior Court.

Driver Privilege Card - Watch Dog Inquiry

Commissioner Ide responded to a request from Bruce Parker of Vermont Watchdog for an update on the activity noticed by DMV connected with the previously identified foreign language print advertisements in the New York City area. Ide informed Parker that there really is no new information other than the activities noticed last autumn; this winter those activities have markedly diminished. Parker was told this really is an old story with no new suspected activity in the last two months.

International Road Check 2015 was held on I-91 north in Guilford and I-91 south in Vernon on June 2-4. Twenty-six personnel from six agencies and DMV attended Road Check. Officers from Shelburne PD, Woodstock PD, Williston PD, Vergennes PD, South Burlington PD, and the Federal Motor Carrier Safety Administration partnered with DMV to participate in this international initiative. During the three-day event, Inspectors screened 2,949 vehicles and weighed 432 vehicles. They completed 336 inspections resulting in 259 driver violations and 427 vehicle violations. Thirty-one drivers and 58 vehicles were placed out of service. Sixty-two tickets were issued totaling \$13,884 in fines. The Department of Agriculture also attended.

Guilford I-91 Welcome Center

BGS and VTrans have taken emergency action to avert a potentially smelly situation regarding failing pumps for the sewage system. When the Welcome Center was constructed utilizing FHWA funds over a decade ago a sewage pumping station was installed that sent materials to the Town of Brattleboro treatment facility. Since that time another sewage generator (yogurt factory) has tied into the system increasing the amount of waste transferred by the same pumps. Furthermore, the agreements originally crafted regarding ownership of the pumps and what would happen if a new waste stream was added had never been updated. A few months ago VTrans, along with FHWA, agreed to use federal funds to replace and upgrade the failing pumps with the stipulation that new agreements would be in place prior to replacement. Ultimately these pumps need to be turned over to the Town considering the size of the yogurt factory that was allowed to be tied into the system by the Town. Situation with the pumps went critical this week and we gave the Town of Brattleboro the go ahead to replace the pumps with the understanding we would reimburse and clean up the agreements afterwards. Smelly situation appears averted.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: June 12, 2015

Highlights:

AHS CO:

AHS “*Value of Stable Housing*” Report pg. 2

RMHS Status Update pg. 2

VDH:

Health Department Releases School Wellness Policy Guidelines pg. 3

DMH:

Vermont Psychiatric Care Hospital (VPCH) pg. 3

DAIL:

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DOC:

Vermont Inmate Population Graph pg. 4

Population pg. 4

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Bennington School Financial Concerns pg. 5

DVHA:

Vermont Health Connect pg. 5

MVP pg. 6

Secretary’s Message

Secretary Cohen is out of the office at a conference in Portland, Oregon. He will return to the office on Tuesday, June 16, 2015.

Agency of Human Services Central Office (AHS CO)

Cross Agency Planning Related to Individuals Who are Deaf/Hard of Hearing

The AHS Secretary’s Office brought together cross-Agency representatives from AHS and AOE for a meeting related to expanding and supporting a system of care for individuals who are deaf and hard of hearing. Based on a letter from the Senate Government Operations Committee following the legislative session and S.66, changes are needed to the existing Hearing Advisory Council to ensure representation of the deaf and hard of hearing community and the issues facing that community. Both AHS and AOE concur and will work with the community to make the necessary changes.

AHS “Value of Stable Housing” Report

The AHS Secretary’s office has just finalized a two-year, cross-departmental study tracking patterns of emergency shelter, rental subsidy and health care utilization among 134 formerly homeless Vermont families. While studies in other states (Maine) and cities (New York) have previously estimated cost savings associated with providing permanent supportive housing to chronically homeless individuals, this may be the first that documents significant savings among families who were not so-called “super-utilizers” of health care and institutional services. Among other conclusions, the study found a 51% reduction in Medicaid costs incurred through emergency room, in-patient and observation status, among families when they were stabilized in affordable housing. We anticipate these conclusions being of keen interest to providers and partners who see housing as a key social determinant of health.

Request for Proposals (RFP) to Provide Social Services to Eligible Refugees and Asylees

The Refugee Office is working on the issuance of a Request for Proposals (RFP) in the amount of \$73,000 to provide social services to eligible refugees and asylees to help them achieve economic self-sufficiency. The RFP should be issued by early next week and will be posted on the State procurement website and shared with the network of refugee and immigrant service providers in Vermont.

RMHS Status Update

On June 9, Dan Quinn, Executive Director of Rutland Mental Health Services, Inc. submitted his resignation to the Board of Directors of RMHS. Chris Keyser, Chair of the RMHS Board of Directors, was cited in separate media reports as attributing Quinn’s resignation to pressure put on RMHS by the Agency of Human Services (“AHS”), but acknowledging that the state did not request or compel the resignation and expressed hope that there could be a cooperative and collaborative effort between the Agency and RMHS going forward.

RMHS has been under regulatory scrutiny for over 12 months due to a number of material deficiencies noted by the Department of Mental Health (“DMH”) and the Department of Disabilities Aging and Independent Living (“DAIL”). RMHS has been unable to organize satisfactory corrective action plans. RMHS is in the midst of a difficult “re-designation” process and we foresee a difficult re-negotiation of the FY16 Master Grant with RMHS. Both the re-designation process and the Master Grant negotiations should be substantially concluded by mid-July, 2015.

AHS has pledged the full support of DAIL and DMH to assist RMHS to correct any outstanding deficiencies, provided that RMHS appears committed to addressing them in good faith. Media interest in RMHS continues and DMH is providing information in response to VT Digger: public records requests, including RMHS’ audited financial statements, client injury event reports, and any RMHS Board of Director meeting minutes in DMH’s possession and also data from the two most recent fiscal years of the number of referrals from Department of Corrections to DMH for “seriously functionally impaired” (SFI) inmates waiting for discharge to the community as well as average individualized plan costs.

Vermont Department of Health (VDH)

Vital Records Office

VDH recently completed an 18-month long project to bring the Vital Records’ Office into compliance with new CDC National Center for Health Statistics (NCHS) requirements for collecting, formatting and submitting of birth, death and fetal death data. The Vital Records’ Office receives approximately

35% of its funding from CDC/NCHS grants and continued funding was contingent on implementing new data requirements and receiving certification from the NCHS.

Vermont Children Color Their Way To Better Health

On June 4, VDH kicked off a coloring contest at Edmunds Elementary with acclaimed New Yorker cartoonist Harry Bliss, to promote sun safety. Students across the state can participate in the contest by submitting completed coloring pages throughout the month. Winning submissions will be announced on the VDH Facebook page in early July, and will receive signed Harry Bliss books for themselves and their school library.

Health Department Releases School Wellness Policy Guidelines

The Department of Health, Agency of Education, and Agency of Agriculture, Food and Markets have released the Vermont School Wellness Policy Guidelines. The guidelines covering nutrition, physical activity, health education, and other wellness activities assist supervisory unions across the state in evaluating and improving local wellness policies, which are required for all participants in the federal school meals program.

802Quits Reaches Physicians Through Enhanced Web Portal

802Quits is proud to announce the launch of a new website for healthcare professionals. The site offers interactive tools to explore the whole body impact of tobacco, videos, and downloadable resources for patients and providers. The site is being released in tandem with a direct mailing to health care providers across the state.

Medical Practice Board

In 2012 and 2013 the Board noticed a pattern of public records requests for files of licensees who worked for Planned Parenthood and/or in OB/GYN. Over the past few weeks a similar grouping of requests has come in, asking for the same files. As in 2012 & 2013, the subject licensees are being notified.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH)

VPCH has had a census of 23 this past week, with two bedrooms undergoing needed flooring repairs prior to new patient admissions. Staffing challenges continue with seven open nursing positions under recruitment that traveling nurse companies have been unable to fill. The next hospital orientation is next week and has four direct-care and one ancillary staff in the group. The hospital hosted visitors from Four Winds Psychiatric Hospital in New York State, who were interested in both the physical design of the building and how inpatient care is provided at VPCH.

Department of Disabilities, Aging and Independent Living (DAIL)

SASH grant allocation less than anticipated; leaders may advocate for increase

No additional funds exist to increase funding for this very popular program in SFY16. The legislative language is very clear. The confusion arose from a lack of understanding about the difference between base funding and CFC reinvestment funds. We have suggested Nancy Eldridge or Molly Dugan

discuss this with the new Commissioner as part of the SFY17 budget build. The SFY 16 budget is \$974,023; the original 2012 grant was for \$773,192.

Department of Corrections (DOC)

Vermont Works for Women (VWW) Contract Elimination

During the Session, the Administration proposed a cut to the CHSVT budget to include teacher positions. They did not accept that change and added funding back, but did leave a shortfall in the CHSVT budget to be filled with, (as directed by the Legislature), cuts to contracted work. This is consistent with Legislation that states contracts should be directed to state employees whenever possible. To that end, DOC looked at contracts that could be delivered by the CHSVT without a loss in services. The VWW contract mirrors what the CHSVT offers in other facilities and can be delivered by the teaching staff. This is one of several contracts that need to be eliminated to comply with the budget. We have notified VWW that their contract is being eliminated. This has attracted attention from VT Digger.

Vermont Inmate Population Graph

See attached.

Vermont Public Radio

Andy Pallito was on VPR on Thursday at noon to discuss general corrections issues as well as the new out of state contract with the GEO Group.

Statewide Recidivism Reduction Grant

The Department continues work on the Second Chance Act Grant from the US Department of Justice. Vermont is one of five states to receive this high profile award. The other states include: Georgia, Illinois, Iowa and Minnesota. The grant required DOC to hire a full time project director. The project director was hired in March. Recruitment is under way for the remaining staff. The focus of their work will be on updating all department directives and increasing capacity within the criminal justice system to implement core correctional practices. The work is overseen by an Executive Steering Committee with membership from state agencies and community partners. Through our efforts, Vermont staff was asked by the Council of State Governments to work with Rhode Island on specific implementation issues preventing that state from making similar changes. We are proud to be singled out as a leader in making changes to our system that align with research and best practice. Regular reports on grant progress will be delivered as activities increase.

Population

The Department's incarcerated population averaged 1878 for the previous week. The Department's incarcerated male population averaged 1733 for the previous week. The out of state population is currently at 299. The female population averaged 145 for the previous week.

Department for Children and Families (DCF)

A Financial Empowerment Initiative for Reach Ahead participants

The Office of Economic Opportunity (OEO) will be offering funding and technical assistance to Capstone Community Action to provide financial empowerment, training and coaching to Reach Ahead participants. This will increase the participants' financial knowledge and encourage positive

savings. Reach Up will help to seed savings accounts for each participant. OEO and Reach Up hope to grow this program to cover all Reach Up Post-Secondary Education students.

Bennington School Financial Concerns

Background: The Bennington School provides critical residential and educational services to high needs youth ages 10 and older placed in the programs by AHS. The Bennington School campus is comprised of several aging buildings that provide a spectrum of care ranging from short-term crisis stabilization to long-term therapeutic residential care. It is owned by Beckett, a New Hampshire based company. Beckett has been leasing the buildings from the Merritt Trust and has been instructed to discontinue rent payments to the Trust, because the Merritt's are on the Medicaid exclusion list because of previous findings of Medicaid fraud.

Current Situation: Two of the buildings (and properties) are for sale. Beckett currently does not have the financial standing to receive a loan to purchase the buildings because Beckett officials allege that they are unable to make a profit at the current Medicaid rate. AHS and AOE are working with the AHS Division of Rate Setting to understand Beckett's financial status. The school would like to transition 16 of its beds to private sub-acute care with the intention of leveraging this shift in their business plan to obtain a loan to purchase the buildings. This private sub-acute care as proposed would serve only out-of-state girls.

Beckett is requesting a short time-line on this change, but the state requires 30 days' notice for substantive changes to contracts. The next step is that Beckett will be sending a proposal to AHS (including Rate Setting, DCF) and to AOE. AHS will work with AOE to evaluate the Beckett proposal and determine next steps. Our biggest concern is that the same range of services continues and that these changes do not displace any of the Vermont residents placed there by AHS.

Department of Vermont Health Access (DVHA)

Vermont Medicaid Shared Savings Program (VMSSP)

The Vermont Medicaid Shared Savings Program (VMSSP) Year One State Plan Amendment (14-017) was routed for approval by CMS on June 8, 2015.

Vermont Health Connect

VHC Project Update:

VHC has delivered functionality to support Changes of Circumstance (COC), Changes of Information (COI) and Reconciliation between VHC, Benaissance and the Carriers as part of Release 1 (R1). User Validation Testing (UVT) in live mode has identified multiple defects that have been logged and prioritized with the Optum's Maintenance & Operations (M&O) team for resolution. Further R1 User Acceptance Testing (UAT) will continue on multiple business scenarios and then UVT once they have passed UAT. Release 1 post-deployment validation activities with the carriers is proceeding with scope and schedule to be complete by end of week with execution starting Monday 6/15.

VHC is now planning for work related to Release 2 which includes Medicaid and QHP Renewals, Notices functionality, Additional Financial Reconciliation and Billing enhancements, and CMS Integration. Additional project updates can be found below:

Release 2 IT Items

Optum proposed a high level schedule for delivery of renewal functionality to SOV on Tuesday for state review and approval.

Operations Update:

Changes of Circumstance (CoC) Processing:

To date, we have executed 412 CoC requests for customers in the queue. As of Tuesday, VHC has 55 staff trained to process these cases and expect throughput to rise in the coming weeks as they begin processing both CoC requests that are coming in over the phone, as well as utilizing a dedicated team to process cases in the backlog. The carriers have begun to send VHC effectuations back and expect throughput to increase there as well. VHC has been working with Optum on a methodical Quality Assurance (QA) process for all outgoing and incoming 834s. Now that many of the change scenarios are validated, they will be completed at a faster rate without engaging in extensive QA.

Access to Care

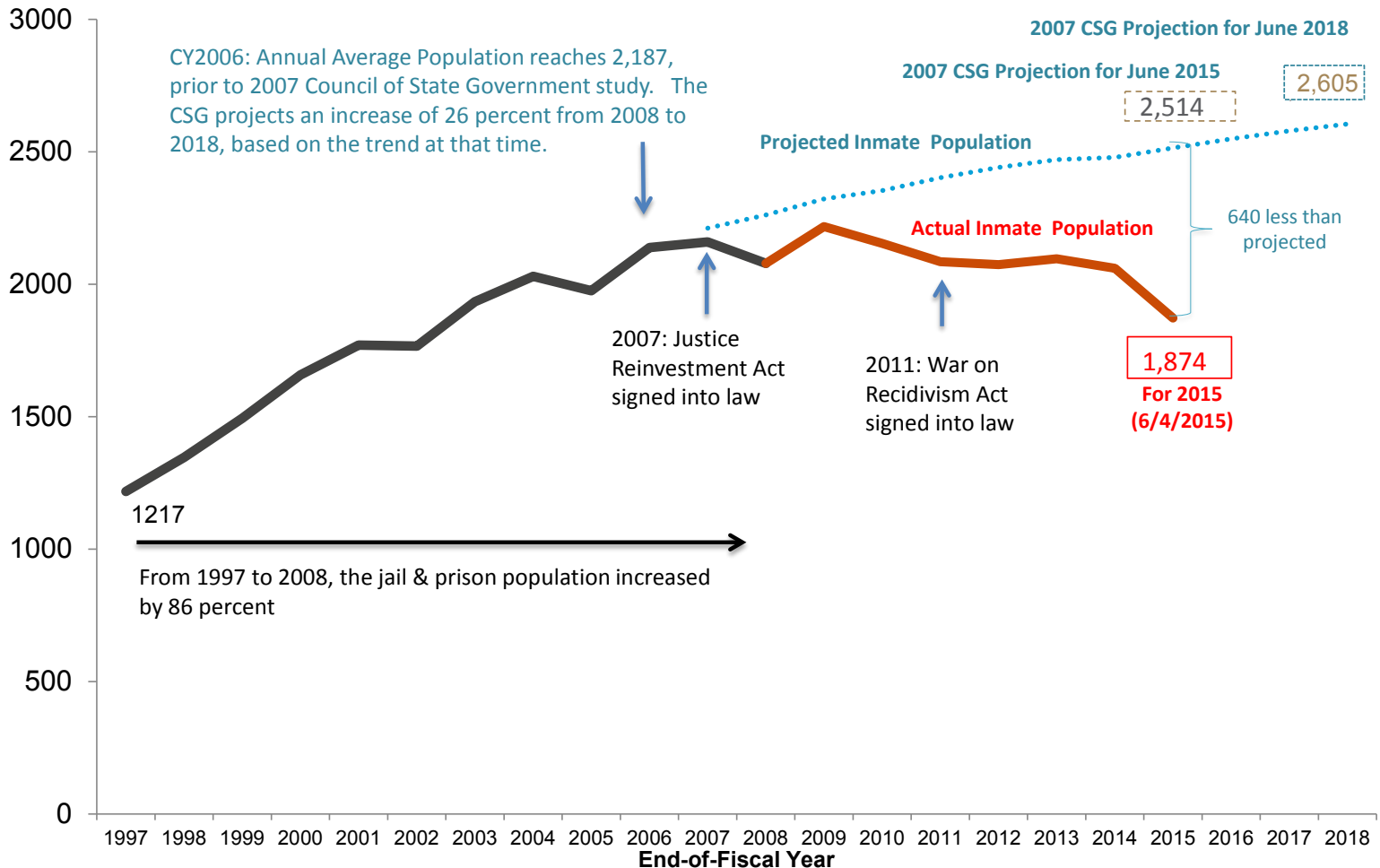
There has been an uptick in access to care requests over the past week and currently there is a backlog of 50 cases. On Wednesday, a specialized team started working through processing these cases and the backlog should be remediated by Monday 6/15.

MVP

VHC continues to have challenges with MVP accepting reinstatement requests. When the exchange is fixing a case for a customer that requires a reinstatement, MVP is often reticent to process the case and causes a lengthy back and forth discussions with MVP staff that result in delays in customer coverage. Lawrence Miller is assisting in reaching resolution with MVP on this issue.

great
graphic⁶

Vermont Inmate Population



All years are census counts from June 30th at end of each fiscal year, except 2015 which is the census on June 4, 2015

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: June 12, 2015

Secretary's Top Issues

NEASDA Conference

Agency of Agriculture leadership (Secretary Ross, Deputy Secretary Bothfeld and Assistant Attorney General Zamos) participated in the 3.5 day regional NEASDA (Northeast Association of State Departments of Agriculture) conference in Connecticut.

DMV Roadside Truck Check

Consumer Protection Inspector participated in the 72 hour DMV Roadside Truck Check on June 2nd through June 4th in Guilford. This annual Truck Check coordinated by DMV and staffed by a collaboration of various Federal, State and Local Agencies including the Vermont Agency of Agriculture, processes trucks both entering and leaving Vermont on Interstate 91. The screening and inspection of trucks for safety, load to be transported, operator condition, documentation, and weight applied to every truck during this 72 hour period. AAFM staff provided technical information regarding the portable platform scale used during the inspection, discussed DMV's current testing of a "Weigh in Motion" or "WIM" scale system used to quickly screen trucks for weight, and made a referral to Animal Health regarding a shipment of pigs into Vermont.

Concerns about H. 52 next year

There is concern that the proposed House bill H. 52 (that is to be reintroduced next session) that would allow the wholesale distribution of uninspected poultry to retail stores would help a few farmers but could destroy the recently built up infrastructure for inspected poultry facilities and greatly increase the risk of food safety hazards for the general public. The proposed exemption would only require a suitable, washable facility and does not address human pathogens of concern at all!

Discerning best manure digester locations

The Agency began a project to ascertain the best locations for manure digesters serving individual farms. This raises confidentiality issues regarding locational and other private information for farms, and the Agency is using established and simple precedents to draft the terms under which the data could be used to generate maps showing circles with good areas, based on the number of livestock, access to food waste, and access to adequate electrical infrastructure.

Local Foods Team Holds Open House for Mobile Flash Freeze Unit

Local Foods Administrator Abbey Willard & Produce Safety Coordinator Kristina Sweet held two open houses of the Vermont Agency of Agriculture's mobile flash freezer for potential applicants. The Agency will conduct a no cost transfer of the mobile flash freeze unit to an eligible entity within Vermont this July.

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TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: June 12, 2015

Status of Governor's Priorities:

Legislative Activities and Issues

- There is concern that the proposed House bill H. 52 (that is to be reintroduced next session) that would allow the wholesale distribution of uninspected poultry to retail stores would help a few farmers but could destroy the recently built up infrastructure for inspected poultry facilities and greatly increase the risk of food safety hazards for the general public. Inspected facilities are required to have written food safety Hazard Analysis Critical Control Point (HACCP) plans for all processes and must perform periodic sampling to verify microbial control of pathogens associated with poultry products as well as written Sanitary Standard Operating Procedures (SSOP) plans. In the inspected facilities, EVERY bird under goes a post-mortem inspection for wholesomeness by trained professional inspectors. The proposed exemption would only require a suitable, washable facility and does not address human pathogens of concern at all!

Significant Events/Meetings:

Evolving Issues:

Summary of Key agency Department Activity

Administration:

Agricultural Development:

- Jon Rooney of Monument Farms, who operates a manure digester that helps power their dairy, contacted Secretary Ross about the DEC's request for fees for air emissions from the Dairy's biogas-powered engine-generator. Monument Farms and several other farms with digesters did not expect the fees. In the short term, the Agency would like to educate the farms, perhaps jointly with ANR, about what to expect and what is required. In the long term, there could be a conversation about how Vermont should be treating emissions from relatively small renewable energy sources, especially a digester, which eliminates methane pollution and odor.
- The Agency began a project to ascertain the best locations for manure digesters serving individual farms. This raises confidentiality issues regarding locational and other private information for farms, and the Agency is using established and simple precedents to draft the terms under which the data could be used to generate maps showing circles with good areas, based on the number of livestock, access to food waste, and access to adequate electrical infrastructure.
- Senior Agricultural Development Coordinator Alex DePillis provided answers about the functionality of the 95-kW solar PV system operating at the McKnight Farm in East Montpelier, to Gina Conn of the Times-Arden. This interest was piqued by a [case study](#) DePillis wrote for the farm-to-plate web site, which Rachel

Carter of Vermont Sustainable Jobs Fund subsequently shortened and re-issued. Ms. Conn anticipates completing the article early next week at the latest.

Local Foods Team:

Local Foods Team Holds Open House for Mobile Flash Freeze Unit

Local Foods Administrator Abbey Willard & Produce Safety Coordinator Kristina Sweet held two open houses of the Vermont Agency of Agriculture's mobile flash freezer for potential applicants. The Agency will conduct a no cost transfer of the mobile flash freeze unit to an eligible entity within Vermont this July.

- Representatives from 6 Vermont nonprofits participated in the open houses.
- Local foods team will publish frequently asked questions to address applicants' queries.
- View the request for proposals (RFP) at <http://bit.ly/vtflashfreeze> for detailed eligibility information and application instructions.

Specialty Crop Block Grant Program Site Visit with USDA AMS

Business Development Administrator Chelsea Lewis, Local Foods Administrator Abbey Willard & Produce Safety Coordinator Kristina Sweet hosted the USDA Agricultural Marketing Service (AMS) manager for the Specialty Crop Block Grant Program (SCBGP) for a two day site visit. The SCBGP annually grants funds to the Vermont Agency of Agriculture, which makes awards to sub-grantees across the state.

- USDA AMS reviewed financial records, the VT program's application process, state policies and procedures, and relevant program files.
- The visit concluded with a trip to the Proctor Maple Research Center in Underhill, where the group toured the research facility and met with the director of the Vermont Maple Sugar Makers Association.
- USDA AMS spoke favorably about Vermont's program administration and the robust competitive process for awarding funds to sub-grantees.
- View more information about the Vermont Specialty Crop Block Grant Program at <http://bit.ly/VTSCBGP>.

VAAFM Senior Agriculture Development Coordinator, Zipparo, and Local Foods Communications Intern Dor Hirsh Bar Gai attend presentation from Vermont Certified Public Managers on local food in new Waterbury facility.

- VAAFM's Local Foods Team has been leading a follow-up to a VCPM project on local product procurement in state government, so the presentation provided excellent context from the food service side, in early stage facility development.
- VAAFM is able to offer support for project follow-up, and will likely work with key leaders in creating strategies for local food procurement, accessing local food networks, and working with storage limitations.
- The project included a customer survey of workers who will be moving into the new state complex in Waterbury, revealing that 72% of respondents feel local product procurement is important.

VAAFM Secretary Ross and Local Foods Team Welcomes a Food Systems Higher Education Consortium students on first day of 21-day tour of Vermont's food system

- Students ranged in age, and came from several locations throughout the country, including a former farmer who is serving as a professor at Culinary Institute of America in Poughkeepsie, NY.
- Secretary Ross offered parting thoughts that focused on the challenges that face those in food system leadership, as well as how those challenges affect all. Local Foods Team members spoke about their work, highlighting the relevance of policy in their daily activities.
- Students were very impressed with Secretary Ross's commitment to making local food a strong strategy for economic development.

VAAFM Deputy Secretary LaClair, Local Foods Administrator, Willard, and Farm to School Coordinator, Zipparo, met with leadership from Vermont Food Education Every Day (FEED), to discuss farm to school leadership at the state level.

- VAAFM is the administrator of the Vermont Farm to School Grant Program, and works with FEED to implement a successful grant program that fosters sustainable farm to school grant programs
- FEED serves as the overall coordinator for technical assistance for grantees, which is a requirement of planning grantees of the grant program.
- For the past year VAAFM and FEED have been co-leading a successful statewide strategic planning process for the farm to school network, and new roles and responsibilities, as well as strategies for greater success were discussed.

Senior Agricultural Development Coordinator, Zipparo, Represents Vermont at the Annual Food Solutions New England Meeting in Boston, June 11-12

- Delegates from every New England state converge in a strategic meeting focused on enhancing the regional food system.
- Food Solutions New England (FSNE) is a regional, collaborative network organized around a single goal: to transform the New England food system into a resilient driver of racial equity and food justice, health, sustainable farming and fishing, and thriving communities.
- Food Solutions New England Vision, published in 2014, outlined a vision for sourcing 50% of New England's food within the region by 2060
- This year's meeting's theme was racial equity and food justice. FSNE created a team of ambassadors that conducted outreach in their respective states to ensure meeting attendees were as racially diverse as the populations in each New England state. As a result of this effort, the meeting's attendees were incredibly diverse.
- Vermont's delegation included producers, migrant farm workers, funders, government officials, nonprofits, and food chain workers.

VAAFM Local Foods Team Begins Planning a Weekday Farmers' Market That Will Take Place on the Statehouse Lawn in August

- The farmers' market will take place during National Farmers' Market Awareness Week, and is part of a larger initiative that will promote wellness and local food awareness among state employees
- Currently, there is no weekday farmers' market in downtown Montpelier, so this event will serve as a way to give state workers an opportunity to access fresh, local food
- VAAFM will work closely with the Capital City Farmers' Market during the planning process

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

Consumer Protection Inspector Dwight Brunnette participated in the Vermont Department of Motor Vehicles Enforcement Division's Annual 72 hour Roadside Truck Check on June 2 through June 4, 2015 in Guilford Vermont. This annual Truck Check coordinated by DMV and staffed by a collaboration of various Federal, State and Local Agencies including the Vermont Agency of Agriculture, processes trucks both entering and leaving Vermont on Interstate 91. The screening and inspection of trucks for safety, load be transported, operator condition, documentation, and weight applied to every truck during this 72 hour period. On June 4th, Inspector Brunnette observed and provided technical information regarding the portable platform scale used during the inspection, discussed DMV's current testing of a "Weigh in Motion" or "WIM" scale system used to quickly screen trucks for weight, and made a referral to Animal Health regarding a shipment of pigs into Vermont.

Meat Inspection:

- Small Plant Inspection package was sent to swine producer in South Pomfret investigating the possibilities of a slaughter and/or processing facility for that area
- Compliance investigating complaints of a dog allowed free run in a store that processes meat and other food products in southern VT

- A Milton slaughter plant is up and running and is now moving into further processing activities after receiving verification from meat inspection that the Raw Non-intact (ground beef, sausage, etc.) and Raw intact (steaks, chops, roasts, etc.) Hazard Analysis Critical Control Point (HACCP) Plans meet minimum requirements for startup. There is now a 90 day validation period to prove that the Food Safety Systems are working as intended.
- Tangle town Farm in West Glover has now started poultry slaughter operations under state inspection and will continue through the fall. Burelli Farm has also started operations as of today and will continue through the fall as well. That brings the total of State Inspected Poultry slaughter operations to 5 as well as the State Program covering the Federal poultry establishment in Richmond under the cross-utilization program for the entire season (Federal plant coverage reimbursed at 100%)
- The expansion of the State Inspected poultry slaughter industry will greatly increase the availability of inspected and passed poultry for the consumers of VT and greatly increase the consumer confidence of locally produced and sold poultry
- Program requested to provide a letter of good standing for Stonewood Farm in Orwell as they proceed with trying to obtain a USDA Rural Development grant for value added poultry processing
- Meat Program chief met with representatives of Jasper Hill Farm and Pete's Greens as they investigate a joint effort for swine production. Should have a State Inspected pork processing operation up and running by the end of the summer. Plans are to build a state of the art processing facility within 2 years to expand production into the value added charcuterie (dry cured pork products) business

Agricultural Resource Management:

North Lake Farm Survey Initiative:

- Staff are conducting water quality surveys of farms in Franklin and Orleans Counties as part of the North Lake Farm Survey Initiative. There are approximately 350 farms in the survey area and surveys are being conducted by 8 ARM Division staff members. The following number of farm facilities were surveyed within the last week as part of this initiative:
 - 8 SFOs

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

- Staff participated in a conference call with a LFO in Franklin County to discuss LFO permitting and other water quality concerns related to the farm.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing. Permit amendments have been drafted and discretionary public information meetings have been set-up.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to test the FoodSafety WQ database and we have sent comments to the database designer.

Small Farm Operation:

- Continued an investigation of silt runoff from an improperly constructed ditch in the town of Franklin.
- Verified on compliance with an order for a farmer in Bakersfield to empty his manure pit.
- Performed a site visit and talk well water samples from a homeowner in Richford who is concerned about possible AAP non-compliance by her neighbor concerning various activities on his property.
- Visited a new pig feeding operation in the town of Addison and gave the operator information about AAPs and what the operator needed to do to stay in compliance.

Conservation Reserve Enhancement Program (CREP):

- Staff performed CREP field work at two SFOs in Chittenden County with NRCS.

- Staff met with a fence contractor, farm owner, a pasture consultant and NRCS staff at a SFO in Franklin County to walk CREP and EQIP project fence lines, pipelines and to assess the need for two animal stream crossings that were not addressed in the farm's current EQIP contract.
- Staff met with a MFO in Franklin County to assess water quality concerns and assess short term solutions and to assist the farm in completing three EQIP applications for technical and financial assistance to develop a long term solution to the concern.
- Staff prepared for CREP and BMP field visits on SFOs, and for surface, tile, well water sampling at a MFO in Franklin County
- Staff worked with other division staff members to sample tile drains, as well as surface and well water on a MFO in Franklin County.

Water Quality Enforcement

A **medium farm operation in Chester** will receive a corrective action letter for violations of the MFO General Permit. Field staff observed two fields with insufficient buffers (less than 25') between row crops and adjacent surface water. No penalty. 25 foot buffers must be established by June 30. In addition, the Farm must check all other fields managed as part of the MFO and ensure that 25' buffers are present on them as well.

A **small farm operation in Richmond** will receive a corrective action letter for violations of the AAPs. The Farm does not have the required 10 foot buffer between row crops and adjacent surface water in a field. No penalty. Required 10' buffer must be seeded down by 6/30/2015. In addition, the Farm must check all other fields managed as part of the SFO and ensure that 10' buffers are present on them as well.

A **small farm operation in South Hero** will receive a corrective action letter for violations of the AAPs. The Farm has a substantial amount of manure stacked in a field, with one windrow of manure located within 100 feet of a road, which is considered a property boundary, and up-gradient of the road side ditch, presenting the risk for manure/dirty water runoff during weather events. No penalty. The Farm must re-locate the manure stacks to a location that meets all AAP setbacks of 100' to property boundaries, wells, and surface waters. Alternatively, the manure can be land applied.

A **small farm operation in New Haven** will receive a corrective action letter for violations of the AAPs. The Farm has a substantial amount of manure stacked within 100 feet of a road, which is considered a property boundary, and tractor access to the pile has created ruts that connect the pile with the roadside ditch and allow for runoff of manure/dirty water into the road side ditch and potentially to nearby surface water. No penalty. The Farm must re-locate the manure stacks to a location that meets all AAP setbacks of 100' to property boundaries, wells, and surface waters. Alternatively, the manure can be land applied.

A **small farm operation in Pawlet** will receive a corrective action letter for violations of the AAPs. The Farm has a heavily used beef animal enclosure. Spring water from up-gradient runs through the enclosure and carries wastes across property lines and onto the neighbor's horse pasture. No penalty. The Farm must take action to prevent the runoff of wastes across property lines. The Farm has already contacted NRCS for assistance, but the CAL requires that the Farm implement temporary corrective measures to control the waste runoff until NRCS can provide assistance in implementing a permanent fix.

Secretary's Comments:

- Agency of Agriculture leadership (Secretary Ross, Deputy Secretary Bothfeld and Assistant Attorney General Zamos) participated in the 3.5 day regional NEASDA (Northeast Association of State Departments of Agriculture) conference in Connecticut.
- Secretary Ross participated in the University of Vermont's College of Agriculture and Life Sciences Board Meeting.

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: Deborah Markowitz, Secretary, Agency of Natural Resources
Date: June 12, 2015
Subject: ANR Weekly Report

Governor Level Issues:

TDI New England Clean Power Link: OPLA is filing ANR's direct testimony with the Public Service Board today (Friday, June 12). The testimony is offered by nine witnesses from two departments. The lead OPLA attorney worked with technical staff and attorneys from DEC and FWD to compile the testimony and vet our position internally. Testimony addresses potential impacts to rare and threatened wildlife, fisheries, lakes and ponds and streams, as well as greenhouse gas emissions from the project. There should be no surprises for TDI. ANR's team will begin work in preparation for MOU negotiations with TDI next week.

Hermitage: DFW Fisheries and Wildlife staff are coordinating a response to the Hermitage offer regarding wildlife mitigation. As noted in the OPLA report last week, Hermitage has proposed placing \$1 Million in escrow and will make some minimal efforts to purchase land for conserving bear habitat and a deer wintering area. DFW is unable to accept the applicant's proposal and therefore will be providing a formal response back to Jay Kenlan, the applicant's attorney after we coordinate with DEC and provide more information to the Governor's office.

AmeriCorps – "ECO Vermont" Grant Funded: We learned this week that the grant proposal to start an AmeriCorps program administered by DEC will be funded for three years beginning in September, 2015. We should be receiving more details next week but have already begun preparing outreach materials and logistics that will be needed to get the program up and running by September. Under this program, ECO Vermont will oversee 25 AmeriCorps members per year. The members will be placed with host sites (municipalities, NGOs, water conservation organizations and state agencies) with the primary focus of assisting communities in planning and executing water quality improvements to protect Lake Champlain. Many thanks to Aly

Richards, who identified this opportunity and provided sustained support for our effort to obtain this grant.

EVERYTHING ELSE:

Press Issues/Releases:

← Scott

Combined Sewer Overflows (CSO's) impact on water quality: Lake Champlain International sent a broadcast e-mail to its membership last week regarding twelve Combined Sewer Overflow events that occurred in the previous 20 days, which was picked up by several news outlets.

FWD Press Releases Include: Vermont's Summer Free Fishing Day is Saturday, June 13 and will be highlighted by a free Family Fishing Festival in Grand Isle; Vermont Wildlife Course for Educators takes place July 12-17 and; Conservation Officials Plant Over 2K Trees to Improve Habitat, Water Quality.

Vermont Days, June 13 - 14: Vermont Days is coming up this weekend. Admission to state parks day areas is free for the weekend as is admission to state historic sites. On Saturday, people can fish anywhere without a license. For more information: vermontdays.com, vtstateparks.com

State Parks and ECHO: Director Craig Whipple appeared on the morning news program at Fox44/ABC22 this week to promote the new partnership between state parks and ECHO. The relationship includes a fundraising effort by Vermont Parks Forever to enhance park interpretive centers at 14 locations. This summer, state park employees and campers receive a discounted admission to the ECHO/USFS travelling exhibit and ECHO staff; volunteers and members receive day passes into state parks.

Significant Events/Meetings:

Vermont League of Cities and Towns Water Quality Advisory Committee: Commissioner Mears and his clean water team met with this group for the first time since the Clean Water Bill (H.35) passed to discuss the implications of this new law for state waters and for communities. We received compliments for reflecting many of the committee's recommendations in the bill. They have a high level of concern about the challenge of finding sufficient funds to pay for the costs of implementing the portions of the bill applicable to communities. We agreed to work together to develop a strategy and recommendations for this over the next several years. VLCT will be participating in the study of a future source of revenue to replace the property transfer tax.

Vermont Association of Planning and Development Agencies: Commissioner Mears and his clean water team also met with VAPDA to kick off a series of discussions we will be having in the coming weeks about our working relationship and coordination in the implementation of the Clean Water Bill (H.35). We solicited input from VAPDA's leadership about ways that we and

they could invest in increasing Regional Planning Commission capacity to help communities implement stormwater practices in developed areas and town highways.

Annual Commissioner Visits: Continuing the series of yearly gatherings with staff in each district/regional office, Commissioner Snyder and the FPR Management Team will spend the day with FPR Rutland staff this Wednesday. Site visits are planned to view projects at Coolidge State Forest and Bomoseen State Park.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs (OPLA)

GMP – GrowSolar 5MW Solar Project, Richmond: OPLA staff conducted a site visit on June 9 to a proposed 5MW solar facility just off the Exit 11 exchange in Richmond. The parcel is owned by Green Mountain Power Company, and GrowSolar is working to develop a project that will feed power into GMP’s portfolio. The site is a heavily impacted area that has been a storage area, staging area and potential borrow area for past highway construction, and it is generally void of important natural resources, away from neighbors and immediately adjacent to an existing GMP substation. It was noted, however, during the visit that a small class II wetland may exist within a wooded patch near the center of the proposed project area. A state wetlands ecologist also participated in the site visit and requested that GrowSolar ask their consultant perform an assessment of the functions of the wetland.

OPLA/NRB Coordination: Representatives from OPLA and the Natural Resources Board met Thursday, June 11, for the first of what are anticipated to be monthly meetings intended to improve communication between the two organizations and to be used as working sessions to move through a list of procedural changes and efficiencies intended to improve NRB/OPLA engagement in the Act 250 process. The first meeting was productive and we look forward to an ongoing, constructive relationship.

Source Protection Area Standard Conditions for Sec. 248/Act 250: OPLA met with DEC’s Drinking and Ground Water Protection Program on Thursday, June 11 regarding the need for a standardized approach to protect drinking water source protection areas (SPAs) through strategic review during the Section 248 and Act 250 process. Increasingly, OPLA is reviewing solar projects proposed near or within SPAs, and we have addressed impacts to SPAs on a case by case basis. The outcome of the meeting will be a strategic approach to protecting these critical resources, as well as a suite of standardized conditions that OPLA can recommend in cases where SPAs are at issue, reducing the need for direct program input is necessary, expediting review and creating a more predictable playing field for developers and landowners.

New Applications: OPLA began review of 6 new Act 250 applications and 2 new Section 248 petitions on behalf of the Agency of Natural Resources this week.

Environmental Conservation (DEC)

Ozone Transport Commission (OTC) Meeting: Air Quality & Climate Division Director Heidi Hales attended the 2016 Annual OTC Meeting in Princeton, NJ last week. Highlights included a presentation on the Health Science of Ozone by Dr. Robert Laumbach from Rutgers Medical School, discussing the health impacts that occur even at levels well below the current ground-level ozone standard of 75 parts per billion. There was also an opportunity for a States-only private discussion with Janet McCabe, EPA Assistant Administrator for Air and Radiation, on EPA's plans (and OTC state needs) for reducing interstate ozone transport from within and upwind of the OTR region.

Public Outreach on Naturally-Occurring Contaminants: We are developing fact sheets on naturally-occurring contaminants to distribute to Transient Non-Community water systems also known as TNCs (such as motels & restaurants). At this time, the sheets will explain the health risks of manganese, uranium and arsenic and offer suggestions for addressing these risks.

Town of Hinesburg Water System Update: The Town of Hinesburg Department of Public Water Works continues to encourage their drinking water system users to conserve water as demand, at times, remains greater than the supply capabilities of the on-line wells. The Town reports that a suspected water line leak coupled with increased springtime water use has overtaxed the water supply and is placing a great deal of stress on the wells and pumps serving the Public drinking water system. Plans are currently being devised to supplement the water demand needs of the community as necessary from two recently permitted supply wells that have been developed to serve the community.

VPIRG Meeting re. Mercury Thermostats: Solid Waste program (SWP) staff that manage the Mercury Program met with a representative from VPIRG, Mercury Policy Project (Vermont), and the Natural Resources Defense Council (Washington DC) on May 20 to discuss the current thermostat recycling product stewardship program managed by the Thermostat Recycling Corporation (TRC). Recent studies from other states indicate higher than expected numbers of thermostats still not being recycled compared to the capture rate so we need to evaluate rates in Vermont. Vermont's mercury legislation requires the Agency determine the number of thermostats available for capture and provides a manufacturer goal for achieving a certain recycling rate

VTrans Stormwater Management Audit by EPA: Continuing the theme of great inter-agency coordination on clean water work, DEC staff assisted VTrans with a 2- day audit by EPA of their Municipal Separate Storm Sewer System (MS4) program. The audit consisted of program review and facility inspection. EPA indicated that they were favorably (and appropriately) impressed with VTrans' program.

Fish & Wildlife (FWD)

Vermont Gas: A Conservation Easement on the VGS parcel in Colchester was executed June 4. Staff met with the Town of Colchester that week, and they supported the easement, the Governor signed the approval memo June 4 in the afternoon and the Phase I was submitted to ANR as well. The Phase I found 2 “Recognized Environmental Conditions” and recommended a limited Phase II to address those conditions; specifically the wetland violation and several areas where there are car batteries and small petroleum containers discarded on the property. Staff filed comments in response to a PSB order requesting comments on the wetland fill on the parcel in Colchester. Essentially, staff stated that an investigation is ongoing, there is no indication that VGS played any role in filling the wetland, and the agency is still assessing the impacts of the incident on the mitigation parcel. Staff will be working on coordinating the Phase II and other clean up on the property with VGS’s attorney.

FWD Board Rules Update: The Deer Management rule and the Department Shooting Ranges rules are scheduled for review by LCAR on June 11. Although staff expect that LCAR will approve these rules, there is the possibility of some pushback. The deer rules were filed along with 100s of comments, some in opposition the portions of the rule, particularly the deer urine ban (passed to prevent chronic wasting disease). In addition, the shooting rules have gotten some attention because of Hammonds Cove.

Search and Rescue: Strong showing in Stowe after a young boy walked away from his family’s camp. Happy ending the next morning after several wardens and many agencies spent the night searching for him.

Greatest Conservation Need Species: Staff spent the majority of the week sampling ponds in Sudbury and Benson for five Species of Greatest Conservation Need: redbfin pickerel, brassy minnow, bridle shiner, blackchin shiner and blacknose shiner. Huff Pond in Sudbury was sampled via electrofishing, minnow traps, and fyke nets, and Sunrise Lake in Benson was sampled via electrofishing. Seine nets will also be deployed in these ponds. The goal for this year is to fine tune sampling methodology to assure capture methods are effective in detecting these species. To date, electrofishing appears to be the most effective.

Fishing with Spear-guns: Staff continued to gather information regarding a recent proposal to the F&W board to legalize the use of spear-guns whenever the use of a bow and arrow with a line attached is legal and to expand the current list of “cull” species legal to harvest.

Staffing continuity after RIF: Following the RIF announcement last week on June 3, fish culture staff have been working on outlining effective transitional plans to maintain continuity of operations at the Salisbury Fish Culture Station with the departure of supervisor Tom Dumont. Staff along with the fisheries division director will be meeting with Salisbury staff on June 11 to discuss transitional planning and operations at the Salisbury Fish Culture Station.

Forests, Parks and Recreation (FPR)

✓ Sarah

Human Rights Commission Complaint: A complaint was filed by a former seasonal Parks employee with the Human Rights Commission alleging discrimination based on sexual orientation against ANR and FPR. The Attorney General's Office is handling the complaint for the State. An investigation has been initiated by DHR and the AG's office.

Wind Blown Energy LLC v. Green Mountain Power Corp., Moose Mountain Forestry, LLC and ANR: The Stipulation of Settlement and Dismissal of ANR is being finalized for filing on June 12, 2015. The stipulated agreement would result in dismissal of ANR from the litigation while protecting ANR's interests in the subject property which is a small portion of 3 mitigation easements conveyed to ANR to compensate for impacts from the KCW Project.

Quechee State Park - USACE Lease: FPR staff will be meeting with US Army Corps of Engineers staff on June 19 to discuss provisions to be included in a new lease for the Quechee property, which includes Quechee State Park. Issues include responsibility for the Quechee Gorge visitor center, obligation for maintenance and repair of Dewey Mills Pond and dam, and recreation trails and associated bridges.

Groton Forest – Forest Legacy Project: We received word last week from the U.S. Forest Service that Vermont will receive an additional \$655,000 in FY' 15 Forest Legacy funding for the Groton Forest Forest Legacy project. This brings the FFY' 15 Forest Legacy grant for this project up to \$880,000. An additional \$3.5 million in Forest Legacy funding for this project was previously approved for FFY' 14. This brings the total amount of federal funding awarded to the Groton Forest Forest Legacy project up to \$4.38 million.

Telecommunication Licenses: All parties (DII, FPR, DPS and VTel) have now signed a new license agreement for VTel's broadband communication project at Killington Peak.

State Park Visitor Numbers: Due to marginal weather conditions, park visitation is off to a slow start to the season. After two weeks being 10% ahead, attendance is now 3% behind last year.

Fishing Program: The Reel Fun fishing promotional campaign was kicked off this week. The cooperative effort with the Department of Fish and Wildlife provides fishing equipment for loan at ten state parks along with flyers showing the fish species available and tips for catching them.

Lake Willoughby Grant: A grant application is being prepared this week for submission to the Northern Border Regional Commission for funding development at the south end of Lake Willoughby and for other trail head parking improvements elsewhere in the Willoughby State Forest. The forest receives significant use which is only expected to increase with completion of the private tourism and recreation-oriented development currently underway in the area.

Potential Recreation Sites: Recreation Coordinator Jessica Savage will be touring the Passumpsic River hydroelectric sites this week with other ANR staff to review recreational opportunities related to the Federal Energy Regulatory Commission relicensing procedure.

Hunger Mountain Trail Parking Expansion: The Waterbury access for the Mt. Hunger/White Rocks trail has had a very small parking area. Cars frequently lined both sides of the Loomis Hill/Sweet Farm Road on nice days, making passage for emergency vehicles a concern. Barre Foresters Brad Greenough, Dave Wilcox, Jordan Weaknecht and Diana Frederick began clearing trees to enlarge that parking area this week.

State Lands Management: Springfield staff (Foresters Tim Morton, Rick White and Aaron Hurst) completed two access road construction projects at Knapp Brook WMA and Roaring Brook WMA. Both will enhance management and public access. Pre-construction meetings were held on the Okemo Mountain Road and Coolidge State Forest for critical culvert replacements being funded with capital funds.

Natural Resources Board (NRB)

Rules: At its regular monthly meeting the NRB decided to withdraw a number of its proposed rules related to Act 250 jurisdiction based primarily on comments from staff. The changes were intended to clarify jurisdictional rules and address trends in Environmental Court case law. However, staff pointed out the rules could lead to unintended consequences and more legal challenges. The NRB also agreed to rescind a proposed definition in the rules that addresses one of the requirements in Act 250 criterion 9L, which addresses strip development. The NRB is working with ACCD and ANR on revising it the NRB's 9L Procedure and creating 9L guidance, as required in S.138 of 2015. The NRB decided it would be prudent to address all issued related to implementing criterion 9L through the procedure and guidance rather than rule. The NRB is under a legislative mandate to amend its rule relating to Act 250 Master Plans. The NRB is working through comments on the Master Plan rule, and will continue discussion on this rule at its July meeting.

Act 250 Energy Criterion: The NRB adopted an interim procedure to help applicants comply with the energy criterion of Act 250. The PSD is working on, and is close to, adopting a stretch code. However, until the stretch code is adopted, it is not clear what applicants must do to meet the requirement that best available technology be used to address energy efficiency and that the applicant present evidence on the impact of the project on greenhouse gas emissions. The procedure should add clarity to the process until the stretch code is in place.

Wildlife Habitat: The NRB is working with ANR in the PSB Section 248 process to address the impacts of a proposed solar project on wildlife habitat that is protected under an existing Act 250 permit. The site is an operating gravel pit. The Act 250 permit requires that the pit be reclaimed and wildlife habitat restored when operations terminate. There has been litigation in Environmental Court over the last several years that both ANR and the NRB participated in, over re-developing the site and impacts on wildlife habitat. The Court sided with the ANR and NRB in these cases.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: June 12, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

TDI: I met with Don Jessum yesterday to review a draft Stipulation and they are considering. In addition to the numbers previously reported, we proposed specific fiber access points and conditions that they seemed ok with in general, and which will ultimately be in an AoT settlement document, rather than ours. ANR continues to work with TDI on their issues, expected to be more detailed but not new items, and as part of the proposal we gave TDI, they will indemnify Vermont from any costs of the project should it proceed regionally under order 1000 or should we need to offer to contribute regionally to make the project happen. To retain our maximum negotiating position on this, we are assessing the feasibility of VELCO having the indemnification agreement with TDI rather than us. Also, talked with Sarah and Tax today about giving guidance to towns that in-lake work is not taxable, and expect that guidance to be available for internal review within the next two weeks. I expect TDI to be getting back to us early next week with a formal reaction to our proposed settlement terms. Finally, CLF and TDI will be announcing their settlement agreement on Monday – a good start, but not anywhere near the agreed-upon financial

Justin

terms we've reached with TDI.

VY: I'm continuing to work on a proposed counter-counter proposal based on our meeting with you the end of last month. I expect to have a draft to everyone internally (Sarah L, AGO, ANR, Tax and DOH) by Monday. We have a Friday deadline to respond to Entergy.

VTA/Connectivity Transition: We are winding down the VTA and expect to be fully operational by the last week of June in advance of the July 1st handover date. To be successful, we will need approval to fill the last two exempt positions approved in the legislation, as I am transitioning one of my staff into one of these positions, and need to bring one VTA employee over to fill the other. The third position authorized was approved a couple of months ago and is being filled by one of our existing employees. I will be sending an e-mail to Justin and Michael asking them to act positively on this request this afternoon.

Vermont Clean Energy Jobs Report: We are wrapping up the second annual report on clean energy jobs sector. The report shows continued growth – up 9.6% this past year, equating to 16,231 jobs in the sector, compared to 15,286 in 2013. This equates to about 4.8% of Vermont's workforce. We will work with your office on a press announcement when the report is finalized.

Scott

Meetings this Week:

Jun 8-10 – Chris at NECPUC symposium in Rhode Island

Jun 11 – H.40 bill signing in Montpelier; Chris TDI meeting with Necrason and Jessome

Meetings next Week:

Jun 15 – Meeting with Hugo Liepmann re new broadband census block in Randolph

Jun 16 – Meeting with Dori Wolf, Brightfields, GMP and ANR re Elizabeth Mine Solar project

Jun 17 – VCRD Board Retreat in St. Johnsbury

Media:

Everything Else:

PERD

2015 Comprehensive Energy Plan

- Using content from the final 2011 CEP, staff have restructured to match the proposed 2015 CEP outline, and have begun adding and updating content.
- Began working on the Health section with DOH; outreach to GHG staff at DEC

- Staff met with ACCD, ANR, and VTrans to plan the approach for the Transportation chapter
- Public engagement planning:
 - Between 27 and 38 people have RSVPed for each of the four half-day stakeholder workshops scheduled of June 24 and 30
 - Work continues on developing agendas for these meetings
 - Evening public meetings are scheduled for:
 - Billings Farm in Woodstock 7/9
 - Middlebury Town Hall Theater 7/16
 - Manchester Library 7/20
 - BFA in St. Albans 7/23
- Staff expects soon to receive final scopes and budgets from VECAN (~\$14.5k) and RAP (~\$20k) for their two sole-source contracts to assist with the project

Residential and Commercial Building Energy Standards (RBES & CBES)

- Code Update:
 - Copies of CBES codebook and RBES handbook now available upon request.
 - Awaiting permission from DOE for PNNL to provide a quote for costs to provide a version of REScheck for the stretch code.
 - Awaiting permission from DOE for PNNL to provide a quote to incorporate the Vermont RBES certificate into the “report” generated by REScheck.

Public Service Board Dockets

- *Docket 7988 – Community Energy Efficiency and Development Fund*
 - The Department met with GMP, EnSave and Native Energy to discuss the Department’s evaluation and verification of the Ozone Laundry and Manure Separator projects, including review and verification of electric savings and NSB claims.
- EEU 2015-02:
 - Staff worked with the DPS Finance and Economics Division to draft an interim method for calculating the natural gas EEC. The method is based off the Board Rule that the DPS uses to calculate the electric EEC.
- 8486:
 - Staff reviewed VEIC’s June 3 filing in this proceeding which included 11 PDF documents and met internally to prep for comments due June 10. A threshold question still remains if the Board has authority to encumber future EEC collections by collateralizing the EEC for the RUS EECLP. In addition, if interest is VEIC’s request for the Board to approve a change Attachment A of its Order of Appointment to now include “financing for renewables”. If approved by the Board, this change could allow VEIC to provide financing for renewable energy generation projects generally, outside of the RUS program.
- 8544:

- VEIC Overall Performance Assessment – Staff continued strategic planning for the development of Direct Testimony due on June 26, 2015.

Thermal Energy Finance Pilot (Heat Saver Loan)

- Met with staff from Dept. of Health and the State Weatherization Program to discuss using the Heat Saver Loan for vermiculite/asbestos remediation or removal (VARR) from residential properties whose weatherization activities are paused due to the presence of this hazardous material. OEO and DOH have worked together on a protocol to address VARR thus allowing weatherization activities to proceed. Staff are working to develop the necessary action steps that would allow the credit unions to accept this extra feature to be included in their loan processes. If successful, the Department may be able to extend this new service to non-weatherization program homeowners who also encounter need for VARR prior to upgrading their thermal energy systems.
- After receiving critical input from VSECU on the proposed marketing activities, staff have decided not to move forward with the marketing as originally proposed by OCU (with the Heat Saver characters). Instead, we have asked that OCU and VSECU work with EFG to develop a new set of simple and inexpensive marketing tools to which they both agree.

Clean Energy Development Fund

- Approved an invoice for SSREIP incentive payments for 10 PV systems (93.9 kW) for \$33,098 and one wood pellet heating system for \$2,500.
- Approved a larger than normal invoice for SSREIP incentive payments as companies are nearing their 6 month deadline on the many PV incentive reservations made in December of '14. The invoice was for 30 PV systems (178 kW) for \$52,855 of incentives, including two low-income housing installations (one on a Vermod net zero modular home and one for the Lamoille Housing Partnership – see photo below), and one solar hot water system installed on low-income housing by the Windham-Windsor Housing Trust with a \$4,726 incentive.



- Met with the executive team of the Windham Wood Heat project and, separately, with the full project team regarding the project, its goals and accomplishments 3 months into the 2 year program.
- Windham Solar Finance Program

- Walked through the final preparatory steps with VSECU in advance of opening the program next Monday. The following link shows the public website for the program:
<https://www.vsecu.com/energy-savings/loans/specialized-loans/windham-county-solar-loan-program>
- Community Solar Finance Program
 - Submitted draft grant agreement to VSECU for review. After the Windham Solar Finance Program is up and running, CEDF will work with the grantee to fine tune the community solar design drawing from recent experiences.

Renewable Energy Items

- Responded to inquiry from Sen. Sanders's office on installed solar capacity in VT.
- Responded to Rep. Clarkson request for review of letter to solar developer in Woodstock following her meeting with neighbors.
- Spoke with DOE Sunshot staff about VT's community solar initiatives ahead of a planned mid-June set of White House announcements around expanding access to solar.
- Provided EAN with information on VT's 25 x 25 initiative as they seek to update their list of existing VT renewable energy statutes, progress, and (in particular) baselines.

Net Metering

- Drafted Act 99 general process and rate structure comments and sent to internal team for review prior to meeting to discuss and refine. Revising based on meeting discussions.
- Participated in internal meeting to discuss nexus of net metering and PURPA rate designs.
- PSD is honing in on a proposal for NM compensation. Currently The rate would include:
 - Compensation for avoided energy, capacity, RNS and losses
 - Compensation for environmental attributes for customers that relinquish their RECS
 - An adder for preferable siting on roofs, parking lots, brownfields, gravel pits, and landfills
 - Compensation for avoided T&D and ancillary services to be determined by the DUs or set at a default rate given by PSD
- Briefly discussed possible rate structures and approach with VEC; our approach seemed to be within the range they are considering as reasonable
 - Upcoming meeting 6/10: GMP and REV re: rate structure
- Compensation for QFs would use the same avoided cost values but would be levelized over 20 years and offered as fixed contracts.

Net Metering Activity 5/30/15 - 6/5/15

	Registrations	Applications	45 Day Notice	CPGs Granted
Count	25	2	0	25
kWAC	138	644	0	126
Ave Size kW	5.5194	322	0	5.0496
Cumulative Capacity of ALL Formal Notices Submitted**				
Year Total to Date		Total Since 1999		
2014 kW	2015 kW	1999 – 2015 kW	% of 15% NM Cap	
12,623.68	17,123.01	94,272.83	~ 62.8%	

****NOTE:** This table includes all systems over 150 kW that go through the full 248 process. It also includes systems for which 45 day notices have been filed, in addition to those for which formal 248 applications have been filed.

Docket 8400 Clean Power Link

- Completed testimony that evaluates petitioner's claims that 1) CPL is consistent with the State electric plan, 2) CPL provides a net economic benefit to the State. Neither of these claims are refuted by PSD but testimony points out where petitioner mis-interprets CEP and over-states the likely ratepayer savings by as much as 25%.

Distribution Planning

- Met with representative of firm called Integral Analytics, which specializes in quantifying marginal transmission and distribution costs and estimating avoided T&D costs (from DG, EE). IA sells an analytics platform and has worked with electric utilities in NY and CA.

Other items

- Reviewed PSB Standard Offer program order not allowing the Brattleboro food waste project to qualify for a standard offer contract and met with PSD legal staff regarding this issue and possible PSD comments.
- Met with VEC power supply planner to discuss their upcoming IRP, which will focus on planning for the DG and energy transformation tiers of H.40.
- Attended the VAPDA meeting, at which Adam Lougee of Addison RPC was appointed their member of the solar siting task force. Answered a few other questions about the CEP and H.40.
- Participated in a call between northeast region state energy offices and the DOE Quadrennial Energy Review team. DOE's analysis is national in focus (breaking the nation down only into 11 regions) and not specific enough about regional issues to be particularly insightful regarding regional infrastructure needs. DOE appreciates that distribution-level demand and infrastructure interplay is not an area of strength for current analytical tools.

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool integrity continued during the reporting period. Most notably, VY staff successfully completed trouble-shooting and cleaning of the “A” Standby Fuel Pool Cooling (SFPC) heat exchanger to assure that a minimum 20 psi pressure differential required by operating procedures between the fuel pool and service water sides of the heat exchanger was maintained while the A train SFPC heat exchanger and pump were operating. At no point during the reporting period did this or any other identified issues adversely impact Spent Fuel Pool integrity.

Fairewinds Presentation of “Nuclear Decommissioning: Mission Impossible” Documentary

At the request of the PSD Commissioner, on June 3, the State Nuclear Engineer attended a Fairewinds Energy Education presentation in Montpelier of a 2012 French television documentary entitled “Nuclear Decommissioning: Mission Impossible?”. The documentary focused on technical problems, higher than expected costs and excessive worker contaminations that have occurred at the Asse, Germany high-level radioactive waste disposal site and nine decommissioning reactor sites managed by the French rad-waste management authority, ANDRA. The film also discussed concerns raised during Maine Yankee’s decommissioning and VY’s efforts (at the time) to secure an operating license extension. During a subsequent oral presentation, Fairewinds reiterated its concerns and recommendations on decommissioning that it previously made in its April 2015 report and hearing before the VT Senate Committee on Natural Resources and Energy. WCAX’s 11 PM news report on the meeting included comments made by the State Nuclear Engineer (in response to questions) regarding recent building tear downs at the VY site and Decommissioning Trust Fund disbursements.

Docket 8300 Site Visit and Public Hearing

On June 4, the Public Service Board conducted a site visit and public hearing for VY’s proposed second Independent Spent Fuel Storage Installation (ISFSI) pad at the VY site. The site visit consisted of a “walk-around” within the VY Protected Area, but did not include going inside the Reactor Building. The tour attendees were shown the current ISFSI, the North Warehouse (the proposed site of the second ISFSI), the Connecticut River water level, the travel path of dry casks from the Containment Access Building to either ISFSI, and equipment used to move the dry casks. Questions from PSB members focused on the underground utilities that will need to be relocated prior to constructing the new ISFSI.

The public hearing was brief (approximately 30 minutes) with no more than 25 people in attendance, of whom roughly 6 people provided oral comments. Virtually all of the comments made restated concerns raised by members of the public at recent Nuclear Decommissioning Citizen Advisory Panel meetings. However, one commenter stated that VY had shipped building rubble from a recent tear down to Tennessee only to have it returned to the VY site because it was deemed “too radioactive.” In subsequent conversation with this commenter, the State Nuclear Engineer emphasized that at no point was the rubble ever shipped offsite and that the

dose rates measured prior to demolition were minimal (in units of microcuries).

Follow-Up to State-NRC Teleconference Re: Several Proposed VY Decommissioning Trust Fund Uses

The State Nuclear Engineer has had several phone calls with the NRC's Region 1 Office following-up on the May 29 teleconference discussed in last week's report. While the NRC had initially indicated that its final response to PSD/AGO's questions would be issued no later than June 8, as of 5:30 PM on June 9, no response has been received. The NRC Region 1 Office has indicated that it will provide advanced notice (expected to be at least 4 hours) to the State Nuclear Engineer whenever the response is finally issued by NRC Headquarters. On June 5, PSD and AGO formally issued a letter to the NRC requesting that representatives from the Vermont Yankee Nuclear Power Corporation and its current owner Green Mountain Power be included in future discussions regarding uses of the DTF. The letter also requests a follow-up teleconference be held between VYNPC / Green Mountain Power and all Agencies attending the May 29 teleconference. On June 9, the NRC Region 1 Office confirmed with the State Nuclear Engineer that the June 5 letter comprised all of the State's arguments for including VYNPC / Green Mountain Power in DTF-related discussions.

State Nuclear Engineer Notified of Trespassing Incident on VY Site

On Thursday, June 4, a vehicle was observed driving into the north end of the VY site and then exited through the VY Main Gate. It subsequently returned onto site and drove around the cooling towers (at the south end of the site). The vehicle was under camera surveillance the whole time it was on-site. On-site Security provided a vehicle description and license plate to the Windham County Sheriff's Department, who issued a "Be On the Lookout" (BOLO) notice on the vehicle. At no point did the vehicle challenge the security measures in place for VY's Protected Area.

Vermont Gas Systems ANGP project

Contractors are continuing to prepare to install a 12" diameter pipeline segment under Route 2A in Essex, near the north terminus of Route 289 by Horizontal Directional Drill (HDD). Installation is expected to occur next week. The contractor and VGS are developing a specific execution plan for the operation, including written installation and inspection procedures. These procedures are expected to specify a test pipe segment installation (pull-through) for inspection prior to the final installation. A pipe segment of a larger diameter (larger than 12") is also expected to lead the pipe during final installation (the pipe will be pulled into and through a 24" hole bored by HDD).

VGS informed the Department Gas Engineer it expects to announce the selection of a company to install the remaining segments of the ANGP project, by conventional open-trench methods between Colchester and Williston, later this week. VGS representatives also stated that the company will provide the Department a revised Welding program and Quality Management program for construction of the project, later this week.

Operator Qualification requirements for propane pipeline technicians

The Gas Engineer continued to assess Operator Qualification programs implemented by several

propane companies which operate pipeline systems subject to PSB Rules and federal gas pipeline safety regulations. Program plans and records maintained by Irving Energy and Osterman Propane were reviewed with representatives of the companies during this report period. No immediate safety concerns were observed.

Act 99 Generation Interconnection Working Group

Engineering and Planning have been meeting to work on revising the rules for generation interconnection as required by Act 99. The group is focusing on combining all rules regarding the technical aspects of the interconnection process which involves three different PSB Rules – 4.100, 5.100, and 5.500. This project is attempting to create a single set of rules that can be applied to all electric generation. Part of the process is reviewing national model rules as well as the FERC rules as adopted by ISO-NE. Engineering is drafting a “straw proposal” for review by others by the end of this week.

Regional Policy

Finance and Economics

Electric

GMP: Tariff 8566--2016 Base Rate Filing: GMP submitted its initial FY 2016 Base Rate filing and corresponding spreadsheets as scheduled on June 1, 2015. The filing is proposing a 1.26% or \$7 million rate increase. Staff and our consultant are reviewing the filing. GMP has provided a summary of key items driving the rate increase that include:

- Growth in rate base resulting in a 1.1% rate increase.
- Higher non-base O&M costs resulting in a .6% increase.
- \$12.5 million in operational merger savings representing a .7% rate decrease.
- Lower residential sales due to net metering and increased use of LED light bulbs representing a .7% rate increase.
- Lower energy prices and higher REC sales resulting in a 1.0% rate decrease.
- Amortization of deferred blending of 2014 and 2015 transmission expense was completed resulting in a .7% rate decrease.
- A potential reduction in the ROE from 9.6% to 9.36% (tentative-final rates are yet available).
- Downward adjustment in base O&M costs of about \$400k or .4% reflecting the NE-CPI index cap.
- \$8.7 million in capital spending for innovative products and services with \$872K of associated revenue (the sufficiency of the revenues to cover expenses has not been determined).

GMP: PSB Tariff Filing: #8567- GMP has filed for approval of tariffs offering (1) a generator lease program and (2) a generator transfer switch equipment lease program. The filing also requests the cancellation of two GMP experimental residential service rates-one for Critical Peak Pricing and one for Peak Time Rebates. Staff completed a recommendation to support the

cancellation of the experimental tariffs and is recommending the lease programs not be approved or be suspended and an investigation opened to facilitate more public input and discussion.

PSB Board Rule 4.100-PURPA Avoided Cost Rates: Following the workshop, staff has begun to draft a revised Rule and also prepare a bullet list of provisions that would be desirable to see in the Rule. Drafts of a new Proposed Rule are due by June 26. An internal meeting was held to consider combining two Rule changes that are closely related---the net metering-Rule 5.100 and the PURPA-Rule 4.100. The Department has requested these two rules be considered together and to extend the due date for providing drafts to June 26. All parties have agreed to the request.

PSB Board Rule 5.100-Net Metering: Internal meetings have been held to discuss the compatibility of the Net Metering Rule with the PURPA Avoided Cost Rates Rule. The issue being should fixed rates or some form of fixed rates be established for net metering and or should the net metering rates be the same or different than the PURPA Avoided Cost Rates. Finance and Econ has suggested wholesale market rates be adopted for PURPA while net metering rates (500 kW and lower) would be at retail adjusted with incentives/adders as needed to achieve targets. Drafts are due to the Board on June 26.

Stowe Electric Department (SED): Tariff 8553-Rate Design- Stowe filed for approval of its updated/new rate designs using usage information from its smart meters. The rate design includes new optional Time of Use and Critical Peak Pricing rates. The Department filed a recommendation to open an investigation and the PSB held a public hearing on May 12, 2015 which was sparsely attended. The Department prepared and forwarded an initial round of discovery on June 3, 2015. Parties are scheduled to file a stipulation or a litigation schedule no later than July 1, 2015.

WEC-Tariff 8573 was filed for a new Whole House Surge Protector service offering. Staff is reviewing the filing and will prepare a recommendation that is due to PA on June 22 and to the PSB by June 29.

Natural Gas

VGS – Docket 8471 Petition for a one year renewal if it's Successor Alternative Regulation Plan. A prehearing conference was held on May 5, 2015, where the Board provided VGS and the Department questions about the renewal. A Department response to PSB questions was completed covering cost recovery for certain capital investments, accounting for DSM, and tariff revisions for TransCanada pipeline tolls among others. Next steps are unknown at this point pending Board action on the petition.

VGS - Docket 8472 Petition for §248 approval to construct (Phase VII Looping) and install approximately 3.0 miles of 16" transmission line extending through Georgia, Vermont at a cost of \$10.8 million that will address expected customer growth through 2019. Phase VII is a continuation of the expansion plans that began in 1995 to increase capacity and improve

reliability. The Department forwarded discovery questions on June 2, 2015 concerning customer forecasts, demand growth and the role of DSM in deferring the project. The Department is scheduled to file a PFD on July 10, 2015.

VGS – Tariff 8572-Quarterly purchased gas rate adjustment: the Company filed its quarterly tariffs reflecting an overall firm rate decrease of .26 percent. The rate decrease is attributed to a .57 percent decline in the wholesale cost of gas. The updated tariffs are effective with bills rendered on and after August 5, 2015. The filing is under review and a Department recommendation is due July 20, 2015.

EEU

VEIC Docket 8486-petition for approval of collateral and security arrangements for RUS loans. Staff has been working with VEIC to understand the filing and what the financial implications and costs may be and how such costs will be funded. The Board has held a workshop and has requested additional information and comments from VEIC and PSD that are due on June 15.

Public Advocacy

VY – No Docket – The Department and AGO sent a joint letter to NRC Staff raising concerns over the Staff's conclusion (in two April evaluations in support of Entergy's request to cancel two VY lines of credit and a parental guarantee totaling \$110 million) that the VY nuclear decommissioning trust fund was adequate to cover all remaining decommissioning costs. The State highlighted its consistent and continuing objections to Entergy's assumptions contained in its VY decommissioning cost estimate. The State requested that the Staff withdraw its conclusions regarding the adequacy of the trust until a more comprehensive cost analysis is conducted.

The Department also filed a joint letter with AGO, GMP, and Vermont Yankee Nuclear Power Corporation to the NRC formally requesting an opportunity for public participation with regard to Entergy's January request for exemption from NRC regulations to allow for the use of NDT funds on spent fuel management costs, and elimination of the 30-day notice requirement for NDT withdrawals. The letter highlighted VYNPC/GMP's interest in excess funds from the NDT and FERC's authority in managing the NDT. NRC Staff has indicated that the NRC would rule on the exemption request as early as this week. The State has not received an order from the NRC on the exemption request as of yet.

VY EPZ LAR – NRC 50-271-LA-2 – The Department continues to draft an appeal of the ASLB's denial of the State's contentions and request for hearing to the NRC. The appeal is due to the NRC on June 12.

VY 30-Day Notice LAR – NRC 50-271-LA-3 – The ASLB has scheduled oral argument on admissibility of the State's contentions for July 7. Kyle Landis-Marinello of the AGO has filed a notice of appearance in the proceeding and will likely handle the oral argument.

Entergy Second ISFSI – Docket 8300 – The Board held a public hearing in Vernon on June 4, which was relatively short and lightly attended. Entergy responses to first round discovery requests are due on June 17.

FairPoint Service Quality Investigation – Docket 8390 – FairPoint has started to deliver the remaining discovery responses ordered by the Board, and all outstanding responses are due to the Department on June 10. The Department’s rebuttal testimony is due on June 30.

VEIC Use of Energy Efficiency Funds as collateral for RUS Loan Program – Docket 8486- The Department received a voluminous filing from VEIC and has spent the week reviewing that information and discussing the legal, financial and practical issues pertaining to this proposal. We have asked for a 3 day extension on the comment deadline until June 15th, which VEIC, the only other party in the proceeding has not opposed. PSD is very concerned about the absence of detailed, verifiable information on what RUS is specifically requiring in the way of collateral. We also continue to wrestle with whether this proceeding should be brought pursuant to 30 VSA § 108, and with the ultimate legal question of whether the Board has the authority to encumber future EEC revenues, particularly those beyond the existing three year performance period, for which budgets have been established by Board order.

VGS Addison Expansion—Docket 7970—Preparation continues for the remand hearings to be held on June 22-23. VGS has circulated a matrix to organize witness availability and cross examination time estimates to all the parties. The Board requested this in a memo it issued on June 5 regarding logistics for the hearing.

On May 7, VGS filed a letter with the Board advising that it had discovered an agent of the Gauthiers filling in wetlands on the Gauthier property in Colchester that VGS has purchased from them. This parcel fulfills one of the conditions in the ANR/VGS MOU in this matter. In response to a request from the Board for comments, ANR advised that it was investigating the matter and the Department advised that it would be deferring to the subject matter expertise of ANR. VGS is now ready to perform a HDD on this property. Several modifications were made to the site plans of this parcel and, in April, VGS requested a non-substantial change ruling (on this parcel as well as four others). This week, VGS renewed its request for this ruling so that construction can proceed.

Addison Expansion/Phase II—Docket 8180—On June 5, the Board dismissed this docket without prejudice, as requested by VGS on February 10. The Department supported this request, with the condition that VGS submit a full, detailed accounting of all costs and liabilities incurred on account of Phase II. The Board denied the various requests for additional discovery, sanctions, costs and attorneys’ fees, with the condition that, in the event VGS resubmits Phase II for 248 review, those parties may renew their requests for costs and attorneys’ fees. The Board did condition the dismissal on VGS submitting the accounting requested by the Department.

VGS Looping Phase VII-Docket 8472- When the site visit and public hearing were rescheduled, the Board pushed out the deadline to intervene, which is now set for June 22; the site visit and public hearing are on June 18. Responses to our discovery requests are due June 12.

Lincoln Renewable Gas-no docket—ANR met with the developer on June 9 to discuss responses to the Board’s questions; a similar meeting had taken place with the Department on May 28. The Board granted the parties’ request for an extension and those responses are now due June 15. The Department and ANR are working together on a coordinated response. On June 1, Lincoln submitted a more detailed map and on June 15, it will submit supplemental VGS testimony to address any impacts under the §248 criteria with respect to the distribution line which will connect the proposed facility with the gas island.

Stowe Electric Business Process Review – Docket 8074 – SED forwarded a draft of its Second Quarter Business Process Review Implementation Update. A few additional deliverables will be forwarded next week. The Department is reviewing the draft with an eye on supporting the filing due to the Board by June 30.

Woodstock Aqueduct Company – Docket 8462 – The Company and the PSD have agreed that the PSD will recommend approval of the 20.249% rate increase and the rule changes as proposed. The Company has agreed to an additional PSD recommended rule change that clarifies when a disconnection fee can be charged. Additionally, the Company has committed to making a filing by July 1, 2016 that transitions the expense of meter ownership and maintenance from customers to the Company. The PSD will make this recommendation to the PSB by the June 17 deadline.

NGRID Transmission Line Construction/Removal Waterford and Barnet – Docket 8444 – The PSD entered into an MOU with the petitioner resolving all issues. In negotiations with the Company, ANR raised a condition meant to protect birds from hitting the transmission lines that cross the river. The Company was upset about the proposed condition and the PSD’s aesthetic expert was concerned. The issue seems to have been resolved with the use of a less intrusive, but equally effective, solution. The PSB has scheduled the technical hearing for June 18.

Mountain Water Company – No Docket – The PSD has emailed additional tariff changes to the Company and is hopeful that the Company will agree to these changes in the near future so this issue can be resolved.

Farm at South Village Investigation – Docket 8406 – The Board’s investigation concerns the Farm at South Village’s failure to implement aesthetic screening at its solar facility. The Farm at South Village responded to the PSD’s discovery requests on June 4; some of the responses were not satisfactory and the PSD intends to follow up with a request for further information. The Farm at South Village indicated in its discovery response that it would not unilaterally implement the proposed planting plan as per its notification to the Board of May 22, 2015; the PSD raised concerns that such unilateral action is premature because the adequacy of the proposed planting plan is still in dispute and is the subject of the Board’s investigation. The PSD has contacted all parties to encourage the parties to meet and negotiate a stipulated agreement with respect to a new planting plan and planting schedule.

Lajeunesse Interiors, Inc. Investigation RE compliance with CPG – Docket 8446 – The PSD filed comments with the Board on June 5 recommending that the stipulation filed jointly by Lajeunesse, Catamount, and the Korshaks be entered into the record without further hearing; and recommending that the Board levy a penalty against Lajeunesse pursuant to 30 V.S.A. § 30. Specifically, the PSD recommended a penalty in the range of \$500 and \$1,500, reflecting the value range the Board has typically imposed as a deterrent measure in cases of a similar magnitude. In this case, the PSD considered it necessary to recommend a penalty to encourage future CPG applicants to carefully select and supervise their agent installers/developers to ensure that the Board and interested parties are provided with accurate information about proposed projects. In light of the quantum of the penalty recommended by the PSD, Lajeunesse waived its right to a hearing with respect to the Board’s consideration of penalties.

2.2 MW Next Generation Solar Farm LLC in New Haven (Standard Offer) – Docket 8523 – The PSD received a petition for a 2.2 MW solar facility on May 26, 2015. The Petition was dated May 8. The Town of New Haven filed a Motion to Intervene on May 20. Petitioner responded to New Haven’s Motion to Intervene on June 2; Petitioner does not object to New Haven’s permissive intervention on orderly development and aesthetics grounds, but opposes intervention on all other grounds. The PSD will consult with Petitioner’s counsel on a draft schedule. A prehearing will likely be scheduled for the end of June.

Pittsford GLC Solar LLC Motion for Non-Substantial Change or CPG Amendment – NMP-4299 – On May 26, 2015 Pittsford GLC Solar filed with the Board a request for a Non-Substantial Change Determination or a CPG Amendment. In its original petition for a CPG, Pittsford represented that the project would be constructed in a manner that avoided certain archeologically sensitive areas. However, Pittsford has since determined that the project will not be economically viable if it is built to avoid the archeologically sensitive areas and the project has been redesigned to include ballasted racking over the archeologically sensitive area. The Division of Historic Preservation has determined that redesign will not have an undue adverse impact on the archeologically sensitive areas provided certain conditions are complied with. The Board requested comments from the PSD, due by June 12.

VEC/NextEra Energy Seabrook PPA – Docket No. 8522 – A prehearing has been scheduled for June 26 at 9:30 AM.

GMP Alternative Regulation – No Docket – On June 1, GMP filed its 2016 base rates filing, which reflects a change in the base rates, exogenous (storm) charge, and power adjustor. All in, the filing asks for a roughly 2 percent rate increase. The Department served its first round of informal discovery on June 8 and is in the process of identifying issues. The Department is also putting together recommendations for power cost accounting.

GMP eGenerator Lease Program – Tariff No. 8567 – The Department will file a recommendation on June 11 that recommends the Board open an investigation into GMP’s proposal to enter the generator leasing and GenerLink (a meter collar that allows for quick portable generator

connection to the home) business. The program appears to lose money in the first few years before ramping up. But more importantly, it is unclear what benefit will come from GMP's entrance into this commercial space.

SPEED Wheeling Charges – Docket No. 8492 – The Board initiated an investigation into the methodology used to allocate wheeling charges to SPEED facilities. This investigation comes on the heels of a long-simmering dispute between VEPPI and VEC related to the manner in which VEC levies wheeling charges on SPEED facilities located in its service territory. The Board's investigation will address this issue, as well as forward looking issues involving dispute resolution and a possible revised wheeling methodology. A prehearing was held on June 3. The utilities report making good progress on a settlement. Most parties agreed on a schedule that puts the proceeding on a non-contested path, with an MOU for early August. VEPPI intends to file a list of additional wheeling-related issues to deal with in the context of this docket and has provided an advance copy to the Department for review.

New England Power d/b/a National Grid Harriman Switchyard Section 248 Petition – Docket 8493 – NEP filed a consensus schedule with the Board on June 5, following resolution of timing concerns raised by ANR. The schedule anticipates that informal discovery will begin immediately, and the Department has begun preparing questions. A public hearing and site visit are scheduled for June 24.

VEC Petition for Declaratory Ruling – no assigned docket – Vermont Electric Cooperative has filed a petition requesting a declaratory ruling that a member-proposed bylaw amendment precluding individuals who hold public elective office to occupy a seat on the VEC Board of Directors is inconsistent with Chapter 81 of Title 30 and is vague, arbitrary, unreasonable and oppressive. The Department is reviewing VEC's claims based on previous precedent, but is inclined to support the company's position. The Board has not yet acted on this petition.

Ludlow Electric Light Department §248(j) to Replace Voltage Regulators at Smithville Substation – no docket – The Department received this petition on May 8, but the Board has not set a deadline for comments.

TDI New England Clean Power Link Project – Docket 8400 – In discussions regarding fiber in the inter-agency ROW MOU, the PSD and AOT made progress regarding maintenance, ownership and dispute resolution. Progress is stalled on the process and pricing terms required once the PSD sub-leases the fiber. The PSD's 30 V.S.A § 218c(7) obligations were completed this week with the final select board meeting in Castleton. It was a well-attended meeting complete with one of the select board members "woo hooing" when TDI's representative shared the tax money the town would receive. The PSD is actively working on testimony, which is due on June 12th. Additionally, the PSD continues to work towards identifying issues that require further negotiations with TDI and editing TDI's stipulation language to facilitate the negotiations.

Investigation into the current requirements in Energy Efficiency Utility Orders of Appointment regarding transfer of funds among eligible non-resource acquisition categories - EEU 2015-01-

The Board held a prehearing conference and established a schedule for this proceeding to determine whether changes should be made to the established process for designating and transferring monies earmarked for non-resource acquisition activities that are included as part of the annual and three year EEU budgets. This proceeding concerns a specific and not particularly contentious issue and will likely be resolved consensually by all parties: the three EEUs (VEIC, BED and VGS) and the Department.

Telecommunications

broadbandvt.org – This website was funded by the now-expired NTIA funded broadband mapping grant, and will be disabled on June 30, 2015. The website had an interactive map that showed Vermont broadband availability information. The site was altered in May to direct viewers to the National Broadband Map instead of using the internal site map, since this data was out of date. The site also has broadband and wireless availability information maps and statistics from 2009 through 2014. PSD staff is migrating pertinent information from the site to the PSD website. The website has a notice that it will be disabled as of June 30, 2015. The URL is registered through September 15, 2015, and users will be redirected to the PSD website until the registration expires.

telecomvt.org – The website of the Vermont Telecommunications Authority will continue to be operational until at least December 31, 2015. The site was contracted to be hosted by the VTA through June 30, 2015. PSD staff requested that the hosting company continue hosting through the end of 2015 and invoice the PSD \$50/month for this service. PSD staff was provided administrative access to the website to make changes if they are necessary.

Connectivity Initiative Contested Locations – FairPoint submitted a letter contesting as already served 52 of the 105 locations that ECFiber has proposed to serve through the Connectivity Initiative. FairPoint asserts that it already has 4/1 Mbps service at these locations. FairPoint contested only the ECFiber locations (not Comcast) and gave no data on how it concluded that each location had 4/1 service already. There are two possible ways the Department can handle FairPoint's contest: (1) ignore it or (2) request data from FairPoint on how it determined that it serves these locations. If FairPoint is able to respond to the Department's request with useful data, the Department should request more detailed statewide data, including for the areas it has bid on. The Department should seriously consider FairPoint's contest letter before moving ahead with the agreements.

Solix Contract – Staff completed the draft of the Solix Contract. Solix will likely be the new Fiscal Agent for the Vermont Universal Service Fund.

VTA Grants Transition – Staff have notified all required federal agencies on the transition of the VTA to DPS. Staff submitted required paperwork to the EDA to transfer the resiliency project to DPS. Staff still needs to submit a commitment letter for the local match. Staff have corresponded with the NBRC and NTIA about transitioning the remaining grants, but so far have no clear pathway to follow.

Pear Agreement – The VTA and Pear executed an agreement allowing Pear to use soon-to-be constructed middle mile fiber. Pear agrees that if it purchases strands, it will make a capital contribution. However, its contribution can be reduced through investment in last mile facilities and service to the home. Pear is planning a fiber to the home project in Craftsbury and Canaan.

Northern Enterprises – Staff notified Northern Enterprises that it needs to pay its taxes. Staff recommends the VTA/DPS end its management contract with Northern Enterprises.

CoverageCo – CoverageCo should have but so far hasn't issued a full Notice to Proceed to its subcontractor to complete the Resiliency Project. Tom Lyons of CoverageCo informed staff that he had concerns about whether all of the site will have DSL service and electricity. He was also concerned about the costs of those services. Staff informed CoverageCo that these issues should have been addressed months ago. Staff also informed CoverageCo that the VTA will not pay the \$300,000 worth of invoices it owes to CoverageCo until it issues a notice to proceed. On June 10, CoverageCo issued the following to its construction contractor: "Please proceed on all EDA site installations where we know there is Internet backhaul available." CoverageCo does not know how many sites have Internet backhaul available.

VTA Transition – Staff should begin transferring the CPGs and assets to the Department next week. Staff should also begin informing vendors, contractors, and other interested parties about the transition.

Comcast CPG Renewal – Division staff have been in discussions with Comcast's attorneys to begin preparing a proposed docket schedule.

Duncan Cable CPG Renewal – Division staff prepared and served discovery requests on Duncan Cable. Per the current docket schedule, Duncan is required to file responses by June 26.

GMP/VTel Plan to Install Telecommunications Equipment in Brandon – Representatives from GMP and VTel have been in discussions with DPS about plans to construct a utility pole adjacent to GMP's substation in Brandon and install telecommunications equipment on the pole. GMP has filed comments with the Board stating that no permits are necessary for the facility so long as the telecommunications equipment is only used by GMP for intra-utility purposes. DPS intends to file comments with the Board by the end of this week.

Wireless Telecommunications Facilities (248a) Petitions — Division staff filed recommendation letters with the Board for the following projects:

- AT&T application to construct a 140 foot tower in Fairfax;
- AT&T application for *de minimis* modifications to equipment installed on a grain elevator in St. Albans;
- Verizon application for *de minimis* modifications to a 300 foot tower in Bristol, a 120 foot tower in Lyndon; a 125 foot tower in North Hero; a 101.5 foot tower in Thetford; and an 85 foot tower in Stowe.

VTel Calais Projects — DPS filed preliminary comments and pre-filed testimony in response to VTel's proposed Calais tower. DPS's aesthetic witness found that the proposed tower will have an adverse aesthetic impact, but that the impact will not be unduly adverse under the *Quechee* analysis. DPS's radiofrequency expert found that VTel did not submit sufficient information in its application for an expert witness to complete an independent review of the project. Accordingly, the Department has requested that VTel provide additional information on the project.

The Town of Calais Selectboard filed a motion to intervene and prefiled testimony from aesthetic and RF experts. The Calais Selectboard strongly opposes the project. Motions to intervene were also filed by approximately 20 neighbors and Calais residents in opposition to the project.

VTel Cabot Project — DPS received supplemental application materials for VTel's Cabot application on Wednesday, June 3. Division staff have requested that VTel provide additional information regarding RF propagation for this site so that DPS's RF expert will be able to provide a full analysis of the project. DPS's aesthetics expert has found that the project will create an undue adverse impact without additional mitigation measures. DPS comments on the site must be filed by June 24, 2015. The Town of Cabot has filed a motion to intervene and intends to file testimony from aesthetic and RF experts.

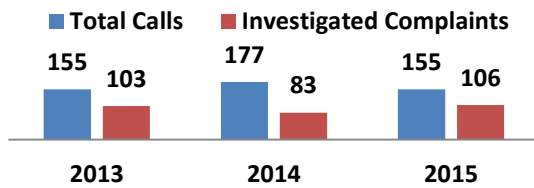
DPS received the following new 248a petitions and notices:

- Green Mountain Clean Energy 45 day notice for conversion of a MET tower to a telecommunications facility;
- Verizon limited size and scope application to install telecommunications equipment on the rooftop of a building located on Lake Street in Burlington;
- T-Mobile application for *de minimis* modifications to a 130 foot tower in Irasburg;
- VELCO application for *de minimis* modifications to ten different sites located in Cambridge, Canaan, Fairlee, Hardwick, Manchester, Mount Holly, Randolph, Richford, Townshend, Wells, Ferdinand, and Woodstock;
- U.S. Cellular application for *de minimis* modification to a 134 foot tower in Dover.

CAPI

Calls to CAPI

Same 7 days each year



COMCAST QUALITY OF SERVICE NOTICE COMPLAINTS

- Price is too high (21)
- Internet reliability (8)
- Customer service (8)
- Not listed in telephone directory (1)

OTHER DIVISION ACTIVITY

Telephone Relay Service: Staff attended the annual conference held by Sprint. The conference offered an overview of the change in the TRS industry over the past year. Session topics included:

1. *Carrier of Choice-* Sprint noted that it may petition the FCC to assist in getting carriers to participate as the choice carrier for consumers.
2. *FCC presentation-* The group spoke to two representative from the FCC on the following topics: Transition from regular TTY to IP relay; decreased use of long distance services on a national level; the “end of life” TTY technology and Wireline Competition Bureau’s pilot program for its successors; net neutrality; Lifeline as it may be able to be applied to broadband services and IP relay; hybrid CAPTEL; and Communication Facilitator programs.

Comcast CPG renewal, docket 8301: CAPI and Telecom division staff met with Comcast and members of the Vermont Access Network as the two parties discussed potential areas of agreement and conflict in CPG conditions. There was heavy attention on high definition channel availability. In addition, staff responded to bidder questions from the RFP issued the previous week seeking a vendor for a statistically valid survey of people in the Comcast service area.



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

To: The Honorable Peter Shumlin
From: Keith Flynn, Commissioner of Public Safety
Date: June 12, 2015
Subject: Weekly Report

Fire Safety Division

- The Division received \$16.5 Million in new plan review construction valuation collecting \$90,000.00 in permit fee revenue.
- The Director appeared in small claims court on Tuesday June 9th as a defendant. This case was a \$1500.00 claim that we required floor sink drains for a specific job at a dentist office which sustained major damage from Tropical Storm Irene. A decision by the hearing officer will be rendered in 2-3 weeks. Pretty confident we will prevail on this.

Division of Emergency Management and Homeland Security

- Localized flooding occurred this week in Jericho, Richmond, and Bolton areas. RPCs provided damage reports and DEMHS provided assistance where necessary. As of this report only the Town of Richmond has requested assistance for dump trucks. DEMHS has coordinated that request with State Support Function 1 (AOT).
- FEMA also completed a separate Audit/Monitoring visit of EMPG funds.
- Hazard Mitigation submitted two HMGP applications to FEMA for DR4178; one for upsizing a culvert in Jamaica and one for an emergency generator in Ripton.
- For DR4207, 55 of a projected 62 project worksheets have now been written, of which 41 have been obligated, for total federal share of \$3.1 million (up from \$1.2 million since last week!). Obligations since last report have included: Vermont Electric Coop for \$1.8 million (which cleared the Congressional queue, prompting a press release from the congressional delegation including a quote from the Governor); Wallingford \$5K; Hardwick Electric \$14K; Tunbridge \$65K; Poultney \$28K; Rochester \$50K; and Plymouth \$18K.
- FEMA Region 1 Hazard Mitigation approved a buy-out in Windsor for \$108K federal share which had been one of our highest priority requests.
- HS Acting Section Chief participated in a conference call with Kimball and the DHS Office of Emergency Communications regarding the VCALL10 Licenses initiative. Industry Canada has again denied VT's request (the FCC has approved it) for the VCALL 10 frequency. VT has a window to appeal to Industry Canada and will do so. Should this appeal not be successful we will contact our Federal Delegation for any assistance with the Canadians they might provide. However, we are not at that point yet.
- 76% of the 2015 Local Emergency Operations Plans (LEOP's) have been submitted, the deadline was May 1, 2015. Eligibility by towns for federal monies (across the spectrum of funding streams), in part, requires they have a current LEOP on file with DEMHS. We continue to work with and offer support to those towns who have not yet filed their LEOP's.

Vermont State Police

A Troop

- Troopers had a busy week with several mental health / suicidal cases to investigate. Each case culminated in the location of the subject and use of proper mental health services to assist subjects.
- Received a call from the Swanton Public Works Dept, advising that several of their workers observed a male retrieve three guns from along a tree line and then carry those guns into his residence. Search warrant applied for.

BCI

-
- Untimely Huntington, 81 year old male found deceased in bed, history of heart disease, natural.
- L&L case at CCCC, inmate vs. inmate, investigation completed and sent to SA for review.
- Assist to Williston Uniform on missing person case (28 year old male), located by family member camping out in Lamoille County, okay.
- A Sergeant taught two days of Drug Impairment Training for Professionals at Lyndon State College.
- Assist to Williston Uniform on suicidal subject in Eden, resolved.
- WCSIU, 15 year old female disclosed to school nurse that she is having sexual relations with a 22 year old male, interview scheduled for this week.
- Untimely in Orange, 57 year old male found deceased in his camper, history of heart disease, natural.
- NUSI, allegation of sex assault between two adults M/F after a night of drinking.
- NUSI, sex assault case involving 11 year old female and 16 year old male.
- Assist to Shelburne PD on death investigation of 93 year old dementia patient at a nursing home. Initial investigation reveals subject may have been dropped by staff and that contributed to her death.
- Untimely death in Montgomery, 18 year old who was found unresponsive and transported to the hospital in St. Albans, death appears to be an overdose case, investigation continues.

B Troop

FF

- Arrest made for Attempting to Elude, DUI & DLS.
- Troops continue to be more visible at the schools and will work this coming week with seat belt checks.

BCI

- Follow up with the Death Investigation of female found deceased in Albany (All evidence points to suicide by OD)
- Arrest for Assault. (Person is related to female found deceased in Albany...unrelated incident)
- Agg. Assault in Newport Correctional Facility (inmate vs inmate) Follow up.
- Assist to Berwick, ME Police Dept (Fraud case with IP address traced back to Derby, VT)
- Follow up with L&L case in Lyndonville
- New Sex assault case involving male touching two under age females 3 yrs ago in Brownington, VT
- Arrest (Citation) for Agg. Sex Assault
- Follow up on Background Investigation on VSP applicant
- Follow up on Missing Person possible sighting in North Carolina –was not him.
- Two New cases in Caledonia from DCF regarding two juveniles engaging in Inappropriate sexual activity
- Arrest (citation) for cruelty to children

C Troop

FF

- Tpr. and K9 Buck with a demo at Proctor Elementary School.
- Active Shooter Tabletop Exercise at Rutland Regional Medical Center.
- Responded to a reported fatal collision on US Rt. 7, turned out to be an untimely, subject had heart attack and drove off the road.
- K-9 demo at a local elementary school.
- Troopers will conduct a School Outreach Presentation at the Woodford Elementary this week.
- A Community Advisory Board Meeting was held at the Shaftsbury Barracks

BCI

- Continued investigation of untimely death of a 43 year old male found dead in a vehicle. Victim found to have had fatal cardiac medical issues. Follow up with phone and family.
- Meeting with Killington Resort staff in Killington regarding documents/photos for ski death. Items obtained.
- Begin review of Windsor OIS for upcoming grand jury.
- Continued follow-up on missing person. Subpoenas, phone calls, affidavits, meetings.
- 6y/o disclosing inappropriate touching by father. Interview with parents scheduled for Monday, children have safety plan in place per DCF for weekend.

- 28 y/o male suicide by .243. DCF contacted due to conditions of home and child's ability to access heroin.
- Accidental Shooting – Searsburg. 27 year old male shot himself in the leg.
- Arrest for assault at the correctional center.
- Contacted by State's Attorney Office to issue new citation to inmate.
- Attended monthly Child Advocacy Center Board meeting.
- Sex Offender Registry.
- Assist to DCF regarding risk of harm investigation.
- Completed and submitted paperwork for subpoena for phone and inmate records at correctional center.
- Forensic Interview Training at Trial- Jay Peak x2
- Sex Offense. Town of Danby. It was reported an 8 year old boy was sexually abused by his 14 years old cousin when he was 4 years of age. Victim interviewed.
- Sex Offense. City of Rutland. It was reported a 7 year old boy was sexually abused by a 24 year old male subject. Victim interviewed.
- Sex Offense. City of Rutland. It was reported a 15 year old girl was receiving naked pictures from a 20 something year old male subject via snap chat. Victim interviewed.
- Sex Offense. Town of Clarendon. It was reported a 17 year old boy was sexually abused by a 15 year old student while riding on the school bus.
- Completed 903s and filed
- Sex offender photo cases
- Child abuse investigation on 2 year old boy. Daycare reported bruising to child, possible abuse. Interviews and investigation conducted. No abuse suspected. Case referred to DCF for follow-up with family.
- Child abuse report on 5 year old student. Severe bruising to buttocks found by school staff. Interviews conducted abuse confirmed. Stepmother confessed to abusing child arrest made.
- Report of possible sexual abuse against 16 year old female MAUHS student. Interview conducted and no abuse reported. Case closed.
- Assist to C3 uniform for Burglary. Interviews to be conducted next week on possible suspect(s) or POI's.
- Conducted follow-up on recent Winhall Arson investigation
- Researched vehicle fire duration with National Fire Academy[Maryland] staff

D Troop FF

- VSP Rockingham has had 12 burglaries (mostly businesses) in Londonderry; Troopers continue to follow up on leads and have identified a couple suspects.
- Assisted VSP-Shaftsbury with a subject who accidentally shot himself in the leg with a handgun.

BCI

- Burglary Meeting (Londonderry) with Uniformed Troops in Rockingham
- Death Investigation in Westminster
- Case Write-Up for Two Arrests
- Sex Assault Investigation/Interview at CAC in Norwich
- Follow Up Interview for Sex Assault
- Assist with untimely death investigation in Randolph, 55 year old male with presumed heart problems
- child pornography case follow-up
- Assist to uniform with rash of burglaries in Londonderry. Suspect located, confession obtained and subject cited for one of the burglaries Forensic Interview at Trial training at Jay Peak
- follow up investigation and interviews on sexual assault
- Assisted investigating Londonderry burglaries and locating suspects
- Assisted with Londonderry arson investigation, went door to door in the neighborhood attempting to obtain information
- Death Investigation in Westminster
- DCF intake
- wrote up arrest warrant after attempts to locate violation of conditions offender were unsuccessful
- follow up investigation from robbery

- Active shooter training for capital police
- Sniper training
- Intake of alleged child abuse in Randolph
- Completion of write up and submittal for approval of Brattleboro PD special
- Evidence
- Cruiser maintenance
- TSU call out for escapees from New York
- US Marshals assist for failure to register case completion
- Death Investigation case completion
- Civilian Background case completion for Forensic Lab position
- Suspicious Behavior case completion
- Assisted with witness and suspect interview
- Thursday and Friday – SIU Team training at Jay Peak
- Assigned DCF Intake – late report by 12 year old female accusing 45 year old male (who is currently incarcerated) of digital penetration and L&L. Victim interview completed & Follow-up scheduled for 6/8/15.
- Follow up on Londonderry fires
- New Incendiary fires in Brattleboro/6 fires at one scene

TOPS

- Assist to DEA/VDTF w/subject coming from FL to VT-Isle LaMotte-w/several thousand oxys-subject stopped on VT 7 NB Charlotte-consent search conducted and approx. 150 unlawful tablets of Oxy and morphine recovered along w/small quantity of MJ.
- Assist to NIU at Bus station-Montpelier/Burlington- stop in Montpelier after hand to hand observed- Operator DLS. Thought to have swallowed a crack rock but would not admit. Crack pipe and Brillo found.
- Vehicle stop, three subjects and the vehicle seized for warrants. While in custody suspect tried to remove drugs and tried to discard in cell. Cocaine located on cell floor and subject searched incident to arrest-found to have 100 grams of cocaine in his possession.

COMPUTER CRIMES

- Continued forensic examinations on several state and federal child exploitation cases.
- Did a presentation on digital forensics at the SA Training conference.
- Completed week 1 of a 2 week mobile device forensics course in AL.
- Current Cases: 6
- Pending Cases: 7
- New Cases This Week: 0

OCME/CSST/EPU

- Completed paperwork for Brownington Homicide
- Sat in for Hiring panel interviews
- Evidence committee meeting
- Meeting with Shelburne PD regarding untimely and suspicious death of elderly female
- Meetings with IT regarding evidence software integration
- Meeting with Essex PD regarding possible homicide search
- 10 autopsies
- 1 Inspection
- Completed sex assault investigation / false report
- IA Interviews as VTA rep



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

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

Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: June 12, 2015
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Special Interest to 5th Floor from BGS Directors:

Public Records Request: Documents pertaining to Exit 4 Agreement requested by Sandy Levine of CLF and Steve Whitaker have been forwarded to Jeff Lively

Caledonia Courthouse Building Stabilization: Eight (8) graves have been identified and excavation continues. Staff has moved into the addition. New entry will be operational next week.

Woodside:

- Residents continue to cause random acts of damage throughout the facility such as removing screws from fixtures and doors.
- Champlain Water District is planning on shutting water off to the facility for 8 to 12 hrs in the fall to make repairs to their system.

Randolph AG/LAB: Met with the Town Manager, VTrans, VTC, Gifford, and the Regional Planning Commission (TRORC) representatives to discuss Randolph Center and the issues raised at various public hearings on siting for the Lab. The Town Manager will organize a public meeting to inform the residents of planning tools and assistance available with the TRORC and VTrans. Additionally, VTrans and TRORC have offered assistance and guidance with studying the traffic/intersection of concern at the entrance to VTC. VTC will continue with their public information session scheduled for June 16th to let residents know what is happening with the college.

Colchester New Health Lab: Additional work is nearing completion with only final painting to complete. Systems have been checked for operation and failure scenarios have been run through

preliminarily. The Commissioning Agent is back on site this week to complete their work and issue their report by June 19th to keep on schedule.

Barre City Place:

- roof leaks this week – landlord notified and working resolution
- Depot square project – parking concerns addressed and we need to finalize with tenants.
- Additional AOE staff being accommodated again, not sure how big this problem is but we are working on options to accommodate this group.
- Diane will be attending the AOE labor mgmt. meeting and continue to establish herself between the tenants and landlord. This meeting is in addition to the tenant meeting that covers the whole building. Her role is clear and understood.

DEW White River:

- Occupancy of the first 80 last weekend. Balance moving this weekend.
 - Window leaks yesterday
 - Issues with : internal signage, rest rooms, smoking signs, keys, pedestrian access, pavement marking
 - Opening ceremony scheduling being worked
 - Bus drop and bus schedule issues, still open

RMMTC:

- Good first meeting with Finance Commissioner in Rutland. Follow up tomorrow. Pre-paid parking and O&M will be worked.
- Additionally scheduled time to work on the amendment to clear up the confusion and ambiguity in the lease with City - we have drafted putting the complete O&M with the city and leaving Major Maintenance with State. Also placed some language to “hire” the state to do work in the garage.

Significant Meetings/Events:

Extended Cabinet: Governor announces not seeking re-election. Other items on the agenda.

Legislative Contacts: Met with Representative Stevens to discuss the world and Waterbury.

100 Main Street/Newport: Met with Mark Needleman, Jeff Lively and Wanda Minoli for the start of the effort to clean up and reorganize the condo association.

Montpelier Heat Plant: Met with Julie O’Tool Gutsell, Wanda Minoli, Joe Aja, and Jeff Lively to formulate answers to BGS letter asking that the City make the State whole.

Ice Rink Meeting: Met with Michael Clasen, Justin Johnson, Jeff lively, and Bill Duchac in anticipation of meeting with proponents of ice rink on the State House front lawn during the winter months.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

Robin Lunge is on vacation June 11-July 3.

Issue Updates:

All Payer Model: Work continues apace for the all payer model project. AOA staff, GMCB staff, and vendors continue to work to provide and analyze the data that will enable the project. We expect to be able to provide a more substantial update next week after our negotiating call with our federal partners on Tuesday.

SIM/VHCIP: We continue conversations with CMMI regarding approval of our Year Two pending contracts. CMMI has continually indicated these will all be approved, but they need to see some different information to process that approval, despite having received numerous submissions of information. The SIM/APM team is working with CMMI to identify exactly what additional documents are needed and in what format so that we can conclude this process. There are some complicating factors, including the fact that AHS has not drawn down any federal funds in several months- we will have AHS-CO explain the State's draw down process to CMMI to avoid this confusion in the future. SIM leadership, along with Commissioner Reardon, have stopped work on certain year two contracts and is assessing the financial risk on a weekly basis.

SIM is convening the larger group of project leadership (including key stakeholders and co-chairs) to discuss the revised project milestones on 6/17 so that we can focus all efforts to achieving the project's goals. The hope is to re-focus all project participants towards these goals and be more responsive to the federal requirements.

Cadillac Tax/Large Group Market Study: Michael Costa, along with staff from the state treasurer's office and Department of financial regulation, conducted interviews to select a vendor to provide actuarial services for the Cadillac Tax study. The consensus choice of the bid review team is Wakely Consulting, which has worked extensively with the State through DVHA, SIM, and GMC related projects. Contract negotiations will commence next week. We expect to come to terms quickly given the value of the contract, less than \$100,000.

Universal Primary Care Study: Robin, Michael, and Marisa met with JFO, GMCB, and Craig Jones to get organized around the universal primary care study. A simplified bid statement of work will be sent to potential bidders Friday, with the goal of getting the contractor on board in the first two weeks of July. The report is due to JFO October 15. Key issues include settling on a framework for what primary care includes, analysis of the direct primary care model and incorporating cost-sharing into a capitated payment structure, and analysis of legal issues with the ACA. Richard Slusky and Craig Jones joined the conversation to coordinate this study with Blueprint and GMCB projects looking at payment methodologies for primary care. Blueprint is analyzing claims data for what is actually being paid for primary care services.

Employer Survey: Michael Costa received the final and complete version of the employer health care benefits survey performed by the University of Massachusetts as part of the Green Mountain Care project. The study will be posted on the Vermont Labor Market Information website, which is the Department of Labor's online data repository, prior to the end of June.

HUMAN RESOURCES

Significant Events/Meetings:

- Reporting team alerted Steve Wisloski (Treasurer's Office) of the need for Retirement to plan work on ACA reporting. Steve will get back to us after conferring internally, and with some other sources.
- Worked with AG leadership over the past week on a scenario involving an employee who appears to be the victim of domestic violence. We're providing ongoing guidance on the appropriate actions. The assigned HR Manager has taken point on multi-agency and resource communications. The newly launched supervisory training (Level I) provides information relative to how to address domestic violence situations that transfer into the workplace.
- RIF rights begin tomorrow for the 14 RIFs and the Recruitment Supervisor will review open positions for all that have set parameters (we have yet to hear from five).
- The ESI account representative believes she has found the \$394,000 due the State per the auditor's office and will have information to us ASAP.
- DoH requested a meeting with BCBS to discuss potential analytic information they could have regarding State employees; the DHR Benefits Manager will attend to mediate.
- Met with Remedy about their response to our first contract draft and they seemed amenable to revisions.
- Flu shot vendor that administered the shots last year and with whom we are contracted this year just informed us they are going out of business. The Wellness Manager is working on an accelerated bid process to find a replacement vendor.
- The most recent wellness incentive payments were \$80,000 +/-, bringing the YTD payout close to \$200,000. That leaves approximately \$50,000 for the remainder of year. The Wellness team is brainstorming with BCBS about how to handle incentives once the funding is depleted.

INFORMATION AND INNOVATION

Significant Events/Meetings:

The State Chief Technology Officer who works for DII has resigned. Mike Morey has served the state in this position for about nine years. Mike has accepted a job at National Life and will be leaving us on June 26th.

Our new Chief Information Security Office was scheduled to start on June 15th. He notified us last week of a family situation that precludes him from moving to Vermont. Our search for a new CISO continues.

Evolving Issues:

Web Updates:

- The Department of Public Safety's new Website for the Public Safety Broadband Commission is now live at psbc.vermont.gov.
- The Vermont Commission on Native American Affairs new Website is now live at vcnaa.vermont.gov.
- Training for the new Safe Streets Website will be held 6/10. This is a site to replace the pages at www.localmotion.org/education/safestreets.

LIBRARIES

No report.

TAXES

Legislative Update:

Submerged Power Lines: This week PVR issued a memorandum to the 14 towns along the land route as to valuation methods. In the meantime, PVR also has received several inquiries about taxation of the submerged portions. The Commissioner is coordinating responses with Commissioner Recchia and Sarah London.

Sales Tax on Soft Drinks: The Department held a webinar for grocers to explain the Streamlined definition of soda and possible workarounds for the SNAP issue – the latter being of more concern. On the definition, we are following as close as possible decisions already made by Minnesota with respect to particular products.

Operations:

Presentation Season: We met with our Advisory Board yesterday. General sentiment was resigned to income tax changes (non-profit obviously happy out of the cap, and concern for more increases next year) and underwhelmed by the Ed Bill. We discussed Tax Haven legislation, which most considered feeding anti-business perception. The Board was generally pleased with our IT, website and appeal procedures initiatives, although concerned over the possible impact of the retirement incentive. Over the summer we will be looking to increase the membership from 10 to about 20, with the help of a membership subcommittee.

FTA Conference: Next week, the Commissioner and Policy Director will be attending the Federation of Tax Commissioner's annual conference (the Commissioner is being elected to the Board). Refund fraud and the recent IRS portal breach are hot topics. A Politico article this week suggested that states are vulnerable to the same breach as plagued the IRS, however our vendor assures us that is not the case in VT. In the meantime, the IRS also announced this week a new collaboration between it, the states and software vendor to combat fraud, including more real time analysis of efiled returns and sharing of data – the Department is reviewing an MOU to cement VT's participation. The Policy Director will be following the Plain Language track at the conference – very relevant as we overhaul our letters and website.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: June 12, 2015
RE: Boards and Commissions Update

Justice of the Peace, Barre City:

APPOINTED: Hollie Friot.

Justice of the Peace, Town of Swanton:

APPOINTED: Marianne Marshall

New England Board of Higher Education:

APPOINTED: Joe Bertelino, Lyndonville

Transportation Board:

APPOINTED: Lawrence Bruce, St. Albans

Human Services Grant Advisory Committee:

REAPPOINTED: MaryEllen Mendl, Colchester (United Way)

Travel Information Council:

REAPPOINTED: John LaBarge, So. Hero (AOT)

Hearing Panels for Professional Public Educators:

REAPPOINTED: Verna Borden, Pittsfield (Teacher)

Standards Board for Professional Educators:

APPOINTED: Stephen Owens, Calais (Teacher)

APPOINTED: Jennifer Fribush, Springfield (Teacher)

REAPPOINTED: Helen Lanthier, St. Albans (Teacher)

Emergency Preparedness Advisory Council:

REAPPOINTED: Michael Burke, Bristol (Vt. Utility Industry)

REAPPOINTED: Joseph Szarejko, Wilmington (Municipal Police)

Emergency Response Commission:

REAPPOINTED: Kim Lapierre (Transportation Rep.)

Board of Allied Mental Health:

APPOINTED: Jaime Blouin, Barre (LCMHC)

Clinical Utilization Review Board:

APPOINTED: Nels Kloster, MD, Marlboro

State Infrastructure Bank Board:

APPOINTED: Robert Bishop, St. Johnsbury (Public Member)

APPOINTED: Jessie Baker, Montpelier (Regional Development)

Commission on Women:

REAPPOINTED: Ruth Finn, Barre

Commission on Native American Affairs:

APPOINTED: Cheryl O'Neil, Essex Junction

APPOINTED: Carol Irons, Albany

Governor's Council on Physical Fitness and Sports:

APPOINTED: Elisabeth Fontaine, MD, Swanton

REAPPOINTED: Jason Cariveau, Moretown

REAPPOINTED: Shevonne Travers, Grand Isle

Governor's Commission on Successful Aging:

REAPPOINTED: Toby Young, Putney (CHAIR)

REAPPOINTED: Frederick Satink, East Montpelier

Vermont Liquor Control System Modernization Study Committee:

*(1) two current members of the House of Representatives, who shall be appointed by the Speaker of the House; **NOT APPOINTED YET***

*(2) two current members of the Senate, who shall be appointed by the Committee on Committees; **NOT APPOINTED YET***

(3) the Chair of the Liquor Control Board or designee;

(4) one member appointed by the Governor; and

(5) the Commissioner of Taxes or designee.

I spoke to Maxine Grad and let her know that you wanted to appoint a business person that had no dog in the fight. SHE WAS NOT HAPPY but by the end of the conversation I think she understood.

Commission on Women:

We need someone that is NOT a Democrat.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: James Giffin, Interim Commissioner
Date: June 12, 2015
Re: Weekly Report

Vermont Department of Liquor Control

was
a good
article

Legislative Issues/Contacts/Updates:

I have reached out to legislative staff for information pertaining to the summer study on S.138 and awaiting response.

Press Issues/Releases/Contacts: The June 10, 2015 Seven Days article entitled "Vermont Mulls Pros and Cons of Privatizing Liquor Sales" appears to be a balanced assessment of available options.

Significant Events/Meetings: Next Board Meeting 06/17/2015 - Enforcement Hearings/Business:

Pownal Agency: The Agency has failed to transfer funds to the State covering the sale of product per the terms of the contract. They missed 10 times in 2013, 9 times in 2014 and this year, to date, they have missed 13 times, including this week, to cover sale of product. The Department will recommend that the Board notify them in writing that we will terminate the contract with the sixty-day cancelation clause, if they miss another payment. If during this period they miss another transfer the Board will approve immediate termination and the Department would do an emergency shut down immediately. The cancelation of an Agent's contract has not occurred in possibly over 20 years. Staff here cannot recall an occurrence of this happening.

Norwich Agency: The Norwich Agency has not had a surety bond or letter of credit since 2010. A bond or letter of credit is required in the agency contract. In 2010 the Board granted agent Peter Rutledge a waiver for the bond requirement for the remainder of the contract period ending December 2012. A new contract was signed with Mr. Rutledge that same month with the understanding that he would provide a bond or letter of credit. To date, the Department has not received proof of a bond or letter of credit. I will recommend to the Board that the Agent be notified that he has 30 days to be in compliance with the contract or the Board will advertise for a new agent.

Four Hearings to address violations of General Regulations

One Tobacco License Application review

Summary of Key Department Activity:

Warehouse Issues: We have identified that the DLC liquor warehouse has approximately 1,350 cases of de-listed items. Some items have been here over two years. Under the terms of the contract (Bailment Agreement) Suppliers are required to remove product in 30 days or the State could charge \$.25/day. Neither has occurred. The first shipment back to suppliers went out

June 10th. We expect that Suppliers will not want some product back and we will arrange for removal and destroying over the coming weeks

Break Open Tickets: The break open ticket reporting process started January 1st with data entered per new Regulations. The reporting system was built by VIC. First Quarter (Jan-March): 16, 849, 417 Tickets Sold by Manufacturers to Distributors and 18,306,846 Tickets Sold by Distributors to Non-Profit Organizations (the difference in the figures relates to stock held in inventory that was purchased in 2014).

ERP/POS Project Update: We continue to keep pressure on the POS vendor, STG, to have system functional this calendar year, as per the dates in the Contract. However, it is likely that the system will not complete UAT (User Acceptance Testing) until October 1. We can not roll out new software to all the Agents in last quarter of the year, especially December, the busiest month for liquor sales. If all goes well, we will deploy the new system to three sites who have volunteered to be the first sites in the Oct-Dec quarter.

With potential delays in implementation of the POS System, the Department may recommend to the Liquor Board that they do not approve any new locations for Agency Stores until the POS System is live.

New Liquor Agency opened : The new Liquor Agency in Johnson successfully opened June 9, 2015, with assistance from DLC staff.

Sent from my iPad