

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

Sent: Saturday, July 25, 2015 12:41 PM

To: GPS

CC: Johnson, Justin; Allen, Susan; Coriell, Scott; London, Sarah; Miller, Lawrence; Richards, Alyson

Subject: FW: Weekly Reports - Executive Privilege 07 24 15.pdf

Attachments: Weekly Reports - Executive Privilege 07 24 15.pdf; ATT00001.txt

Highlighted Weekly attached.

Gov, a few notes -

Check out Pat's notes in ACCD on GlobalFoundries (ahead of our meeting with Janette and Mike Russo Monday). I spoke with Janette last week, and she reiterated what she talked about with Pat. Also in ACCD upfront some bad news on 1366, sounds like they are heading to NY....

There are two education weeklies since they did not send one last week.

Some summary of status of Exit 4 Sammis project in Ag and ANR. Just FYI I got note from Arthur Berndt who was unhappy about WCAX story which seemed to indicate you stated support for whole project. Scott and I helped clarify what you actually said for him.

Great picture of you at BeerFest in Tourism section!

Thanks,
Darren

WEEKLY REPORTS

Checklist
7/24/15

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

Sue Allen

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

Jessica Gingras

- ☒ Boards and Commissions – Jessica Gingras
- ☒ Department of Liquor Control – Jim Giffin


To: Governor Peter Shumlin

From: Patricia Moulton, Secretary - Agency of Commerce and Community Development

Date: July 24, 2015

Re: Weekly Report

PATRICIA MOULTON, SECRETARY:

- 
- **Global Foundries:** We had a great meeting with Janette Bombardier on Tuesday. We discussed the Enterprise Fund. I was candid that we were getting mixed messages from Russo and her about the Fund. She reached out to Russo to indicate she will be seeking funds. She indicated he's OK with that. At the Monday meeting, we should clarify the communication channel now that they are all with one company. Janette laid out 25 projects in the areas of operational, energy and environmental efficiency. 75% of the projects will contribute to her competitiveness. Janette also laid out what she is prepared to commit to with the receipt of funds. Such as raising the GF minimum wage to \$14 an hour, reducing long-term supplementals from 20% to single-digit, committing to co-op and internship opportunities, and reiterating that she is a "magnet" employer which attracts people to Vermont. She is aware we have and will be making commitments to other companies with these funds. She is also aware of the need to meet substantive, political and optics goals with the use of the funds. She recognizes she won't get all of it. We are strategizing to try to get her something close to \$1 million. We will have a specific proposal for the governor on the use these funds. There are training needs we can meet immediately with the Vt. Training Program. Beth Demers has followed up with GF and we are likely to do a contract with them. New world with GF. IBM never used the VTP directly, only through VTC.
 - **1366:** We spoke with Todd Templeton on Tuesday. He explains they are likely to execute an agreement with another state (we believe it is NY and Buffalo) "within the next two weeks." The state is offering a \$5 million dollar grant to start as equity 1366 can leverage for a DOE loan. There are additional incentives of top of that. Todd explains "a lot can go wrong and if so we will be coming back to you guys for fast action." We explained Global Foundries is in place and anxious to talk to them about the site on the campus. Todd was glad to hear that but clear he did "not want to waste time or raise expectations." Janette Bombardier said she would call him to reiterate they are ready to talk. Todd explains they are building on a "green field" and having to construct waste treatment and some power infrastructure from scratch. Janette will reiterate having the infrastructure in place is critical and the challenges of operating. Janette was clear the NY power is cheap but not quality. And that it was years before their waste treatment worked well so starting from scratch will be an issue for 1366.
 - **GW Plastics:** GW plastics was before the VEPC to receive VEGI approval for the next expansion. The Council has approved \$977,000 in incentives. Their next step is the Town of Royalton for tax stabilization. GW clearly wants a piece of the Enterprise Fund. Internally we have "allocated" a half \$1 million. GW hasn't made a final decision on the expansion in Vermont, but every step gets us closer to an affirmative decision.
 - **GS Precision:** I will be speaking with Norman Schneeberger today. He is inching closer to a final plan for expansion in Brattleboro. This involves expanding an existing building in the exit 1 industrial Park. He is still interested in receiving the "\$3 million" that we have committed. This is a combination of Windham County money, and CDBG. He's also anxious to get his permit through quickly and I will work with Alyssa Schuren to facilitate that.
 - **Press:** It's been a tough week for press. I have been trying to keep Brent Raymond from speaking to the press but he got fed up and spoke with Dan Dambrosio on Thursday. I am scheduled to speak with Paul Heintz this afternoon. I also have a call in to Anne Galloway to complain about her recent article.
 - **EB 5 director replacement:** We met with Gene Fullam on Monday who is an excellent candidate for this position. He will be meeting Susan Donegan next Wednesday. We're anxious to get somebody in to put all this to bed and get a person on the job. There's a lot of work to do and being without a director is difficult.
 - **Tourism website:** Progress continues to be made on the travel planner portion of the VDTM website. We also met with Roger Allbee on Thursday who wants to be the "official Vermont app" for tourism. Given there

is no other Vermont-based app, we are likely to provide him that designation. We are also talking to him about other promotional opportunities. He will also be talking to Betsy Bishop. Roger already has an agreement with the lake chamber.

- **Vermont Quebec initiative:** Kathy Keenan called earlier this week looking for a copy of the resume for Marla Woulf, the part-time coordinator at the lake chamber hired for this initiative. We suspect there may be some issue she, Tim Smith and Emerson Lynn have because the hire does not speak French. Tom and I both spoke with Kathy, she didn't mention anything and seemed OK. Perhaps I'm being paranoid.
- **VEGI:** We are very close to exceeding the \$1million dollar cap for calendar year 2016 in the "Sub 5" program of VEGI. This is the program that enables the Council to enhance incentives for high unemployment, low wage areas. The approval to GS Precision used up 80% of that cap. Legislation passed this year enables us to seek an increase in that cap from the E-board. We will be doing this at their next meeting.

LUCY LERICHE, DEPUTY SECRETARY

- **Vermont Strong Scholars Financing:** With Aly's blessing, Lucy has begun some early conversations with stake holders about the possibility of using the Higher Education Trust Fund in some limited way to help finance the Vermont Strong Scholars Program. Generally, stake holders are open to using the fund if it satisfies the original purpose of helping low income Vermonters with college. There may be an acceptable scenario if the HETF can go to low income Vermonters in the VSS program, and the use of the fund does not dip into the principal. There was also concern that this not cut into existing appropriations. That's a harder nut to crack but Lucy is convening the stake holders to hash out potential solutions to concerns.
- **John Kessler:** Lucy met with Heidi Dimick of HR to discuss ACCD's options for terminating or finding a new placement for ACCD's General Counsel, John Kessler. Heidi may be reaching out to Sarah London for more details. We want to be sure we understand his rights and our own before taking any action. Complicating the situation, we learned that John will be undergoing open heart surgery within the next couple of months.
- **Working Lands Enterprise Board:** Yellow Wood Consulting gave a presentation on the draft Forest Sector Systems Analysis. Lucy and Jolinda are both disappointed with the report overall but there are a few good solid nuggets to work with. Generally speaking, the report was very high level, and contained very little in terms of immediate term actionable items. Most of the report focused on further process (UGH!). We will provide some feedback before the final report is released.
- **Radio Frequency Radiation Testing:** Lucy spoke with Charles Cole of National Life to see if they would allow the Vermont Department of Health to conduct radio frequency radiation testing. This is in response to a staff that is nervous about the high number of ACCD employees with various forms of cancer. Lucy learned that NL is in the process of contracting with an out of state firm with no ties to the NL telecommunications equipment lessees in order to avoid a conflict and obtain a truly objective report. He agreed to share the results once complete. Charles was not inclined to allow the Health Department testing without full review and confidence in their qualifications and equipment. Lucy connected him with the VDH to work that through.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

- **Recent Flooding and Vermont Economic Resiliency Initiative (VERI)**
 - Toured recent flooding in Barre City with Mayor Lauzon. The area that flooded along Gunners Brook is the same area that DHCD studied for the VERI project. One of the recommendations in the report is the buyout of 25 homes in the area that was flooded. The Mayor noted that at least one of the homes flooded this week has structural issues and they will begin to look at ways to purchase the home.
 - The recent flooding may help kick-start implementation and funding for recommendations in the report.
 - **Press Coverage:** Several news outlets have followed up and reported on the VERI project and the importance of implementing recommendations as the frequency of heavy rains is increasing.
 - **Final Report:** Comments are returning for the five community reports from the consultants, towns and RPCs and we are on track for finalizing them in July. The final report outlining the details of the project and developing a project toolbox are also on target for completion mid-August.

Deputy Commissioner Hollar

- **Evergreen Mobile Home Park:** Held a meeting with the residents of this park in Pownal which is scheduled to close at the end of next year. They included many very low income households whose mobile homes are too old to move. The residents are committed to their community and very much want to stay in the park. With Arthur, detailed the closure process and had several organizations describe how they might be able to help find new homes. The uncertainty for the residents is clearly difficult but they appreciated the outreach and information as did Rep. Bill Botzow, D-Pownal, who participated in the meeting. Will continue to work with two housing nonprofits that are assessing the infrastructure and viability of purchasing the park in order to keep it open. See Arthur's report below for more detail.
- **State-Owned Land for Housing Development:** In support of the initiative to end family homelessness, AHS is leading an effort to look at unused state property owned by BGS, ANR or VTrans that could be made available for housing development. This is not a new concept but, in an effort to leave no stone unturned, warrants a fresh look. With Shaun's help, cross-referenced housing needs assessment with AHS' homelessness data to determine areas of greatest need. AHS has shared that information along with basic criteria for parcel selection with BGS, VTrans and ANR. Many thanks to Kiersten who provided an RFP and consultant contract used by ACCD in a similar effort years ago.
- **Community Supportive Housing:** CSH is a national organization providing financing and technical assistance on permanent supportive housing. They came to Vermont this week to lend their expertise. Met with CSH and housing groups at a meeting hosted by Secretary Cohen. Reviewed Vermont's approach in comparison to other jurisdictions with which CSH works, particularly Connecticut. That state bundles development, rental subsidies, and services at the state level and requests proposals from the local level. And has seen great success. Vermont solutions to serving the homeless tend to be more homegrown with housing organizations at the local level putting resources together to create solutions, such as St. John's Hall in Burlington. CSH confirmed that three types of funding – development, subsidies and services – are necessary for permanent housing for the homeless to work.
- **Rural Edge and Downstreet Housing:** Diminishing resources and the departure of Rural Edge's executive director has prompted these two regional housing nonprofits to consider merger. They have hired a consultant to guide the process. The strength and health of these local partners are critical to our ability to preserve and housing in the Northeast Kingdom and Central Vermont. We will work with them to encourage a comprehensive and inclusive process that fully considers the level of resources available and their ability to fully serve their territories.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

Partner Report

- **VERI:** The team (CP+R, ANR, VTrans, RPCs and River Scientist) are working hard to complete the project that includes:
 - 5 Community Reports that document local flood history, provide analysis and identify community-specific policy and project recommendations to minimize future floods, risks and damages to infrastructure and business. The reports were sent to the project team for review and comment and will be finalized and posted online by the end of July.
 - An EDA project report that explains the methodology to identify and rank Vermont communities with increased flood risks to their economy, documents the team's work in the communities, describes changes Vermont has made to reduce its flood risks, and provides tools that communities and businesses can use to plan and adapt to a changing climate. Work continues on this component and the final draft is due by the end of July/early August.

The team will spend August finalizing and formatting the documents. The reports are due to EDA on or before September 3.

Village Report

- **Northfield's Brownfield AWP:** Richard, along with DEC, attended Northfield's Economic Development Committee meeting to kick-off Northfield's Brownfield Area-wide Plan. The Brownfield Area-wide plan is implementing a V-DAT recommendation to spur the redevelopment of vacant and contaminated properties in the Town. Next steps include hiring a consultant to develop the plan and identifying key sites for brownfield redevelopment. The project is funded by an EPA grant that supports brownfield redevelopment and downtown revitalization.

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Vermont Archaeological Inventory database merges with the Online Resource Center:** The Division for Historic Preservation is so very excited to see much needed progress with our digital data and databases. The first

undertaking was the marriage of our online resource center (ORC), which holds all of the archival data, with the database holding the Vermont Archaeological Inventory (VAI). This allows researchers, including Division staff, the ability to search the archival files of the ORC and simultaneously gain access to the information of the VAI. Additional features, such as the ability for consultants to upload site data directly to our server, will also be rolling out in the next few weeks. This is a tremendous undertaking and many thanks go to Jess Robinson, Alex Ibey, and of course Melissa Prindiville, who is a super star!

State Architectural Historian

- **Major Grant Award for Hubbardton Battlefield:** The National Park Service's American Battlefield Protection Program has awarded the Division \$30,700 to research and write a new National Register nomination for Hubbardton Battlefield. As the site of the only Revolutionary War engagement to take place in Vermont, Hubbardton Battlefield was listed in the National Register in 1971. The new nomination prepared with this grant will incorporate the extensive research and documentation of this important historic site that has taken place since 1971. It will, hopefully, provide a basis for designating Hubbardton Battlefield a National Historic Landmark.
- **First Congregational Church of Cornwall Parsonage, Cornwall:** This former parsonage, now a private home, was officially listed in the National Register of Historic Places on June 29, 2015. Built in 1839, the Greek Revival house is a centerpiece of Cornwall Village. The nomination was submitted by the owners of the property.
- **Long Trail Brewery Farmhouse, Bridgewater:** The Advisory Council on Historic Preservation listed the farmhouse located at 16 VT Route 100A, Bridgewater Corners, in the State Register of Historic Places. The c. 1870 Greek Revival house with attached barn is owned by Long Trail Brewing Company, which requested that it be listed in the State Register.
- **UVM White Farmhouse, South Burlington:** The Advisory Council on Historic Preservation denied a request to remove this building from the State Register of Historic Places. The request to remove it from the State Register was made by UVM Campus Planning, which owns the house and plans to demolish it. Despite being in poor physical condition, the Advisory Council did not find that the building has lost its historic integrity. UVM will now need to apply for an Act 250 permit prior to removing the building.

Project Review

- **Riverbank Disturbance on Monument Road in Highgate:** A landowner on Monument Road in Swanton cut an access ramp into the Missisquoi River in an attempt to begin a bank stabilization project. The property is located immediately south of the parcel, now owned by the Division, where an unmarked cemetery was impacted by excavation for house foundation. Ken Sturm, manager of the Missisquoi National Wildlife Refuge, saw the activity and notified the Army Corps of Engineers and the Division. The excavation and placement of rock in the river is action that requires a Corp permit and is subject to archaeological review. Scott and Jess met with Mike Adams from the Corp and the landowner to discuss the review process and next steps. Some bone fragments were found but do not appear to be human remains. In 2013, the same landowner built a storage shed attached to his garage and contacted the Division prior to any disturbance through the zoning agreement active with Highgate that provides notification of impending ground disturbance in this highly archaeologically sensitive area. In that case, Scott, Yvonne, David Skinas from NRCS excavated the footing for the shed and recovered Native American artifacts along the entire perimeter. Discussions are continuing with the Corp and the landowner with regard to the scope of any additional stabilization work and the required archaeological investigation. Jess has notified the Vermont Committee on Native American Affairs and the Missisquoi Abenaki of the disturbance and the continuing review.

Historic Sites Section Chief

- **Site Visits:** This week Tracy continued her site visits, assisting with an exhibit installation at the Senator Justin S. Morrill Historic Site in Strafford on Monday, July 20th. The exhibit, America's Michelangelo: The Life and Classical Works of Constantino Brumidi, is on loan from the Historical Society of the United States Capitol and will be on display through October 12th. Arrangements to borrow the exhibit were made by the Friends of the Morrill Homestead. Senator Morrill was a friend and admirer of Constantino Brumidi who is perhaps best known for his Apotheosis of Washington in the Capitol dome. Morrill commissioned works by Brumidi for his Washington D.C. mansion and several pieces by the artist eventually made their way to the Senator's home in Strafford. If you haven't ventured to Strafford to visit the Senator Justin S. Morrill Historic Site in recent years, this would be a wonderful season to make the trip!

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

- On Wednesday, Jen and Arthur met with residents of the Evergreen Mobile Home Park in Pownal which has been noticed to close by the park owner at the end of next year. Park closures disrupt the lives of the residents as they not only have to move from where they live, but also remove their mobile homes. Vermont has not had a park

closure the size of Evergreen MHP for many years. CVOEO, BROCC-Community Action in Southwestern Vermont, and Neighborworks of Western Vermont gave overviews of the services that their organizations can provide.

VERMONT COMMUNITY DEVELOPMENT PROGRAM ♦ Josh Hanford, Director

CDBG-Disaster Work

- **Town of Plainfield:** The grant agreement for the \$29,700 planning grant to conduct an alternatives analysis of the two bridges (Mill St. and Brook Rd.) in the lower village of Plainfield has been offered. The urgency of this study became even more evident following the flash flood events on July 19th which washed out the Brook Rd. Bridge. An image of Brook Broad Bridge at 7am on July 20th (© fotogosaurus.wordpress.com):



CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Promotional Opportunities with AAFM:** Along with Steve Cook, the CMO met this week with the Domestic Export team from the Agency of Agriculture to discuss opportunities for coordinated advertising efforts made possible by a recent donation to AAFM for the purpose of expanding markets for VT agriculture-related producers. While the donation is in the form of free advertising in the NYC-based Edibles Magazine family of publications, the team was able to creatively leverage a solution that includes the promotion of culinary travel to Vermont, as well as a holiday co-op advertising two-page spread to appear the Winter issue of Vermont Life.
- **Clean Water Initiative:** Laying the groundwork for the massive efforts taking shape on the newly mandated Clean Water Initiative, the CMO met with an inter-agency team from Dept. of Environmental Conservation, Fish and Wildlife, Agency of Agriculture, and the Agency of Transportation to discuss branding issues and coordinated communications efforts. Heather will be joining future meetings on a regular basis assist with development of a communications toolkit of fact sheets, design templates, and possibly an issue-oriented website that will assist the five Agencies involved in the Clean Water Initiative to deliver consistent, coordinated information to Vermonters on the impacts of this comprehensive new program.

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

- **VCGI Imagery Program**
- **Projects and Technical Service Contracts**
 - **Statewide Parcel Data:** Leslie presented with Joanna Grossman to the Secretary and Deputy Secretary of the Agency of Agriculture. Chuck Ross is on-board with the importance of statewide parcel data and the concept of a state program. Would like to contribute, but not sure how much they will be able to this year...Leslie will meet with Peter Telep of ANR this week to discuss ANR support.
 - **Dept. of Public Safety:** Ivan provided a consultation to Public Safety on configuration options for their enterprise GIS server infrastructure, which is named *Virtual Vermont*. The consultation yielded recommendations that support system performance, efficient use of licensed software, and best practices. *Virtual Vermont* is a robust technical resource that provides GIS processing power to multiple applications at Public Safety.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Tottori Prefectural Government:** Megan met with Akira Dodani from the Domestic and International Affairs Division from that region of Japan. Governor Douglas had signed an International Friendship Agreement with

their previous Governor and some work began with both UVM and Middlebury College. They are looking for us to spread that to tourism and, as we are in that market already, Megan will pursue some exchanges of information. If we do a sales mission to Japan this spring Megan will try to take a day and visit the mission.

- **Burlington College Hospitably Management Program:** Megan attended the advisory committee meeting where we met the new director of the program and were presented with the curriculum. The program is excellent and there are many big players from the Burlington community that are on the advisory committee so we are going to all start marketing the program and see if we can even get some current industry people to start some classes this fall. We are working with CCV to transition their students and working with the Technical Schools for Dual Enrollment participation.
- **Travel Writer from Australia:** Last weekend we hosted our first travel writer from Australia that resulted from Megan's trip last winter. He visited the Brew Fest, Cheese Fest and Neil Young. He is writing three separate stories about Vermont.

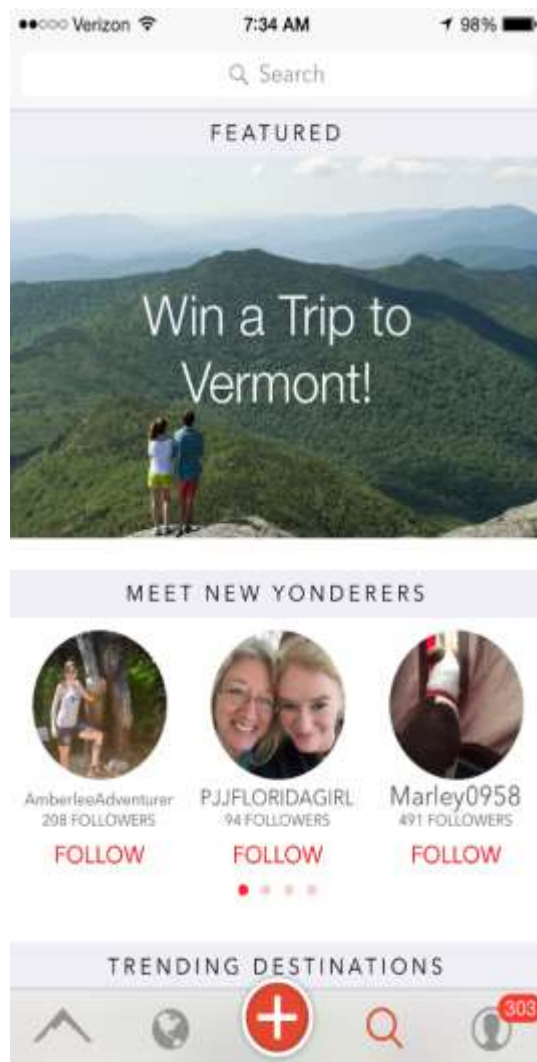
Steve Cook, Deputy Commissioner

- **Vermont Brewers Festival:** Steve and David Burnell staffed the event, connecting with participants and taking photos for future advertising. Governor Shumlin opened the event acknowledging Vermont's history in craft brewing. This weekend's event was heavily attended with sold out shows on Saturday and Sunday.



- **Vermont Tourism & Yonder:** VDTM's promotion with Yonder went live this week with promotions on social media and VermontVacation.com. Yonder pushed the campaign to their global users in an effort to promote their home state and The Long Trail.





COMMUNICATIONS ♦ Laura Peterson, Director of Communications

- **Publications and Social Media:** Daily posts on Facebook and Twitter are promoting Open Farm Week. Laura also helped distribute post cards and posters to state visitor centers. On Facebook, our page visits were down 22% over the prior week, but total reach was 65,693 people, up 9% over the week prior. “People engaged” was up 64%. Our most popular Facebook post was a Boston Globe article on three new restaurants in Vermont. It reached 10,300 people.

CULTURAL HERITAGE TOURISM ♦ Catherine Brooks, Cultural Heritage Tourism Coordinator

- **Vermont Byways:** The decision was made to focus Byways marketing funds in fiscal year 2016 on out-of-state brochure distribution. We will work with various organizations and hire out brochure distribution service to this end. Research on costs and coverage will be shared with the CMO and Historic Preservation regarding the distribution of Historic Sites materials.

MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **VermontVacation.com:** VDTM added two additional slides to the homepage rotator: the Harpoon Point to Point event and the Arts & Heritage Museum Immersive initiative. VDTM also updated the Arts rotator. Graphic support by David Burnell and Catherine Brooks.



VDTM has added a number of new packages to the website over the past week. In addition, expired packages were taken down.

RESEARCH & STATISTICS ♦ Greg Gerdel, Research & Operations Chief

- **Jay Room Sales a close second:** April's persistently wintry weather insured an upbeat conclusion to a strong skiing season. But having an indoor waterpark appears to provide an advantage. While many resort area communities enjoyed what appear to be record lodging receipts for April, Jay's \$2.849 million in taxable lodging receipts was less than \$3,000 below South Burlington.
- **Economic Forecast Positive:** Soft economic performance nationally during the first quarter of 2015 was generally attributed to the cold and snowy conditions in the eastern US. Those conditions were actually wind fall for Vermont's outdoor recreation; the ski season enjoyed record skier visits. The preliminary report for Meals, Rooms and Alcohol sales for the first quarter (January – March) shows commercial room rentals up 7.3 percent above a strong quarter in 2014. Statewide, sales taxes were up by 2.1 percent, buoyed by strong performance of many resort communities.

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

- **Ag partnership:** Working with Ag on a few partnership opportunities, including promotion of the new Boston Market stand in VL and selling/giving away copies of VL at the stand; plus a holiday co-op promoting Vermont food producers.
- **Products and calendars:** New Braley and Sabra cards have been printed and are in stock. Final work on the catalog is being done before it goes to the printers.



DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- **Bristol:** met with town and RPC and RDC to review plus for infrastructure and subdivision for a business commerce park that will be developed by Kevin Harper. They want to encourage higher paying jobs than is available at the retail spots located in town. Very early days but helpful to review cdbg, eda, rd programs. It appears that they can use the BGS regional economic development grants to also help in the planning and permitting phase.

FINANCIAL SERVICES ♦ Dan Towle, Director

- **Captive Review Magazine:** Dan Towle, Director of Financial Services completed an article that he wrote to be published in the August edition of Captive Review Magazine. The article was about the current market conditions in Vermont and what separates Vermont from its competitors.
- **Tri National Annual Meeting:** Dan attended part of this annual meeting for Ereno, the captive for Tri National, a trucking company based in St. Louis, Missouri. Dan played an integral part of their licensing last year in Vermont and it was a great opportunity to thank them for their business and answer questions.

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

- **Wiser Systems, LLC - Charlotte:** William Cats-Baril was referred to Babette by Chris Saunders from Senator Patrick Leahy's office. Babette and William discussed the benefits of the PTAC program. William discussed his product as an expert system that provides risk assessment for suicide. The product's name is System Expert Risk of Suicide Assessment (SERAS) and is a product of a research project that started in 2011 at UVM. William is looking to do a pilot testing study with the National Air Guard. William identified NAICS code and is in the process of getting a DUNs number. William would like to register with SAM once he receives his DUNs number.

- **Edwin Wilson Jr. dba Butch Wilson Excavating - Chester:** Diana Wilson of Butch Wilson Excavating and Ed Williams met to complete and submit their SAM Update. Ed asked how their bid match was working, and Diana advised that they got a lot of results that were too much and/or too far, given their size. However she has taken Ed's previous advice and is using the award data, for opportunities nearby and too large, to reach out to the awarded company for subcontracts. They have been able to land quite a few subcontracts for gravel using this method. Ed and Diana discussed how she could get those awards/contracts reported.

VERMONT TRAINING PROGRAM ♦ Beth Demers, Director

- **Cabot Hosiery Mills:** Beth Demers and Fred Kenney met with Richard Carey, HR Manager, Kirk Smith, Manager of Manufacturing Operations, and Stephan Kelley, Chief Financial Officer to discuss the Vermont Training Program and the enhanced incentive available through VEGI. Richard Carey will be the point person on developing an application as training needs related to the company's expansion become clearer. Beth will keep in touch.
- **Butterworks Farm:** Beth Demers met with Jack Lazor, owner, of the Westfield organic farm which has diversified into Kiefer and yogurt. The farm is adding an expansion which will allow for a loading dock and additional yogurt equipment. Jack is also considering making a cheddar in small batches as he has excess milk. Beth discussed the Vermont Training Program and how it may be able to assist with employee training.
- **Green Mountain Avionics:** Beth Demers and Robin Scheu from ACEDC met with owner Bill Hanf. The six employee Middlebury based electrical avionics company is growing. They have hired three employees in three months and will bring an additional employee in before the end of July. Due to new FAA regulations all small planes will need new pieces of avionic equipment and the company is working hard to lay a solid foundation to take advantage of this growth potential. The company is not yet eligible for the Vermont Training Program as they are not offering formal employee benefits. This should be coming before the end of the summer and Beth will follow-up.
- **Vermont Hard Cider:** Beth Demers and Robin Scheu from ACEDC met with Brian Nolan of the Middlebury based cider maker. The company had taken advantage of the Vermont Training Program in the past but was not up to speed on the new eligibility requirements. Now that Brian is aware of the new focus and criteria he will assemble a team to talk about whether or not they have an appropriate employee training project.

Memorandum

To: Governor Peter Shumlin

From: Annie Noonan, VDOL Commissioners

Date: 7/24/15

Weekly Report: Week Ending 7/24/15

Issues of Note:

Met with Agency of Agriculture and Mexican Consulate staff on issues of migrant workers here in Vermont.

Grant approvals and revisions to WETF applications.

Worked on WIOA implementation with VDOL staff, Secretary Holcombe, Secretary Cohen, and their staff.

Vermont Child Poverty Council meeting.

Multiple meetings on Vermont UI Consortium.

Worked on VTC Apprenticeship grant (please direct any of VTC's calls on this back to me)

Two conference calls with Frank Cioffi as chair of the SWIB

Worked on Council and Board appointments for Jess Gingras

Personnel issues with DHR

USDOL Compliance Review meetings

Veterans JSVS Grant review

Worked on the WorkSAFE and VOSHA grants

Meeting on Governor's Homelessness Initiative

Meeting on S.138 language for "Creating Youth Work Opportunities"

Worked on Misclassification survey

Preparing questions for Vermont employer recruitment needs

Worked with DHR on job postings and specs for VDOL

Anne M. Noonan

Commissioner

Vermont Department of Labor

802-828-4301

Please excuse typographical errors - Sent from my iPad



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

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: July 24, 2015
Re: Weekly Report

A handwritten signature in black ink that reads "Susan L. Donegan". The signature is written in a cursive style and is positioned to the right of the distribution list.

Captive Insurance Division:

Captive insurance license number 1041 was issued this week to Innovative Housing Insurance Company (IHIC) of Cheshire, Conn. IHIC was formed by the Housing Authority Risk Retention Group (HARRG), one of Vermont's most successful captives. Using a small amount of capital from HARRG, IHIC will provide credit enhancement for private sector investment in low income housing projects. The low income housing tax credit program will offer income tax credits to private investors who invest in public housing projects. Rather than receive a dividend or interest on their investment, investors will receive equally valuable tax credits. IHIC will reimburse investors for any loss those tax credits due to construction delays, cost overruns, occupancy issues, etc., thereby making investment in public housing more attractive.





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

**CONFIDENTIAL AND PRIVILEGED
MEMORANDUM**

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: July 17, 2015

Media Contacts:

1. Michael Bielawski, Hardwick Gazette, requested special education rates by state and SU back to the 1970's for a lead he is following that posits the increase in not just the identification of but actually rate of students with disabilities. He was provided the data we do have available to the 2000s, interviewed Jill Remick and may interview Cindy Moran, our special education director, about special education trends, next week.
2. Amy Nixon, VTDigger, requested information about Robert Niles, an educator whose license was recently suspended, and was given the information from our public postings page: <http://education.vermont.gov/licensing/disciplinary-actions>.
3. Howard Weiss-Tisman, Brattleboro Reformer, sought comment on the awarding of the contract for provision of Greek yogurt in VT and CT schools to a Vermont company.
4. Sarah Butrymowicz, The Hechinger Report, requested and was provided with the date of our assessment release, which is scheduled for the first week of August.
5. Amy Nixon, VT Digger, sought information about the State Board of Education retreat and subcommittees, and was directed to speak with Chairman Stephan Morse.
6. April Burbank, Burlington Free Press, interviewed Rebecca about the Adequacy Study in Act 46.
7. Josh O'Gorman, Vermont Press Bureau, interviewed Greg Glennon about the process for educator disciplinary actions.
8. Amy Nixon, VT Digger, sought and was provided with information on what the current spending is on publicly funded prek and what it is anticipated to be once Act 166 is fully implemented.
9. Our PreK coordinator Melissa Reigel-Garrett, made an appearance on the WCAX show, The :30, to discuss kindergarten readiness.
10. Jess Wisloski-Martin, VTDigger, interviewed Jill Remick regarding USNews's ranking of high schools and how the SBAC pilot year means that some schools were excluded.
11. Amy Nixon, VTDigger, requested State Board of Education agenda materials which are

not yet finalized.

12. Josh O’Gorman, Vermont Press Bureau, interviewed Bill Talbott about the State Auditor’s office announcement of auditing the Agency of Education.
13. Amy Nixon, VTDigger, requested comment on the proposed addition to NCLB on a national preschool funding mechanism.

@@@@@@@

Public Presentations/Speeches/Meetings:

Monday:

- Spoke at meeting of special education directors
- Met with VSBIT, VSA and VSBA to coordinate on support of implementation of Act 46

Tuesday:

- Met with VT-NEA to discuss investigations of teacher misconduct.
- Met with a group of funders (including Tarrant, McClure and VT Community Foundation) and VBR, VSBIT, VSA and VSBA about ways the philanthropic community can help support implementation of A. 46. See comment below in news.
- Lisa DeNatale, CEO of Special Olympics

Thursday:

- Linda Johnson, VT Prevent Child abuse about their efforts to help schools meet their ACT 1 mandates.
- Battelle for Kids: This is a pretty amazing group that has national experience with which we may try to partner to support some of our work related to instructional improvement, implementation of EQS and building school networks to support innovation. Allows us to take advantage of expertise we can’t hire on staff.

Friday:

- Bill Cody of the National Assessment of Educational Progress.

Emerging issues

New England Culinary Institute

On July 1, 2015 Vermont began participating in the State Authorization Reciprocity Agreement program (SARA). This allows approved post-secondary institutions in the 27 states participating in SARA to be approved to offer on-line programs in each of the other 26 states. SARA has been a benefit for most VT institutions. One of the requirements for being able to participate in the SARA program in a state is to meet the US Education Department’s standards for financial responsibility. In NECI’s US ED Program Participation agreement of February 19, 2015, NECI acknowledged that it did not meet the standards. The application was clear that not making the standards would result in denial. As a result, we (the Agency) are required to deny NECI’s application to participate in the SARA program. This denial does not prevent NECI from applying individually with each state for approval, a practice

that was required before July 1. It is a warning sign, however, of the precariousness of NECI's financial situation.

ESEA reauthorization

Both senate and house have passed versions of the reauthorization of NCLB. The bill is now headed to conference committee. Thanks to Sanders, the senate version, which is going to be the base version moving forward, includes a lot more flexibility for states to develop accountability systems, and it allows for separation of accountability and assessment. My suspicion is the conference committee will take quite a long time, and it is possible there may be some parties who want to wait out the administration. The good news is that so far, key provisions of Title 1 that protect VT are still in place. We are increasingly vulnerable to cuts in funding as we become more and more of an outlier in our small size and demographics.

✓ SC 044

Communications

We are trying hard to create space for two communications campaigns. We want to make sure that as the news media is consumed by A. 46 events, we are keeping some public attention on good news related to education.

The first is a campaign related to positive and successful initiatives that improve quality of school climate in VT schools. We will coordinate, develop and place a series of Op Eds that call attention to promising, VT developed initiatives that lead to better school climate and outcomes (e.g. sports teams from St. Albans that include students with cognitive disabilities, and which compete nationally, and restorative justice programs that engage and support some of our most vulnerable students while still addressing serious discipline infractions.)

The second is a series around school quality, that will call out some of our successes as well as exceptional or exceptionally promising work in schools. Some will focus on state level indicators (e.g. one of highest graduation rates in the country, consistently strong performance on NAEP), put SBAC scores that will soon be released in context so they don't feed the negative narrative (e.g. an Op Ed by Scott Giles of VSAC, who took the test), and call out some of the good work being done and the AOE and in schools to support better quality (education quality reviews, pilot initiatives, etc...) Many will profile innovative work in schools that addresses critical state priorities, e.g.:

- Rutland City for the co teach model (special education and regular ed teacher in the same classroom, to address needs of extremely challenging students)
- Three schools that developed and piloted peer reviews across sites
- A school that, after the year ended, opened his school provide counseling and support to his kids grieving a loss of a peer
- Montpelier for its outstanding work in flexible pathways

The goal is to create a positive narrative about what is RIGHT and GOOD about education in VT, that parallels the A.46 effort.

Deputy Search

We have been interviewing candidates. Of our three finalists, I suspect 1 or 2 may withdraw (one earns 150% more in NJ than she will here.) My shelf life is proving a bit of a challenge. If we can hook the one based in VT, I think we will be on solid footing.

Funders and Supporting A. 46 implementation

I have met now with several funders, and have been directing all funding to a special entity set up at VSBA in collaboration with VSA to support this work. They are supported by a 250k seed grant from VSBIT. VSBA can pay more so can hire more skilled folk than we can, and they can receive and turn grants and activities around much quicker than we can. Also, processing and monitoring all grants puts a strain on the AOE finance office. We need to get support in place, as quickly as possible. We can't do this work without close collaboration and support of these partners.

SBE

We continue to rollout work in the SBE related to implementation of A. 46. They have scheduled an extra meeting in July, and we will have them review and approve templates for applying for accelerated mergers. This work is becoming extremely time consuming. It is also becoming very time consuming because of Bill Mathis and his desire to revisit and return to old ground. I have spoken to Stephan about this. A political reality of VT is that folk are used to setting new rules and passing laws with respect to education, but because of poor or incomplete implementation, they rarely are affected if they don't like the laws. Now that EQRs and A. 46 are becoming a reality, folks are actually grappling with the implications, including Bill, and second guessing retrospectively. People are also having trouble accepting that we are operating in a resource-constrained environment, and that is limiting our choices. We are not promising the world to everyone. We are all going to have to make tradeoffs. We will get through this, but the desire to go back and retill old ground obsessively is taxing our ability to get anything done. Simultaneously, Bill is speaking loosely about A.46 challenges in ways that invite scrutiny, including of his communications. We will be reeducating the SBE on FOIAs and the nature of public data requests. There will never 100% consensus on anything; we just need to move forward, flaws and all.

Any typos and errors are mine. Maureen is on vacation.

Have a good weekend!

Rebecca



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

CONFIDENTIAL AND PRIVILEGED MEMORANDUM

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: July 24, 2015

Media Contacts:

- Andrew Ujifusa, Education Week, requested an interview with Rebecca regarding the re-authorization of ESEA.
- Leslie Engle, Local 22 and 44, requested suggestions on education related articles, and was provided information on SBAC, Act 166 and Act 46.
- Jennifer Costa, WCAX, interviewed Jill Remick and Melissa Riegel-Garrett, about Act 166 and the possible practice of adjusting rate setting in a way different than what was anticipated in the law.
- Elizabeth Hewitt, VTDigger.org, interviewed Melissa Riegel-Garrett about Act 166 implementation.
- Michael Bielawski, Hardwick Gazette, made a public records request for special education rates since the 1970s.
- Rolph Parker, Deerfield Valley News, requested clarification on the rules governing school boards and quorums.
- Josh O’Gorman, Vermont Press Bureau, interviewed Rebecca regarding ESEA reauthorization by Congress and what it means for Vermont.
- Bill Doyle, State Senator from Washington County, interviewed Jill Remick on Act 46 for his public access show on ORCA media.
- Erin Mansfield, VTDigger, requested and received comment from Rebecca on Act 46 and supervisory unions who appear to be pursuing mergers for the tax incentive.
- Lola Duffort, Rutland Herald, interviewed Vaughn Altemus on Act 46 and how many districts are moving forward on mergers.

Meetings:

Interagency work:

- Met with VDH on collaborations around immunizations, school climate, and full service models.
- Met with Labor, ACCD, AHS /Voc Rehab on initiatives to support youth into the work place.
- Met with Labor around the Workforce Innovation and Opportunity Act (WIOA), work-based learning and Act 77.

Monday to Wednesday: CCSSO

- Used this meeting to network with a few states that are exploring their own versions of the EQR. Will be putting forward a proposal to CCSSO to see if they will support some interstate work around field reviews.

Dresden and Norwich Boards: This interstate may consider a “unification,” though they don’t want that public yet. They are better resourced and less stressed so better at future thinking than some other systems, so the meeting actually raised some questions we need to address in anticipation of the proposal we are likely to get from the other interstate as well.

The **State Board** called an extra board meeting, which occurs today (Friday). The good news is they are taking A. 46 seriously. The bad news is we are struggling to support their requests because of time constraints. I am going to request additional funding for them next year, starting with funding to support a lawyer for the State Board.

Emerging issues:

Not that we care about test scores, but...

In 2015, VT 8th graders scored second in the nation on math and 3rd in the nation on English language arts on the National Assessment of Education Progress. Equity gaps are still present and alas, in some cases, widening. Only way to unseat Massachusetts, which would be really fun, is to bring up our lower scorers by addressing the equity gap.

State Board:

The state board is going to need its own staff, soon, to support A. 46 implementation. The reasons are both practical and political. We need help processing the work that is coming into us related to A. 46. We are just not able to keep up. We need someone to process study grants and proposals. And, they are going to need their own lawyer. The more we look at the questions we are getting, the more clear it is that we are entering uncharted territory for which there is no case law. A side note: the fact that the Secretary works for the Gov and not the board has raised (and will raise when I am replaced) some questions about the extent the SBE wants to rely on the AOE legal team. There is potential for differences of interpretation between the Board and the AOE, and ultimately, A. 46 puts the decisions in the hands of the Board. So far, I would say the SBE and the AOE are closely aligned. Of course, things may change a year from January. Having counsel would enable the Board to be a little more independent.

Justin

Sue ↓

Secretary of State/OPR/SLP licenses

I don't know how else to say this; it feels like we are being harassed by the Secretary of State. Excessive cordiality in response does not seem to solve the problem. The back story: We don't make licensing rules; the VT Standards Board for Professional Educators makes licensing rules. A year and a half ago, NEA enlisted Sec. Condos' help in "streamlining" our byzantine licensing processes. The legislature's solution was to order the NEA and the Vt Standards Board for Professional Educators to work together to streamline licenses, which they did for sitting educators. Licenses for SLPs linger, however, and Sec. Condos wants them transferred ASAP to OPR. We are happy to have nothing to do with clinical licenses, but there are a few glitches related to educator licenses, including the specificity of the statute and the fact that SLPs who work as educators need educator licenses to be eligible for the teacher retirement system. We are trying to work through this with SOE/OPR. Putting this on your radar, because we are having a very challenging time keeping OPR focused on facts and the specifics of the issues that need to be resolved so a transition could take place, as opposed to campaign sloganeering and attacks on us for "making up rules" (we don't—the Standards Board makes the rules. This will likely also be an issue with licenses for Psychologists who work in schools, as OPR is now soliciting letters from other professional organizations with queries and sending them our way. I would welcome any suggestions on how to have productive conversations with SOS. We are happy to facilitate any changes that make sense, but can't do so unless we push past the grandstanding to nuts and bolts like the Teacher Requirement System and the certification obligations we are required to meet in order to maintain federal funding under Title 1. They just don't seem to comprehend the specific issues at stake, despite multiple efforts to lay them out verbally and in writing.

Heads up on a possible news story that may drag us in:

USCOTH

Brattleboro has apparently employed someone for 16 years as a school psychologist who carries neither the required VT clinician (from OPR) nor educator license (from AOE). In statute, it is clearly the responsibility of the Superintendent (Ron Stahley) to make sure all staff are appropriately certified. This came to light when the individual retired and tried to access the Teacher Retirement benefits. He paid into the system for 16 years, but the statute prevents him from participating if he is not appropriately licensed. This is ridiculous all around. We do want to make clear that the responsibility rests on the individual to get license and the Superintendent to make sure his staff have them, so that to the extent anyone seeks to be "made whole" this is a local issue. The individual also did not have a clinical license for OPR.

Operating and Tuitioning towns

We have spoken with multiple attorneys and the AG on the issue of merging and district structure. The only thing I can say is that the more I have heard and the more we ask, the more challenging the issues become. For example, one opinion now is that districts are not allowed to merge with districts with different structures, even if they vote to change their structure in order to merge. That would be an unfortunate opinion to have in the public, as we now have multiple proposals that involve structural changes that go both ways. I

increasingly feel we might want to just lay low on this, advise districts to consult their own legal counsel in developing their strategies (this is what the planning grants are for), and let this get hammered out by the state board. Staking any ground on this, one way or the other, would just make us a target.

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

Fax: (802) 828-3522

Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Sue Minter
DATE: Friday, July 24, 2015
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Legislature

I convened a conference call with the transportation chairs, JFO and Finance and Management (Reardon) today in order to update them on the situation in Congress, the potential expiration of MAP-21, etc.. This was in response to a call from Steve Klein who wanted to convene JTOC on Monday (following the Joint Fiscal meeting). Given that I am quite confident Congress will act to extend reauthorization, I preferred to convene a call than have a formal hearing next week. They were happy for the update but decided no special JTOC meeting was necessary for Monday.

Federal Transportation Funding

This week's Congressional activity on a transportation bill has pitted the House's vote for a 5-month extension, against the Senate bill that would authorize programs for 6 years, but only guarantees funding for 3 years. We are in close (hourly) contact with Congressional members and are reviewing bill language with them. The key news is that this bill keeps us at level funding plus inflation (which is far better than we had feared), and the federal match portion remains the same (which was a huge victory that Bernie went to bat on). There are some problematic elements, especially the "pay fors" but it now seems a bill will pass the Senate (to be a starting point for the House), along with a short term extension. The key remaining question is whether the Senate will concur with the House' 5 month extension, and go straight to the President, or whether they will pass a 2 month extension and send the hot potato back to the House and put more pressure on them to fund transportation. Leahy's office expects them to work through the weekend on this.

Train Service to Montreal

Brian Searles has been retained to coordinate advancement of this project and was briefed by Rail/Policy staff on the project this past Monday. Chris and I are heading to Boston today at the request of the Connecticut DOT Commissioner, to discuss the Amtrak projects in CT and MA. It appears that this project (which is critical to our

improved service to NYC) has hit major cost overruns and problems with Amtrak. More to come on this.

VTrans Diversity Achievements

I wanted you to know that VTrans leadership received commendation this past week from the Federal Highway Administration for our success in expanding diversity in our workforce. Our improvements in the past 2 years (when we had to develop a Corrective Action Plan to address deficiencies) are significant -- with a doubling of women in the Maintenance workforce, and a tripling of minorities in our workforce. While the absolute numbers are admittedly low, the improvement is real, and FHWA is featuring our success and story in a Civil Rights conference next week. More details on this below.

Outreach

I spent Thursday visiting Addison County, including meetings with the Mayor of Vergennes, the Regional Planning Commission and the transit organization (ACTR). We spent significant time discussing a major bridge/tunnel project in the heart of Middlebury which has gotten many people very concerned. This project has been in the planning stages for many years and is being managed by the town. However, we have had to engage our staff due to a variety of community impacts and concerns around the project. I will be attending a community forum to discuss the project on Monday. (I have been told to bring a dart board – it seems passions are high.) We are working to see if there is a way to redesign the project in order to reduce the cost/scope/timeline for the project. This project still has strong support from the selectboard.

Schedules

I will be out of the office next Wednesday, Thursday and Friday and Chris will be out Monday, Tuesday, Wednesday, Thursday and working from home on Friday. Rich Tetreault will be Acting Secretary on Wednesday and Thursday and Chris will be Acting on Friday.

NOTES FOR STAFF

Construction program

- We have 63 active work zones: 37 bridge, 4 reclaim, 5 paving, 11 safety, 2 park n ride, 1 rail, 3 roadway. We anticipate a total of 105 projects in 2015. 60% of the program has an active work zone.
- The bi-weekly estimate paid to the contractors this week amounts to \$6,251,949.28.
- The weather event Sunday night that ripped through central Vermont and caused flooding in Barre caused minor damage to a few projects. Recently painted pavement markings on VT 62 are now tracked with the dirt from vehicles leaving Barre. We will repaint the lines once the vehicles stop tracking the dirt onto the project. In Walden the temporary foot bridge, skiff, ring buoy, crane

mats and other miscellaneous project items were deposited a significant distance downstream and will be a challenge for the contractor to retrieve.

I-89 Bridges Project – Waterbury

Last week the northbound crossovers were opened to traffic and demolition of the northbound bridge deck and approaches began. The construction schedule for the northbound bridge has it reopened to traffic on or about October 14th. To date, the contractor has completed the necessary work on this multi-faceted project in a timely fashion and has exhibited significant attention to detail in this very busy commuter and tourist corridor. This past weekend traffic was backed up on the main line interstate as predicted for the Stowe Lacrosse Tournament; however, the significant efforts toward outreach and the investment of the Smart Work Zone provided travelers with sufficient information to anticipate the slow-moving traffic. We were pleased NOT to receive complaints on this situation, which may have been the result of our efforts to set expectations low. Similar traffic delays are expected this weekend due to the continuing lacrosse tournament. Additionally, periodic accidents and/or breakdowns continue to occur primarily due to vehicles running over the tubular lane dividers and changing lanes at inappropriate locations; State Police and local rescue squads have responded promptly and efficiently.

Brattleboro I-91 Bridge

The Traffic Congestion Strategy for Exit 3 was not implemented on Sunday, July 19th and the southbound traffic averaged 31 MPH from 12:00 pm to 7:30 pm. We are still waiting for the recommendation from the project manager and VHB regarding future deployments. Installation of Form Traveler and Critical Path work on Pier Table 2 continues to match schedule milestones. The DB Team is anticipating blasting operations for the northern abutment to begin the first week of August. This will require rolling roadblocks on the Interstate through the work zone. A detailed plan is under development and will be similar to the blasting operations conducted in Waterbury earlier this year. A risk management session is scheduled for the casting of the segments; this concept was a result of the recently held project team meeting where schedule, quality, personnel and communication were discussed in detail.

Hartford I-91 bridge (Lateral Slide)

Anticipated schedule for the bridge slides (weather dependent): the northbound bridge will proceed on the weekend of 08/22/15, and the southbound will be delayed from the 08/29/15 weekend until after the Labor Day weekend and occur on 09/12/15. The contract allows for PCL to use any of 4 weekends and both of these weekends are in the contract. VTrans supports this approach as performing both slides on back-to-back weekends would place enormous strain on the crews. This approach allows the work force a break in between two very long weekends and will allow us to take lessons learned from the first move and improve the second. We intend to bring interested media to the site on the week of 8/18 to present this innovative bridge project.

State Rail Plan

Plan is currently under public review, and we are extending the comment period to mid-September. Staff participated in a public meeting in White River Junction and is compiling public meeting and individual citizen comments and preparing FAQs to address comments.

Island Line Bike Ferry

On 07/21/15 Deputy Secretary Cole and Director Michele Boomhower met with Emily Boedecker of Local Motion (LM) to discuss the bike ferry and LM's operational costs deficit. VTrans is looking at mechanisms to potentially fund 50% of ongoing operating costs (approximately \$60,000 annually) through existing or newly proposed programs. Local Motion is seeking funding to undertake an Economic Impact Analysis Study of the Island Line Trail/Bike Ferry with potential funding from the LCBP and VTrans.

Pending Williston Legal Complaint re: Stormwater Utility Fees

See -> A filing from town of Williston is expected in the next couple of weeks. An ANR/VTrans meeting to discuss potential legislation which would exclude VTrans from municipal Stormwater Utility Fees is set for August 12th. Senator Mazza reached out to Chris Cole asking him to talk to the Colchester Public Works Director regarding this issue and he did so explaining VTrans' position on paying stormwater fees to municipalities. VTrans position is that state statute doesn't provide municipalities taxing authority over the State; fees require a service and Williston is unwilling to provide VTrans a service for the fee. VTrans is working with DEC to develop comprehensive legislation that addresses this issue for the upcoming session. Colchester is 40% complete in developing a Stormwater Utility and is likely to have the same expectations as Williston with regards to VTrans paying a fee.

Railroad Vegetation Management in Montpelier

Agreement was reached; there has been a lot of press. Meetings to address spraying on a statewide basis have yet to be scheduled by the Agency of Agriculture.

Burlington Airport

Chris Cole and Michele Boomhower met with Gene Richards and his team on July 17 to discuss federally funded projects which require state match participation. A proposed funding plan for FY16 was drafted; VTrans will be reviewing it internally. State funding would support FAA grants for airport improvements, including home removal.

Newport Airport

Bill Stenger's staff is meeting with VTrans' Aviation Director today to discuss the construction schedule for their improvements at the airport, hopefully averting the need to issue a notice of Lease Cancellation to QResorts.

VTrans Diversity Achievements

VTrans leadership received commendation this past week from the Federal Highway Administration for their support and commitment to the Agency's Equal Employment Opportunity (EEO) Program, based on a recent analysis of progress in the diversification of the VTrans Maintenance workforce. **Statistics measuring the numbers and percentages of women and minorities demonstrate significant progress since the implementation of the VTrans 2013 Corrective Action Plan (CAP).** The CAP has provided a comprehensive approach to outreach, recruitment, hiring, onboarding, promotion, training, and complaint resolution for the entire Agency, with particular emphasis on the VTrans Maintenance workforce.

Since 2012, the number of women in the VTrans Maintenance workforce has more than doubled from 12 to 27, and the percentage has increased from 2.7% to 5.9%. The increase in the number of minorities in the VTrans Maintenance workforce is even more dramatic: In 2012 VTrans reported a total of 4 minorities, representing less than 1% of the Maintenance workforce. VTrans currently reports 15 minorities (10 permanent and 5 temporary employees), which constitutes 3.3% of the Maintenance workforce. Significantly, the majority of the permanent minority employees occupy mid to higher level Maintenance positions and no permanent minority employees have left the Maintenance workforce since implementation of the 2013 CAP. This suggests the Agency is making progress not just in the numbers, but in changing the culture as well, and moving the Agency, including Maintenance, to a more welcoming, respectful work environment.

FHWA has identified the recent VTrans EEO accomplishments as a national best practice, and is showcasing the Agency's progress at an annual Civil Rights conference in Florida next month. The Agency's success is based on a strong team effort, with particular credit going to Maintenance Operations Bureau Director, Scott Rogers, and Deputy Director, Wayne Gammell, for their collaboration and teamwork with the VTrans Civil Rights team.

Motor Vehicle Crash Facts

Fatal Crashes **July 14, 2015 – July 20, 2015:**

7/12/15: St. Albans, Lower Newton Street. Two vehicle, cross centerline. Single driver fatality. Alcohol involved, seatbelts used.

7/16/15: Craftsbury, VT 14. Two vehicle, broadside. Single driver fatality. Unknown seatbelt use

2015 Fatalities: 25 Total – 16 vehicle operators, 4 passengers, 1 pedestrian, 3 bicyclists, 1 ATV occupant

As of July 20 in each calendar year		
<u>Year</u>	<u>Fatalities (people)</u>	<u>Fatal Crashes</u>
2015	25	21
2014	24	23

2013	34	32
2012	46	41

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: July 24, 2015

Highlights:

AHS CO:

Estimate on Resettled Population _____ pg. 2

VDH:

Addison County Steering Committee on Opiate Addiction _____ pg. 3

DMH:

Vermont Psychiatric Care Hospital (VPCH) _____ pg. 3

DAIL:

Lakeview Facility in New Hampshire Closing and Displacing Two Vermont Residents _____ pg. 4

DOC:

Barre Flood – Work Crews _____ pg. 4

Population _____ pg. 6

DCF:

Act 60 Changes to Mandated Reporting _____ pg. 6

Vermont Legal Aid Challenges the Reach Up Benefit Change _____ pg. 7

DVHA:

Vermont Health Connect _____ pg. 8

Secretary's Message

Regarding the progress we are making with Vivitrol as a tool in our Medicated Assisted Treatment (MAT) program, Dr. Tom Simpatico, our psychiatrist from DVHA, visited the Massachusetts program, where they are using Vivitrol. The folks in MA were very pleased that we are moving in this direction, and encouraged us to continue with our efforts. They agreed with us, that it's best to start small with a couple of pilots in different parts of the State. They also agreed that starting with the correction facilities is a really good idea. We had another internal meeting about Vivitrol with a number of departments. In order to make the plan work, we have to make some policy changes, but all is progressing. My goal is to have a pilot in place, sometime during this fall.

We are making some progress in our initiative to end child and family homelessness. As you know, Vermont Housing Authority has agreed to give 100 voucher preferences to homeless families with children. We are also looking at giving housing tax credit recipients incentives to set aside 25% of their projects for homeless families. Angus Chaney and I met with Commissioner Annie Noonan and her

staff today regarding how we can coordinate housing services for the homeless with DOL housing supports. We did find a number of areas in which we can work collaboratively.

I had the pleasure of meeting with a six member delegation from Hamada, Japan. They came to VT to learn more about our IPS program/individualized personal support. This program helps those with severe mental illnesses find competitive employment. We support this program through the designated agencies. Vermont is recognized internationally for this work.

I visited two of my district offices this week in Morrisville and Barre. The family services division staff from both areas expressed their continued concerns with the high case load per social worker. I have learned that some social workers are carrying more than 20 families, when the best practice is 12. This ratio is higher than a year ago when we lost two infants on our watch. I did learn that the social worker aids we hired have taken some of the burden off the social workers however they are requesting more aids and more social workers to help handle the increased caseloads.

Agency of Human Services Central Office (AHSCO)

Flow of refugee arrivals to increase for FFY 2015 fiscal year

Up to the end of June, the number of refugee arrivals has been low compared to the approved target. The Dept. of State (PRM) advised that the flow and pace of arrivals is increasing and that they expect to meet their FY15 target after all. The Refugee Office will know more this week at an upcoming conference call with states on that topic.

Estimate On Resettled Population

For Vermont, we will have resettled close to 271 people at the end of July out of a target of 325, with an additional 54 to come in August and September and possible 32 more (agencies can resettle 10% more than the approved total without consulting with a State if they have ties to the State). The Director of the Refugee Office is communicating with the resettlement agency to ensure that the communities are informed and prepared to welcome the new arrivals.

Vermont Department of Health (VDH)

Tobacco-Free Treatment Center Policies Proceed Smoothly

On July 1, 2015 nearly all substance abuse treatment centers receiving grants from the Vermont Department of Health officially transitioned to tobacco-free campuses. Treatment centers have reported that the change is going smoothly and has been supported by most clients and staff.

New Oral Health Director

Robin Miller, RDH, MPH is the new Director of the Oral Health Program at the Department of Health. Robin has been with the Department for 14 years most recently serving as Interim Oral Health Director and Public Health Dental Hygienist III. Robin is a dedicated oral health professional who is interested in finding system solutions to oral health challenges faced by the most vulnerable Vermonters.

Ladies First Program Works to Expand Its Focus

The Ladies First Program (provides free breast & cervical cancer and heart health screenings to low income women who are uninsured) is now able to offer some of its services to women with Medicaid and qualified health plans (QHPs). Women with Medicaid can now receive patient navigation support and low-income women in QHPs can co-enroll to have Ladies First cover co-pays associated with breast or cervical cancer diagnostics. Also, women in QHPs who co-enroll may be eligible for the

program's heart-healthy lifestyle programs, which include free memberships to Weight Watchers and Curves Complete.

Morristown Bike/Ped Committee Bike Share Program

A new program in Morristown will allow folks to borrow bikes to get around downtown or explore the Lamoille Valley Rail Trail. The program was launched on July 7. Interested individuals who register at the Morrisville town offices can borrow a bike for up to 72 hours.

Middlebury Wellness Day

On June 27, the VDH District Office participated in a Wellness Day on the town green in Middlebury. This was a first annual event to promote wellness and increase awareness of substance abuse addiction in the county.

Addison County Steering Committee on Opiate Addiction

The Addison County Steering Committee on Opiate Addiction launched a new website called, www.addictionhelpvt.com, this week. The site was created by two Mount Abraham High School students and focuses on opiate prevention, treatment and recovery. The site includes videos of a local physician who prescribes medication assisted treatment for opiate addiction and videos and links to the Health Department's ParentUpVT website.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH)

The hospital continues to struggle with nurse staffing as its staffing numbers have not improved. Staff morale is down as overtime is being mandated on a consistent basis and vacation time use is being denied in order to maintain minimum staffing coverage. DMH is working to expedite travel services, "off contract" if necessary, as any delay at this point is preventing admissions to VPCH going forward. DMH has also reached out to Woodside for potential temporary staffing who can be oriented to psychiatric inpatient care services. The hospital census is currently at 19 and we do not anticipate an increase until the staffing numbers are more stable. It should be noted that there are 8 patients at the Brattleboro Retreat who are in process of having involuntary medication hearings (all next week), so there is little potential movement out of the Level 1 unit at Brattleboro Retreat in the near future. RRMC Level 1 unit is also at capacity with the next anticipated discharge next week. These circumstances will inevitably impact emergency room wait times should the numbers needing inpatient care begin to surge again.

The International Academy of Design and Health (IADH), in conjunction with World Health Design Magazine, presented Vermont Psychiatric Care Hospital two awards at the 11th IADH World Congress in Hong Kong on July 18, 2015. The hospital was a winner in two categories: Interior Design Project: Overall Winner and Mental Health Project: One of Three Winners (No overall winner in this category.)

Emergency Departments

For the Week ending July 22nd there have been only 9 people in need of inpatient psychiatric beds. There were 5 involuntary adults (1 was directly admitted with no wait time, 1 waited less than 24 hours, and one person who waited 5 days) and there were 2 people waiting as of midnight 7/22. There were no people who were court ordered for an inpatient evaluation. There were 3 voluntary adults (2 waited less than 24 hours and 1 waited less than 48 hours) and there were none waiting as of midnight. There were no involuntary minors waiting to be placed in an inpatient bed.

Upper Valley News: Rick Jurgens

Mr. Jurgens continues to develop a follow-up article on Vermont's Mental Health System of Care. He requested and was provided information regarding the overall change in DMH funding levels from FY 15 to FY 16 approved budget. Mr. Jurgens was also interested in hearing about the status of Vermont's application for the SAMHSA Certified Community Behavioral Health Center planning grants (25 to be awarded nationally to states). DMH confirmed that it is actively working with AHS and other AHS Departments on the grant application which is due August 5th.

Newport Daily Express

Charlie Biss, DMH Director of CAFU, spoke with a reporter from the Newport Daily Express regarding the reduction of funding for the teen program in Newport that was previously funded by the Youth-in-Transition funding. The inquiry remains the same about potential closure of a program due to reduced funding. Mr. Biss reiterated the goals of the time-limited grant funding, and the comparison of performance outcomes attained by programs throughout the state, in the final decision to reduced funding to the programs with lowest outcomes rather than spread the reduction across all the programs.

Department of Disabilities, Aging and Independent Living (DAIL)

Lakeview Facility in New Hampshire Closing and Displacing Two Vermont Residents

Lakeview Neuro Rehab in New Hampshire is still slated to close in August. As of today, there are two Vermonters currently residing there. The first resident has a plan for community-based wrap-around services with PRIDE TBI Supports services with a backup plan in place. The second resident's situation is complicated by a pending NH court date and competency evaluation and very high levels of required staffing. Although we are confident that Vermont TBI providers will be able to create a longer term plan to meet his needs, we are still working to develop a short term emergency plan. Three potential short-term options may be available: 1) a crisis bed through Washington County Mental Health or 2) the Vermont State Hospital or 3) a TBI facility in Oklahoma for \$1700/day. Disability Rights Vermont has expressed a keen interest in the state finding a solution for this individual.

DAIL Staff Appreciation Day

DAIL staff will enjoy a day of public service recognition and activities on Thursday, July 23rd to honor and acknowledge the important work they do every day to support Vermont seniors and individuals with disabilities and to make Vermont the best state in which to live and work with dignity, respect and independence.

Department of Corrections (DOC)

Barre Flood – Work Crews

Work Crews from the Barre Probation and Parole Office have been deployed to assist in the clean-up of the flood in Barre.

Make A Wish Donation

The following story appeared in this week's Vermont Business Magazine:

A new solar farm is powering the state's correctional facility in St Albans and has helped fund the wish for a local Make-A-Wish child. The new 500kW solar project sited adjacent to the prison is part of a broader solar initiative for state facilities spearheaded by Governor Peter Shumlin, which supplies solar energy for state buildings and provides taxpayer savings from reduced electric bills at the facilities.

Previously completed solar projects include the Northeast State Correctional Facility in St. Johnsbury and Southeast State Corrections Facility in Windsor.

Corrections Commissioner Andy Pallito, Dan Edison from Buildings and General Services, and other state officials joined to celebrate the milestone.

Vermont-based AllEarth Renewables manufactured solar trackers and oversaw design/construction for the project, and SolarSense served as the developer of the project.

Through its "Watts for Wishes" charitable donation program, SolarSense is donating \$6,500 to Make-A-Wish Vermont to fund a wish for local wish child. The donation is being made in the name of the State of Vermont, as the benefactor, in recognition of its leadership in initiating the St. Albans correctional facility project.

The "Watts for Wishes" charitable donation program connects the renewable energy industry with the Make-A-Wish Foundation to provide children with life-threatening illnesses the funding to fulfill their wishes.

Taylor, of Franklin County, who previously took a Make-A-Wish sponsored Disney cruise with her family, spoke at the event about the value of these wishes. The new donation will fund a future wish child.

"When a child is sick, a family is sick and when a family is sick a community is sick. This gift from SolarSense will not just give one of Vermont's children and family hope and strength to face a life threatening illness, it will lift an entire community," said Jamie Hathaway, CEO of Make-A-Wish Vermont.

Make-A-Wish Vermont has granted over 700 wishes to Vermont's children facing life-threatening illnesses and no eligible child is turned away. To learn how you can support Make-A-Wish Vermont visit vermont.wish.org (link is external) "We are thrilled to serve the State of Vermont and to be part of the State's realization of the aggressive renewable energy initiative," said Chris Fraga, founder and CEO of SolarSense, and a 23-year volunteer, donor, and six-year Make-A-Wish Board Member. "On a personal note, we are honored to sponsor the Watts-for-Wishes charitable giving program, and to donate the funding for a local wish in celebration of the Northwest facilities project and State sponsors."

"We are excited to be partnering with SolarSense to provide locally-produced solar power for the State of Vermont, helping our state move forward as a national leader in renewable energy and save taxpayers money. It's also gratifying to be involved in a project that contributes to important and meaningful community programs like this support to Vermont's Make-A-Wish Foundation," added David Blittersdorf, president and CEO of AllEarth Renewables.

Drug Search of CRCF finds no Drugs

On 7/21/15, Vermont State Police, 3 drug detection dogs and DOC staff did a search of Chittenden Regional Correctional Facility (CRCF) looking for illegal drugs. In total, the staff advised we searched approximately 100 vehicles, 150 lockers, outside and the entire facility today which we were told included about 175 room and common areas. No illegal drugs were found in this search. Below is a picture of the team that conducted the search.



DOC partners with UVM to Study Vermont's Aging Inmate Population

Commissioner Pallito and Deputy Commissioner Menard have been meeting with UVM Professor Dr. George Leibowitz and Fordham Professor Dr. Tina Maschi regarding Vermont's Aging Inmate Population. Currently, roughly 16% of our population is beyond the age of 50 and that number has double in the last ten years. In 2004, the number was 8.8%. This aging population is part of a trend nationally and is leading to challenges with reentry, housing, medical/mental health issues and housing. Moving forward, with UVM and Fordham's assistance, we hope to identify the services needed for this population and identify any gaps that may exist currently.

Population

The Department's incarcerated population averaged 1861 for the previous week. The Department's incarcerated male population averaged 1715 for the previous week. The out of state population is currently at 280. The female population averaged 146 for the previous week.

Department for Children and Families (DCF)

Act 60 Changes to Mandated Reporting

Act 60 (formerly known as S.9) was in effect as of July 1, 2015. This legislation includes changes to mandated reporting procedures and information sharing across the child protection system. The new reporting standard requires any mandated reporter who "reasonably suspects abuse or neglect of a child" to make a report within 24 hours of the time information regarding the suspected abuse or neglect was first received or observed. Additionally, some definitions of abuse and neglect were revised (risk of harm, sexual abuse) and a new definition was introduced for serious physical injury. In addition, Act 60 encourages information sharing across the child protection system, and directs DCF to inform mandated reporters about the types of information that may be shared and limits on re-disclosure of this information.

DCF has undertaken comprehensive efforts to inform and engage mandated reporters. A memo highlighting the Act 60 changes will be widely distributed across stakeholder groups, including State of Vermont partners. DCF's mandated reporter website (mandatedreporters.vt.gov) has been revamped to provide updated information. This website also includes a subscription function, which will allow mandated reporters to receive future communications regarding child abuse and other DCF programs. DCF has worked with the KidSafe Collaborative to develop a new training for mandated reporters; it will be available to AHS employees in fall 2015, and we anticipate sharing this resource with community partners once the IT infrastructure is in place.

Sugar/Soda Tax Concerns

The DCF Commissioner's Office has been receiving concerned constituent calls regarding the institution of the sugar/soda tax. The main concern that DCF has received is around constituents using 3SquaresVT money to buy the newly taxed products and not having to pay the tax on these items. These constituents have expressed concern that the tax goal of getting people to make healthier food choices is missing the largest population who need the encouragement to do so, and in so doing, is inadvertently placing the burden on working individuals. We have sent a letter to these constituents explaining that 3SquaresVT money is 100% federal funds and that the state is not allowed to tax the federal government. We further have explained that in regards to 3SquaresVT usage, the federal government also dictates what can be purchased with these funds, "any food or food product for home consumption." Due to this the state does not have the authority to restrict specified food items from being purchased with 3SquaresVT benefits.

Juvenile Justice and Delinquency Prevention Act (JJDP)

The JJDP creates a federal-state partnership for the administration of juvenile justice and delinquency prevention by providing:

- A juvenile justice planning and advisory system, establishing [State Advisory Groups \(SAGs\)](#) spanning all states, territories and the District of Columbia;
- Federal funding for delinquency prevention and improvements in state and local juvenile justice programs; and
- Operation of a federal agency (Office of Juvenile Justice and Delinquency Prevention (OJJDP)) dedicated to training, technical assistance, model programs, and research and evaluation to support state and local efforts.

JJDP is ready for Senate Judiciary testimony and discussion this week. If it advances through congress, it will be re-authorized for the first time since 2002.

DCF has shared its support of JJDP with Senator Leahy's Office and specifically provided support language the Senator will be suggesting this week regarding re-entry planning and services.

Vermont Legal Aid Challenges the Reach Up Benefit Change

As part of the SFY16 Big Bill (Act 58), DCF proposed and the legislature approved in section E.323, a change in the way that the Reach Up benefit is calculated for households where a parent also receives SSI benefits. In those households, in compliance with Act 58, DCF is counting up to \$125 of the SSI payment received by a parent as income when determining the amount of the Reach Up grant for the household. Chris Curtis of Vermont Legal Aid (VLA) testified before the legislature in opposition to this proposal, though the legislature ultimately approved the change to the Reach Up program. This change is expected to save the Reach Up program approximately \$1.6 million in SFY16. DCF sent out a notice to 860 households in July regarding this program change and advising households that their Reach Up grants would be recalculated to implement this change effective August 1.

On Friday July 17th, Chris Curtis sent a letter to the Secretary of AHS requesting that the Agency not implement this change. VLA advised in this letter that if the Agency fails to stop the reduction in Reach Up grants, it would file a request for injunctive relief in federal district court objecting to the reduction. The Agency responded thanking VLA for the notice but advising that the Agency is obligated to implement the changes to the Reach Up program as passed into law through Act 58. The Agency further advised that it had reviewed the statutes and regulations governing SSI benefits and the

Temporary Assistance for Needy Families program, along with injunctive relief orders issued by courts in other states addressing similar provisions, and determined that the proposal is permissible under the law. As of the writing of this report, VLA has not yet filed suit. DCF is working with the Attorney General's office to prepare for this possible litigation in federal court as well as to prepare for anticipated fair hearing requests on this issue.

Department of Vermont Health Access (DVHA)

Blueprint

The Blueprint, with its ACO partners, is finalizing measure selection for performance payments to begin January 1, 2016. The next step is to determine how to score these measures and how to pay on the basis of those scores – for instance, whether to pay based on performance relative to other HSAs or relative to benchmarks.

The State Auditor's Office identified an error in a table in the Blueprint's 2014 Annual Report to the Vermont Legislature. The error applied the adult cost savings rate to the total population. The Blueprint has revised the calculations so that the adult savings rate is applied to adults and the pediatric savings rate is applied to the pediatric population. New return on investment calculations using the corrected data show a smaller savings for the Vermont Medicaid population, but a substantially larger savings for the commercially insured population and overall. The revised Annual Report will be posted to legislature.vermont.gov shortly. Blueprint stakeholders including the Executive Committee and key legislators will be notified of this correction via email.

Vermont Health Connect

Operations Update

Change of Circumstance (CoC) Backlog

The Operations team is on track for a strong week this week after a challenging week last week. Between Monday and Tuesday, the team worked on 634 households from the backlog and completed 345 of them. Notably, these are more complex changes than prior weeks. A majority of newly completed changes are types of changes that are being queued up to process through to the carriers' systems, whereas a majority of prior changes were types that did not need to be processed to the carriers.

On Tuesday several additional types of changes with BCBSVT and MVP were added to the "Greenlight Matrix" and approved to be processed. This should lead to greater efficiency as staff are now able to complete a majority of the cases they encounter.

Last week was a challenging week for the drive to eliminate the queue of households awaiting changes. VHC ended the week with virtually no net change in the number of households awaiting changes (just under 7,000) and included the first day since system upgrade that the net number in the queue increased over the prior day (ie more new households requested changes than had their change requests resolved). The reasons were a combination of the changing nature of the types of changes, system efficiency, and worker productivity. In addition, call volume was high, an unusually large number of staff was on vacation, and many other staff were in training.

This week fewer staff are on vacation and call volume has moderated. Other steps to improve throughput include:

- Staff augmentation – a small number of former Lion’s Den Optum staffers returned on Monday to assist with backlog processing.
- Technical assistance and troubleshooting – State Business Analysts and Optum team members came on site to address unexpected errors and system questions.
- Support for underperforming staff – Staff were rotated through a second round of skills reinforcement training and low performers are continuing to process in a shared room with technical support from subject matter experts to help them reach minimum thresholds.
- Opening the option of mandatory overtime for September.
- Using Maximus to help with Outreach – As the team gets into the more challenging cases, there’s been an increase in the number of cases that need more customer outreach. Reaching customers to gather follow-up information is a time-intensive endeavor, especially in the summer. Handing off some of this work to Maximus to allow state staff to process the backlog more quickly.
- Using Maximus to process additional changes - If Maximus can process 50% of new incoming CoCs, state staff can spend more time on the backlog.
- War Rooms - The two-week old “war rooms,” which were established to help remove operational roadblocks, continue to make progress.

The following tables provide data related to the CoCs processed with each Carrier as of last week. The percent change from 7/7 to 7/16 show that new work is shifting away from duplicate cases and toward cases that are being sent to the carriers' systems. Early data from this week show that trend continuing to accelerate.

(As of 7/16)

BCBS on Case		NEDD on Case	
Carrier Impacted by Change (Multiple Items)		Carrier Impacted by Change (Multiple Items)	
Case Status	Count of COC SRs (increase since 7/7)	Case Status	Count of COC SRs (increase since 7/7)
Closed	261 (10%)	Closed	10 (0)
Duplicate Case	1024 (10%)	Duplicate Case	57 (0)
Ready for Review	544 (24%)	Ready for Review	19 (0)
Grand Total	1829 (14%)	Grand Total	86

MVP on Case		Medicaid on Case	
Carrier Impacted by Change (Multiple Items)		Carrier Impacted by Change (Multiple Items)	
Case Status	Count of COC SRs (increase since 7/7)	Case Status	Count of COC SRs (increase since 7/7)
Closed	40 (8%)	Closed	245 (22%)
Duplicate Case	207 (6%)	Duplicate Case	1086 (9%)
Ready for Review	116 (13%)	Ready for Review	1097 (33%)
Grand Total	363 (8%)	Grand Total	2428

1. **Closed:** The CoC did not need to be completed; the case was reviewed and the SR was closed.
2. **Duplicate Case:** The change was already completed previously (either pre- or post-R1).
3. **Ready for Review:** The CoC was successfully completed through the system and an 834 transaction should have been generated. Please note this does not mean that the 834 was sent to BCBS as they may have been held. This number indicates only that the COC was completed, and an 834 was expected and likely generated.

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: July 24, 2015

Secretary's Top Issues

Entomology

This week 293 batches of mosquitoes were submitted to the Vermont Department of Health for virus testing. No evidence of Eastern Equine Encephalitis virus or West Nile virus have been found in the 1168 batches tested to date.

FSMA Statutory Language

Assistant State Veterinarian met with VAAFM legal counsel and produce safety team to review statutory language needed to stand up a food safety program or contract with FDA to conduct FSMA produce safety inspections. Per legal counsel, statutory language added in 2013 is sufficient for contract work but not for the creation of an inspection and enforcement program. Funding for VAAFM's Produce Safety Coordinator position will expire in a year – this position is critical for both producer and Agency preparation regarding FSMA and should become a permanent funded position.

Justin

Avian Influenza Exercise

The invitation for the August 5th Avian Influenza tabletop exercise was sent out this week. Thus far, 100% of invitees have confirmed their attendance, which will mean that state support agencies will be well represented at the tabletop exercise being held at the SEOC in Waterbury.

North Lake Water Quality Enforcement

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 several ARM Division staff members. Nearly 100 farms have been fully surveyed to date. The following number of farm facilities were surveyed within the last week as part of this initiative: 6 SFOs, 1 MFO

Industrial Hemp Registry

Registrations for industrial hemp continue to come in to Plant Industry. As of July 24, 19 registrants were in the database for the 2015 growing season. Intent to grow on approximately 25 acres, total, has been indicated by the registrants. As in previous years, seed remains difficult to obtain, due to restrictions on importation and interstate movement of hemp seed, which remains a schedule 1 controlled substance under Federal law. Importation of hemp seed is only allowed under permit from the Drug Enforcement Administration. Plant industry staff have been in communication with prospective growers and the DEA on the matter of seed imports, and are providing support for the importation effort when appropriate.

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: July 24, 2015

Status of Governor's Priorities:

Legislative Activities and Issues

- State Veterinarian, Kristin Haas, fielded a call this week from legislative counsel member Mike O'Grady, who needed veterinary input on the acceptability of equine euthanasia via gunshot in order to follow up with a legislator. The legislator had received a call from a constituent who was concerned by the fact that his neighbor shot his own horse in order to euthanize it. If performed properly, gunshot is an acceptable means of euthanasia, and this information was passed on to O'Grady.

Press, Marketing and Communications

- Dr. Shelley Mehlenbacher has been doing interviews to build awareness of Avian Influenza, a highly pathogenic disease that can be devastating to poultry but does not impact human health. The disease is affecting birds in the Midwest and is expected to arrive in VT in the fall or spring. She was interviewed by Jane Lindholm on Vermont Edition and also spoke with Mark Johnson of WDEV.
- Terri Hallenbeck at Seven Days has requested copies of all permits to spray pesticide in the right-of-way. We are working on facilitating this request.
- The Agency is organizing a meeting with the Vermont Pesticide Advisory Council (VPAC) to address the recent issues related to the Montpelier railroad spraying permit. Secretary Ross would like the VPAC to develop a policy for addressing these issues in the future.
- The Agency is working with DEC to coordinate for the upcoming TMDL meetings in August. We will be meeting with Kari Dolan next week to begin mapping out needs.
- Assistant State Veterinarian spoke on the Mark Johnson Show about avian influenza and what Vermonters can do to protect their flocks. Thank you to Alison for coordinating media spots regarding this important topic.

Significant Events/Meetings:

- Assistant State Veterinarian met with VAAFM legal counsel and produce safety team to review statutory language needed to stand up a food safety program or contract with FDA to conduct FSMA produce safety inspections. Per legal counsel, statutory language added in 2013 is sufficient for contract work but not for the creation of an inspection and enforcement program. Funding for VAAFM's Produce Safety Coordinator position will expire in a year – this position is critical for both producer and Agency preparation regarding FSMA and should become a permanent funded position.

Evolving Issues:

- State Veterinarian, Kristin Haas, received a first draft this week of educational/outreach materials being compiled by a contractor for use and dissemination by the Vermont Livestock Care Standards Advisory Council. The materials focus on best management practices for the humane transport of livestock and will be disseminated throughout Vermont once completed.

- State Veterinarians Haas and Mehlenbacher visited three sites this week for evaluation as potential meeting sites for the 2016 Northeast United States Animal Health Association meeting, which is being hosted next year by VAAFM. The Mad River Valley is the preferred location.
- The invitation for the August 5th Avian Influenza tabletop exercise was sent out this week. Thus far, 100% of invitees have confirmed their attendance, which will mean that state support agencies will be well represented at the tabletop exercise being held at the SEOC in Waterbury.
- Animal Health field staff received a request from the Hartford Animal Control Officer for assistance with an animal welfare complaint regarding sheep. Apparently the sheep have questionable feed, water source and housing and the ACO needs input regarding acceptable husbandry practices. Staff will assist with the call this week.

Summary of Key agency Department Activity

Administration:

On Friday, July 17th, 2015 Stephanie Smith, Chief Policy Enforcement Officer, and Lauren Masseria, Act 250 Development Coordinator, attended a District 3 Environmental Commission hearing for Act 250 partial findings on the proposed development of the Green Mountain Center (project #3R1089) in Randolph, Vermont. The applicant, Jesse Sammis, represented by DuBois & King Inc, is seeking partial findings on Criteria 9(B) Primary Agricultural Soils, as well as, Criteria 10 Conformance with Local and Regional Plans, for a Planned Unit Development of an 84-acre parcel on the south side of Route 66 and an 88.8-acre parcel on the north side of Route 66 at Exit 4, I-89.

Stephanie Smith, on behalf of the Agency of Agriculture, Food and Markets, presented a comment letter that updates its analysis based on new information provided by the applicant. The letter revises what the Agency believes meets the definition of primary agricultural soils, the proposed development's impacts, and suitability of land proposed for mitigation. In addition to the testimony given by the Agency; the applicant, and Conservation Law Foundation (CLF) and Vermont Natural Resources Council (VNRC) who were granted party status, also testified. Two additional groups were granted status as "Friends of the Commission" and will present at a subsequent hearing. The Agency expects a hearing recess order prior to reconvening.

For more information regarding Project Number #3R1089, Green Mountain Center, please visit the [ANR Act 250 database](#).

Agricultural Development:

Senior Agricultural Development Coordinator Alex DePillis has been invited to give a presentation at the October Conference "REFOR15 – Renewable Energy from Organics Recycling" in Danvers, MA. The presentation will cover the many issues surrounding biodigesters, water quality, and universal recycling (including food waste from Act 148, or "organics" in the parlance). The proposal for a presentation comes from interagency work with PSD and ANR DEC.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

Henry Marckres, Chief, Consumer Protection, attended a meeting with the Attorney General's Consumer Assistance Program on Thursday. The Governor's Office, all the Federal delegation and most state agencies were represented. The goal was to review the program and make suggestions for improvement.

Henry Marckres, Chief, Consumer Protection and Marc Paquette, Weights and Measures Specialist, judged a variety of products at Lamoille County Field Days on Thursday evening.

Henry Marckres and Marc Paquette also judged the maple entries at the Vermont Maplerama, held in Caledonia County this year on Friday. Several states and provinces were represented.

Meat Inspection:

- USDA/FSIS has started process to migrate FSIS email to an overall USDA system which will affect all meat and poultry personnel since we use federal computers issued by FSIS for the cross-utilization program
- FSIS budget adjustment request due to USDA Finance by July 27th
- Worked with producer to substantiate age claim for lambs since dentition led inspection staff to estimate age older than actual. It was a joint effort with USDA Animal and Plant Health Inspection Service (APHIS)

- General technical assistance provided to several producers concerning regulations associated with interstate meat processing, new business start-up, exempt poultry slaughter and sales at farmers markets, pet food production, product labeling, etc.
- Meat program coordinated with Ag Development to assist in verifying compliance for state licensing requirements of vendors intending to participate in the first Buy Local Market on the state house lawn for August 4

Animal Health:

- Animal Health Field Staff
 - Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.
 - Assisted DMV Inspectors on Route 103 in Mt. Holly with the inspection of Livestock movement interstate and intrastate.
 - Attended Livestock Correlation at the Carolina Stockyards in NC. USDA Agricultural Marketing Service and the NC Dept. of Agriculture Officials put on a training and annual certification program. Feeder Cattle, Slaughter Cattle, Slaughter Cows as well as Slaughter goats and sheep were evaluated.
 - Inspection of Tracy Hubbard's Red Deer Farm was completed. Imported Red Deer from NY were checked for proper identification.
 - Inspected the CT Valley Fair for required livestock movement paperwork, including the horse pulls in the morning at Bradford fair ground. There was a small amounts of pullers, our guess is it was a smaller class and the "big money" class or winning was at 4:30.

Vermont Agriculture and Environmental Lab (VAEL)

New Lab Hire! David Crosby of Bethel, VT has been hired to fill the vacant Chemist IV position in the lab's organics section. He will be working to cross train with Dan Nielsen and Nat Shambaugh, the lab's other two organic chemists, and he will be bringing tests online that were lost to the lab after Hurricane Irene flooded the Waterbury lab. Dave's start date is August 3rd.

The lab is in the midst of transitioning from the ANR network to Ag's VSMS network. This transition affects email accounts, file, and software for the lab's information management system. Email access was temporarily lost for the lab's former DEC staff. While emails service has been restored through the use of Outlook Web Access, email records are not accessible currently to many of these staff, though DII is working to restore these records. The lab's information management system, Sample Master, will continue to be supported by ANR until a new host can be found for this software. Currently, Ag and ANR IT staff are working hard to grant access to the ANR server so that Sample Master can be reached by users on the VSMS network.

The lab receives 200-300 samples per week during the busy season (May-Sept). Many of these samples are submitted with errors (mis-labeled, under-filled, delivered too long after collection, unsorted, etc) which require significant lab time to resolve. The lab is working to develop a tracking and reporting system that will provide a report to the client on their success rate for correctly submitting samples. The lab is also developing informational materials to sample collectors with instructions on effective sampling procedures. Lab staff will also be participating in the training sessions for sample collectors.

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 several ARM Division staff members. Nearly 100 farms have been fully surveyed to date. The following number of farm facilities were surveyed within the last week as part of this initiative:
 - 6 SFOs
 - 1 MFO

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

- Staff conducted a follow-up visit to a complaint on a MFO in Orleans County related to manure spreading and manure on a road surface.

- Staff met with a technical service provider to discuss nutrient management planning and farm permitting for farms in the North Lake Champlain Basin.
- Staff are working with LFOs regarding permit amendments for authorization to construct additional animal housing, waste storage, increase animal numbers and importation of wastes for digesters.
- Staff are drafting reports and memos related to inspections and enforcement cases and following up as needed.
- Staff are continuing to test the FoodSafety Water Quality database and we continue to send comments to the database developer.

Conservation Reserve Enhancement Program (CREP):

- Staff provided NRCS with maps for a MFO in Franklin County that is considering participating in the Edge of Field Monitoring program to measure how implementing different field practices may improve water quality.
- Staff provided background information for the NRCS communications officer for an upcoming FSA administrator visit to a SFO in Franklin County that has participated in CREP.
- Staff met with a SFO in Chittenden County to discuss CREP and water quality improvements.
- Staff participated in a NRCS led watershed planning meeting focusing partner efforts specifically on the Rock River.
- **Seed Potato Program** – Plant Industry staff met with Chappelle’s Vermont Potatoes this week to review and plan for the 2015 Seed Potato Certifications. In 2015, 35 acres of potatoes are to be entered in the certification program, with over 20 varieties (including red, white, yellow and russets) in the field. The fields were also given a preliminary inspection, and looked to be in excellent health, in spite of the rain and a late start to the season.
- The seed potato certification program consists of two field inspections during the growing season, a winter tuber grow-out test performed in south Florida in January, storage and packing inspections, and, assuming the potatoes pass all the inspections and tests within established disease limits, are provided tags verifying the potatoes health status for the following year’s growing season. In past years, Chappelle’s Vermont Potatoes have sold between 50,000 and 80,000 pounds of certified seed potatoes to growers in Vermont, New York, and New Hampshire. In 2015, they sold about 75,000 pounds of certified seed.
- **Industrial Hemp Registry** – Registrations for industrial hemp continue to come in to Plant Industry. As of July 24, 19 registrants were in the database for the 2015 growing season. Intent to grow on approximately 25 acres, total, has been indicated by the registrants. As in previous years, seed remains difficult to obtain, due to restrictions on importation and interstate movement of hemp seed, which remains a schedule 1 controlled substance under Federal law. Importation of hemp seed is only allowed under permit from the Drug Enforcement Administration. Plant industry staff have been in communication with prospective growers and the DEA on the matter of seed imports, and are providing support for the importation effort when appropriate.
- **Nuisance Mosquito Management** – Due to continuous wet weather and abundant standing water, nuisance mosquito emergencies and citizen concerns have been higher than in some other years. Plant Industry has been working with the Mosquito Control Districts in Addison and Rutland County, providing technical assistance and training to district staff, and equipment and financial support in the effort to identify nuisance mosquito adults and habitat, and to control outbreaks of these pests. Although the program was designed initially to address hatches of floodplain mosquitoes emerging from intermittently inundated areas along the Otter Creek and Lemonfair River, the prolonged rains have caused emergencies of mosquitoes from other swampy areas and permanent wetlands around the district towns (Brandon, Cornwall, Bridport, Leicester, Goshen, Salisbury, and Weybridge), necessitating a change of approach to monitoring and control in the affected areas. Our cooperative efforts with the districts to identify species now appearing in neighborhoods and commercial areas will enable increased effectiveness our joint efforts to manage this ongoing nuisance.
- Our support for the district efforts is separate from the vector management program survey efforts, although some of those do take place within the district towns. However, the species known to be the primary vector of Eastern Equine Encephalitis (EEE), *Culiseta melanura*, does not use humans as a main host and is not considered a predominant nuisance species.
- **Entomology** – This week 293 batches of mosquitoes were submitted to the Vermont Department of Health for virus testing. No evidence of Eastern Equine Encephalitis virus or West Nile virus have been found in the 1168 batches tested to date.

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

Trey Martin
Deputy Secretary

**State of Vermont
Agency of Natural Resources**

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: July 24, 2015

Subject: ANR Weekly Report

Governor Level Issues:

Exit 4 Development & Welcome Center: The District 4 Act 250 Commission held a hearing last Friday and heard testimony from VNRC/CLF regarding the project's compliance with the Criterion 9B subcriteria and mitigation requirements for ag soils. Some of the key questions for the Commission to decide are whether the project incorporates an innovative, efficient design, and also whether the project qualifies for off-site mitigation. The Commission indicated there is going to be another hearing, where testimony on soils will conclude before the Commission proceeds to a review under Criterion 10 regarding the town plan and regional plan. ANR did not actively participate or present testimony at the hearing, but we are following the proceedings and have reserved the right to file comments or legal arguments.

Costco Appeal: A new appeal was filed on July 16 by Jon Anderson (representing RL Vallee). Vallee has appealed ANR's June 21 Determination that allows the Stormwater Discharge Permit to be amended for a minor design change regarding the location of the outlet structure. Vallee questions ANR's jurisdiction to issue an amendment since the design of the stormwater system is currently subject to appeal before the Environmental Court.

Blue-green Algae Toxin Detected: On July 14, Paradise Bay Associates (a Transient Non-Community water system in South Hero) had a raw (untreated) water sample with a microcystin level of 0.19 nanogram per milliliter. Our staff were on-site at the system that afternoon doing a sanitary survey and providing technical assistance in follow-up to the system's microcystin detection last week. The raw water re-sampling done both last week and this week were non-detect for the toxin. On both occasions, the treated water sample was also non-detect for microcystin so the users of this system were not at risk.

Leddy Park Soils (Burlington): DEC met with City of Burlington staff to discuss issues related to the soils stockpiled at Leddy Park from the Bike path Rehabilitation project. The Burlington Free Press reported on citizen concerns about a pile of dirt at Leddy Park, in Burlington. Analytical results from the soil pile indicate the soil piles contain a number of contaminants: Polychlorinated Biphenyls (PCBs), Lead, petroleum related compounds, and Polyaromatic Hydrocarbons (PAHs). The presence of PCBs may require the City to work through the EPA Toxic Substance Control Act (TSCA) to determine disposal and additional characterization of the area where the soils were removed. DEC and the city have agreed to issue a joint public statement that provides some clarity around the concern the citizens are addressing. In addition to this, concerned citizens contacted the federal delegation, which has also been updated on the current issues related to the soil pile.

EVERYTHING ELSE:

sure ↓

Legislative Issues/Testimony:

Clean Water Legislative Advisory Group: DEC has invited the chairs of the environmental and agriculture committees or their designees to an update and chance to weigh in on our progress and plans for implementing the Vermont Clean Water Act (Act 64) in August.

Lean Week: DEC has also invited the chairs of several committees and other legislators who have expressed an interest in our Lean efforts to the final report out of the results of our Lean week projects taking place the week of July 27. The report out is on Friday, July 31 at 1:00 pm in the Pavilion Auditorium.

Press Issues/Releases:

Water Quality Briefing: DEC briefed VPR's Taylor Dobbs for nearly two hours to discuss combined sewer overflows, blue-green algae blooms, the broad range of challenges facing the Lake and all of the work that will be done pursuant to the new Vermont Clean Water Act and Initiative. We are looking for opportunities to give background briefings on clean water to the members of the press corps covering environmental issues so that they have more context and background when covering this complex and challenging set of topics.

VT Moose Hunting Permit Winners Are Drawn: The winners of VT's 2015 moose hunting permits were determined Thurs, July 16, at a lottery drawing in Barre. Governor Peter Shumlin started the computer-generated selection process that randomly picked 265 winners from more than 9,500 lottery applications submitted by a June 17 deadline.

LWCF: VT Digger reported that Sen. Patrick Leahy is heading a coalition of 21 senators and sent a letter this week urging the Senate Committee on Energy and Natural Resources to advance legislation to reauthorize the Land and Water Conservation Fund (LWCF), which expires at the

end of this month. The fund is a key source of federal funding for the nation's parks and for conserving national and local natural resources. Commissioner Snyder was quoted in the article.

Significant Events/Meetings:

Solid Waste Meetings: DEC's solid waste program staff met with the district/ alliance group of Recyclers Network on Wednesday and the District Managers Association on Thursday. Topics covered included aspects of Universal Recycling, the new media outreach campaign, transfer stations activities, and MMP requirements.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs (OPLA)

Stowe Mountain Resort/Spruce Peak Realty, Act 250 application for a 5-lot subdivision:

The District 5 Act 250 Commission has circulated a hearing notice and Rule 20 request to the Agency seeking technical assistance from ANR staff regarding this request from Stowe Mountain Resort. The Agency is working to identify appropriate staff to provide relevant testimony at the hearing.

Grow Compost, Moretown: The Town of Moretown has filed a response to Grow Compost's request to terminate Act 250 jurisdiction. The Town objects to the termination of jurisdiction and also argues that ANR wrongfully revoked Grow Compost's Solid Waste Certification.

Mountainside Condos at Sugarbush Appeal: Carl Lisman is withdrawing his representation of the condo association (due to differences with the applicant's consultant, VHB, regarding potential site design changes). There is a status conference scheduled with the court on Monday, but it is unclear whether the appeal will proceed in the wake of Mr. Lisman's withdrawal.

Imery Talc – Phase I requirement: OPLA is preparing a third comment letter to the District 2 Act 250 Commission regarding the Imerys Talc Vermont application to expand their plant in Ludlow. The Agency's Sites Management Section has communicated to Imerys already that a Phase I Environmental Site Assessment (and if warranted and Phase II) must be conducted on the areas of earth disturbance and areas impacted by groundwater dewatering. Imery's has to date refused to conduct this assessment. OPLA's comments to the Commission recommend an Environmental Site Assessment because it is important to identify the potential for contamination at the site prior to the start of construction, and that conducting an Environmental Site Assessment is necessary for Imerys to satisfy its initial burden of production to supply information regarding the project's impacts.

New Applications: OPLA received 9 new Act 250 applications and 1 new Section 248 petition in the week of July 12.

Environmental Conservation (DEC)

EPA Particulate Matter Advance Program: Air Quality & Climate Division has been meeting with EPA Region 1 to discuss Vermont's potential participation in the EPA Particulate Matter Advance Program. The Particulate Matter Advance Program is a collaborative effort with the EPA that promotes local actions to reduce fine particulate matter (PM2.5) in attainment areas to help these areas continue to meet the National Ambient Air Quality Standard. This program encourages states to take proactive steps to keep their air clean. The EPA, Region 1, is interested in Vermont's participation based on PM2.5 concentrations and wood burning in Rutland and other mountain valley locations. We are planning to join this voluntary, collaborative effort to help maintain our attainment status and improve air quality.

Canadian Wildfires Impact Vermont: Over the past several weeks the air quality in Vermont and New England has been impacted by smoke from wildfires in Canada, primarily located in northern Saskatchewan. Impacts for Vermont have been haze, with occasional elevated levels of fine particulate matter (PM2.5) at ground level.

Vermont Greenhouse Gas Emissions Inventory Update: The statewide GHG emissions inventory report with data through calendar year 2012 is now available, and can be viewed on the ANR website at http://www.anr.state.vt.us/anr/climatechange/Vermont_Emissions.html. Vermont's 2012 emissions (8.27 Million Metric Tons CO2e) were up slightly from 2011 levels, approximately 2% higher than the 1990 baseline, and well above our goal to reach 25% below 1990 levels by 2012. Emissions from most sectors (Transportation, Residential / Commercial / Industrial fuel use, Waste Management, Agriculture, etc.) have been gradually declining since the emissions peak in 2004. However, emissions associated with Vermont's electricity consumption increased in 2012 due to decreased reliance on nuclear power, an increased reliance on higher GHG-emitting regional market power, and ongoing sales of Renewable Energy Certificates (RECs) to entities outside of Vermont.

Aeolus Mountain Spa Indirect Discharge Permit Appeal: After two days of trial in the Aeolus Mountain Spa indirect discharge permit appeal, the judge ruled from the bench and upheld the indirect discharge permit.

Request for Unannounced Sampling of Agrimark/Cabot Land Applied Wastewater: A citizen has requested that DEC renew unannounced sampling of Agrimark/Cabot's land applied wastewater due to their concerns over potential chemical constituents in this wastewater. December, 2014 sampling failed to reveal any concerns over the wastewater's chemical components. Given a lack of toxic substances in those recent samples, DEC does not intend to repeat the unannounced sampling at this time.

Hinesburg Water System Update: Last week Hinesburg corrected the distribution system leak that had been plaguing the system for some time and disconnected the emergency over-land connection of the newly-permitted Well 4 to the distribution system. The water system is still working to submit a complete construction permit application for the treatment of water from the two new wells and their permanent connection to the system.

Electric Utilities Training: DEC staff have provided a training at the request of the electric utilities to help them better understand the new Shoreland rules, as well as what is required of them when working in or near wetlands.

Onsite Compliance Assistance: Environmental Assistance staff continue to work with Fiddlehead Brewery as they move forward with plans to expand their operation. They are working to address potential water/wastewater issues associated with the expansion before they make a formal request for a new permit.

St Albans City Wastewater Treatment Facility Phosphorus Removal Pilot Study: Facilities Engineering staff have been working with St Albans City officials and their consultant to broaden the pilot study for advanced phosphorus removal to meet an effluent limit of 0.1 mg/l TP, which will increase the planning cost by \$22,700. DEC concurs with the revised proposal, which consists of testing 4 technologies. DEC is preparing an amended planning advance to provide the additional funds, increasing the amount from the current authorized \$105,000 to \$127,700.

US Geological Survey Water Smart Grant: DEC Geology staff are working with Vermont Rural Water to develop a USGS WaterSmart grant application to fund a planning phase for obtaining higher quality water withdrawal data for groundwater and surface water. This addresses one of our strategies to build framework data sets for groundwater characterization and collect baseline data useful for evaluating sustainable water use in Vermont.

Outreach Toolkit for Universal Recycling: A partner toolkit with outreach materials focusing on the July 1 mandatory recycling phase of the Universal Recycling law is being sent out to local solid waste districts, towns, and other interested parties for use in communications and outreach efforts. This will assist us in working together with the local solid waste entities to provide a consistent message statewide and achieve the greatest coverage.

Solar Projects Involving Wetlands:

- (A) The wetlands program is responding to requests from developers to mow wetland vegetation underneath and around panels more frequently than allowed under the permit conditions. Mowing was not considered a part of the impact because permittees agreed that a once a year “maintenance of current conditions” was acceptable. Now the vegetation is shading portions of those panels and the program has not approved additional mowing. Future permitting may need to include mowing as impact since once-a-year maintenance may not be viable for the project type.
- (B) An older solar project which was grandfathered as a non-jurisdictional project in 2010 within an unmapped alder swamp is having issues with panels tipping as the saturated soils have heaved the bases over time. The developer has inquired about current wetland jurisdiction. The wetland is now considered Class II and any work beyond

straightening the poles would require a permit. The wetlands program will conduct a site visit where the ongoing impacts will be assessed.

- (C) Charter Hill Solar in Rutland has self-reported on a violation of their permit conditions. An area of wetland was mowed and rutted by one of the contractors and a pile of woodchips may have smothered a rare plant population. Wetlands program staff will be out to investigate later this week.

West Lake Project (Mt Snow): DEC has received multiple complaints regarding turbidity in the surface waters downstream of this project. We have posted a memo on the DEC Rivers Program website, and distributed to relevant ANR staff explaining what the resort is doing to control sediment and explaining that the project is intended to have a long-term benefit to water quality. Mt. Snow is expected to issue a complementary press release as of this writing.

Hartford Rod and Gun Club: Surface waters traversing the property of this sporting facility were tested for lead and related contaminants at the request of the Club president. The sampling was a joint effort of DEC and Fish and Wildlife's Range Operator Program.

Hermitage Act 250 Application: DEC is reviewing an application for one of the proposed ski lodges contained in Hermitage's pending Master Plan application. Staff have noted a number of stream impacts on the site plan, and DEC has notified OPLA of concerns regarding buffer impacts under Criterion 1E-Streams, and stream channelization. The Rivers Program also has major concerns under 1D-Floodways, given what appears to be the proposal to channelize/further channelize up to 400' of Oak Brook. We are reviewing for Stream Alteration permit requirements.

Fish & Wildlife (FWD)

Two NEK Men Charged in Deer Poaching Case: Game wardens charged two Northeast Kingdom men recently for allegedly poaching several deer during March and April in the Stannard area. On June 22, game wardens, assisted by officers from the Hardwick Police Dept., executed a search warrant at the residence of Shawn Bell, 37, of Greensboro and based on evidence gathered during the investigation charged him with taking deer in closed season during the spring of this year. Arraignment for Bell will be on July 20 in Caledonia Superior Court. On July 7, Kasey Ainsworth, 22, of Coventry was arrested and charged with possessing and transporting deer taken in closed season. Arraignment for Ainsworth will be held on Aug 4 in Orleans Superior Court.

Brazen Bear at Camels Hump State Park: Multiple reports of a problem bear frequenting Hump Brook Tenting Area and Montclair Glen Lodge in Camel's Hump State Park have led FPR and the Green Mountain Club to close both sites to tenting. The bear has entered the caretaker's tent, multiple hikers' tents, and has tried to get into Montclair Glen Lodge. The bear seems to have lost its fear of humans, even when confronted by a group of people banging pots and pans. District III staff have been cooperating with GMC and F&W to notify users of the

situation and to bring things to a safe resolution. Other bear-related complaints are also coming in to FWD pretty steadily.

2015 Lake Sturgeon Sampling Yields Encouraging Results: Fisheries staff from the VTFWD are reporting a total of 17 lake sturgeon collected during recent sampling activities on several Lake Champlain tributaries, an encouraging sign for the prehistoric, endangered species. Sampling started in mid-May. 16 sturgeon were collected in the Winooski River over a five day span, as well as one sturgeon in the Lamoille River in three days of work.

Moose Activity: A moose was dispatched by SW Barrett who was accompanied by the Department's moose biologist Cedric Alexander in Waitsfield. The moose had apparently been hanging around for months and was suspected to be infected with brain worm. The head of the moose was sent out for brain worm testing.

Some People Just Don't Learn: A warden watched a woman fish from the fishing pier in Burlington after they had issued her a fishing-without-a-license ticket two days prior. The warden figured out that she still didn't have a license when she threw the rod into the lake. She received another fishing-without-a-license ticket and a littering ticket. The perpetrator's boyfriend also received a fishing-without-a-license ticket. The warden also explained to them that they weren't permitted to drive due to their present (driver's) license status. They didn't heed that warning either, and 5 minutes later the warden issued the boyfriend a ticket for operating without a license.

New Major Announced: Major Dennis Reinhardt's replacement has been named: it will be current LT for the central district, George Scribner. He has been offered the position and has accepted. Scribner will report to the central office in late August to start his training before Major Reinhardt retires.

Snow Streams: Staff conducted two site visits at Mount Snow in Dover. The first was in regards to an Act 250 permit application whereby Mount Snow is proposing to shift an existing parking lot south such that roughly 500 linear feet of stream channel will be eliminated and routed into an existing 300 foot culvert. Staff will be writing comments and recommendations this week. The second was related to an existing Act 250/Stream Alt permit condition whereby sediment controls were not followed and a significant discharge to Cold Brook is occurring. Sediment controls were relaxed under the direction of DEC, and unfortunately the modified plan failed. Staff will be continuing discussions with DEC on how to avoid this situation in the future.

Dam Removal in Randolph: Staff met with representatives of Dubois and King, American Rivers and the White River Partnership to discuss preliminary plans to remove a dam on the Third Branch of the White River in Randolph which creates a barrier to the movement of trout and other aquatic populations. American Rivers has obtained funding for design and permitting of the dam removal. Staff also reached out to VTrans for input on this proposal as a Route 12 bridge is located immediately upstream of the dam.

Swanton Hydro Project: Staff met with representatives from the Village of Swanton, along with personnel from DEC, Division for Historic Preservation and the PSD, concerning the proposal from the Village to develop a hydro project at the lower Swanton dam. The Village requested the meeting to voice objections to the ANR study requests, to suggest an alternate licensing process with FERC and to mention various other related topics. The Village expressed a continuing interest in developing the project, possibly under a different configuration that could entail the filing for a new preliminary permit from FERC.

Berlin Pond Update: Staff met with the town of Berlin and their contracted surveyor last week to review a draft survey of the land surrounding the outlet of Berlin Pond. This surveyed parcel begins just to the east of the existing parking lot that is managed by the City of Montpelier. It was identified over a year ago as possibly being owned by the town and suitable for hosting a non-motorized access area that would be developed and managed by the Fish and Wildlife Department. The survey showed that the town clearly owns all of the land around the outlet of the pond save one small sliver of land along the shoreline. Before moving forward with development of this site, the Department is considering additional survey work to determine clear ownership of one additional adjacent parcel in an attempt to avoid future ownership questions

Forests, Parks and Recreation (FPR)

Dog Bite Demand Letter: The Department received a letter from Rick and Nancy Kisonak demanding that the Department pay \$60,000 for alleged negligence and damages resulting from a dog that “attacked” their autistic daughter in Mt. Philo State Park. The matter has been referred to the Attorney General’s office. The state will agree to an extension of the statute of limitations until the end of August 2015 (the SOL runs on July 22, 2015 for their claims). This will allow some time for the state to respond to the Kisonak’s claims and to explore options to resolve this issue and avoid litigation.

State Park Visitors: Total annual State Park visitation to date is still 6% behind the record-setting 2014 season. Promotion programs are getting good attention and if the weather cooperates to any significant degree, the season could come close to matching last year.

Mrs. Vermont: Dorilee LeBlanc, in her role as Mrs. Vermont, has been making appearances at several state parks to further her mission to get kids disconnected electronically and spend more time outdoors. She is emphasizing our Venture Vermont scavenger hunt and is helping to award winners of our “Random Acts of Camping” promotion program.

Recreation Grant Programs are Active: Both department premier recreation grants programs, Recreational Trails and Land and Water Conservation Fund are very active right now finalizing grant awards and agreements so sponsors can accomplish work this season.

Green Mountain Conservation Camps Buck Lake Forestry Days: Forestry staff have been participating in Buck Lake’s Forestry Days for young campers. This past week, Forestry District

Manager Ginger Anderson and Forester Emily Meacham teamed up to help with Girls Week at camp. Forestry staff participate by assisting and leading activities in forest ecology, forest management and forest measurements.

Urban and Community Forestry: Led by U&CF and State Lands Forester Rick White, District I and II staff began the street tree inventory project for Rockingham as part of the Care of the Urban Forest project and grant from the US Forest Service. Once Rockingham is finished, staff will get started on Springfield and then Brattleboro.

Natural Resources Board (NRB)

Act 250 Rules: The NRB approved its final package of changes to Act 250 rules to be submitted to LCAR and the Secretary of State's office. The NRB removed from the package of proposed rules certain rules District Coordinators objected to because the changes would create confusion and unintended consequences in interpreting the rule changes. These rules relate mostly to when an amendment to Act 250 permits are required. The NRB also finalized the proposed changes to its Master Plan Rule. The NRB declined to make changes to the proposed rule recommended by VNRC that would have clarified when a Master Plan Permit is required, and limited the term that a Master Plan Permit is valid. The NRB intends to prepare a responsiveness summary and file the proposed rule by the end of July.

NEMG Asphalt Plant: Neighbors for Healthy Communities from Graniteville presented concerns to the Board regarding odors from an asphalt plant operated by the Northeast Materials Group (NEMG). Neighbors for Healthy Communities alleged that NEMG is violating condition 5 of its Act 250 permit. This condition addresses nuisance odors from the plant. NRB Chair Groveman indicated that the NRB would investigate the complaint. In addition, the Vermont Supreme Court issued a decision reversing the Environmental Court's decision that Act 250 jurisdiction did not attach to pre-existing rock crushing operations on the site. Accordingly, the applicant will be required to obtain a permit for these activities.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: July 24, 2015

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

VGS: We received a briefing this week on construction schedule and contractor selection from VGS. They have an agreement (signed today) to have the work performed by Michel's – a national pipeline company, at a cost within their budget and with incentives to do better, and a cap if they do worse. Phase I construction is to begin in August, break for the winter, and restart next spring with completion about October 1, 2016. See below for more detail. The AARP released a self-serving survey criticizing the project and department, with questions like "do you want lower utility rates" and such nonsense. 51% (margin of error 3.5%) are saying they do not agree with our decision to move ahead with the project, so even though this is within the margin of error this is being touted by AARP as showing "a majority of Vermonters do not agree." VGS has continued to negotiate with landowners and it looks like approximately 12 Eminent Domain proceedings may be necessary, though we hope the number gets reduced further.

RUS/EVT: We had a big meeting on Tuesday with the Speaker and principals, including the

treasurer and the delegation representatives. We agreed on a letter from the Treasurer, and on a path forward. VEIC and PSD reached agreement on a stipulation which was signed yesterday and will be part of EVT's application to RUS for \$46M, expected to be submitted on Monday. Also on Wednesday, we requested a 30 day extension of the Board process jointly with EVT. Finally, I called all 10 members of the Joint Fiscal Committee to explain why the matter was taken off the Agenda this month. I only actually spoke to Mitzi Johnson, but she was fine and appreciated the call. Told them we'd likely be briefing them in September.

TDI/HQ: As you know, we finalized our agreement with TDI on the Clean Power Link on Tuesday. Thank you for working through that with me, and I am sorry the schedule was not as clear as it needed to be. Press was, I believe, very positive – including as close as one can get to a “retraction” by Emerson Lynn on Thursday. I also spoke to HQ-US (Carolyn O'Connor) and arranged a call for today with her to discuss the settlement and expectations that TDI would get a CPG in the fall, as well as starting discussions about the option of working directly with them on an I-91 corridor project. She was very appreciative, and will raise the option again with Eversource. She believes they have not done any work on the I-91 route as an alternative to Northern Pass, but is interested in discussing more before your meeting with the HQ CEO in late August. She states that Eversource will be very sensitive to discussing alternatives to the Northern Pass at this time. The Northern Pass EIS came out on Wednesday, and states that the proposed route is the least expensive but most environmentally damaging of the alternatives. It will need to be modified. That said, Carolyn believes TDI option might be too expensive, though acknowledges that NP may be the same or more so by the time it is done. She indicates we may hear more on the NP project in the next few weeks (implying some sort of agreement).

Solar Siting Task Force: We sent out notices today to statutory members of the “Solar Siting Task Force” and will be holding the first meeting on July 28th.

CEP: We held the last of our four public meeting last night St. Albans, (Manchester was Tuesday) and it went reasonably well, although the prospect of the Swanton 20MW wind project loomed large over the meeting. (See next item).

Swanton: We asked the developer to come in and explain the wind project to us on Monday, and staff seem generally ok with the proposal. Representative Marianna Gamache is clearly adamantly opposed, and she was at the CEP meeting last night. I returned the call to you from Senator Degree, left message, but have not heard back. Finally, and unfortunately, we have confirmed that they had no CPG for the met tower, and so notified the Board to open an investigation.

FairPoint: Jim and I met with Mike Smith and Beth Fastiggi to discuss the service quality investigation and possible settlement of the matter. Mike is going to “get up to speed” over

the weekend and we'll be meeting again on Monday.

GMP Rate Case: We are once again reviewing and in discussion with GMP about their rate case, in which they filed a 2.34% rate increase. We do have some disallowances and some questions, but overall the negotiations are civil and constructive and I expect we will resolve remaining outstanding issues. That does not mean you won't get a call this weekend or early next week, as we must file something by Wednesday and need to resolve some matters before then that are definitely in dispute.

Meetings/Calls this Week:

Jul 20 – CEP public meeting
Jul 21 – Entergy VY monthly meeting
Jul 22 – Fairpoint Meeting; 2015 Internal Comprehensive Energy Plan (CEP) meeting
Jul 23 – CEP public meeting – St Albans
Jul 24 – VEDA Board meeting, Call with HQ-US

Meetings next Week:

Jul 27 – FairPoint meeting
Jul 28 – Solar Siting Task Force
Jul 29 – 2015 Comprehensive Energy Plan (CEP) meeting
–

Media: VPR on NRC and VY issues, BFP on Vermont Gas and the #\$\$%^ AARP Survey;
Several media outlets re: the TDI Settlement, including discussion with Emerson Lynn;

Everything Else:

PERD

2015 Comprehensive Energy Plan

- Continued chapter development tasks with:
 - Department of Forest, Parks and Recreation for the wood energy section of Resources chapter including a scoping meeting on July 17th at ANR; FPR staff report that they are making progress with drafting. 7/17 meeting focused on wood energy principles, which will inform a focused set of key recommendations related to wood energy.
 - Department of Environmental Conservation for the greenhouse gas/climate change and air pollution sections of the Impacts chapter; received draft chapter and updated Vermont Greenhouse Gas Emissions Inventory Update 1990-2012

- Department of Health for health framing section of Impacts chapter including bullet points describing potential health impacts related to energy choices that can serve as a model for environmental and economic impacts sections of Chapter 4
- Received CEP material on clean energy jobs from ACCD.
- Bulleted policy guidance principles re: economic impact of energy policy
- Preparatory work creating strawmen of priority recommendations and interagency policy questions related to wind and hydro. Didn't discuss at meeting, but sent separately to ANR for consideration.
- Drafted first cut at land use and siting bullet points for CEP Chapter 4.
- Began work on Finance Chapter 5
- Hosted CEP interagency meeting, which focused on the state of development of text and structure for each chapter. The group decided to meet again next week (7/22) to discuss chapter 4 in particular. Chapter 4 highlights economic, environmental, and health priorities and how energy policy can advance each of these.
- Attended and presented at the CEP public meeting in Middlebury and staffed the energy supply resources and energy efficiency/conservation discussion tables. The meeting was attended by approximately 40 members of the public.

Residential and Commercial Building Energy Standards (RBES & CBES)

- Met with Burlington Planning Commission regarding the proposed adoption of the Residential Stretch code as the standard for the city. The PC also proposed requiring solar, green roofs or accessible roof spaces as part of the requirement. 75% of the downtown area is part of an ACT 250 jurisdiction so this adoption would only potentially affect 25% of the buildable area in the city.

Energy Efficiency Utility Activities

- *EEU 2015-01*: Staff responded to multiple iterations of proposals from VEIC, BED and VGS allowing more flexibility in transferring funds among NRA activities at the initiative level. Staff negotiated terms to be sponsored by the DPS and proposed jointly with VEIC, BED and VGS. The proposed terms will be subject to comments, a Board Workshop, and reply comments. The proposed terms allow transfers of NRA funds to occur without Board approval not to exceed 10% of the original NRA initiative level Board approved budget. NRA transfers not needing approval are to be included in EEU annual plans for years two and three of the performance period. Transfers greater than 10% of NRA initiative level budgets require notification and approval by the Board (with an opportunity to comment by the DPS and stakeholders) within the context of the annual plans for year two and three. The terms also include provisions for transferring RA funds to NRA categories and NRA funds to RA categories within limits.
- *EEU 2015-02*: VGS Transition Period Plan (TPP 2016-17) – Staff met with VGS to continue discussing energy efficiency resource and non-resource acquisition

budgets, and quantifiable performance indicators. In addition, DPS and VGS agreed that VGS would not budget for an operations fee or performance award for 2016-17. However, likely would budget for at least a performance award starting in 2018.

- *Docket 8395 (Community Energy and Efficiency Development Fund or “CEED”)* – Staff attended second introductory workshop hosted by GMP regarding 2016 CEED Fund activities. GMP discussed the process for submitting funding proposals for program year 2016 which are due 8/31 followed by a project review meeting on 9/8 which will provide an opportunity for stakeholders to ask clarifying questions about the proposals. Stakeholder comments are due on 9/25/15 followed by GMP’s filing of its program selections by 10/7/15. The 2016 CEED annual plan is due 11/1/15. GMP may also hold a third workshop on 7/21/15 to review NSB calculation.
 - GMP expects that it will be close to achieving its required \$25 million in NSB investments, by the end of 2015. GMP said that while it would target commercial electric efficiency in 2016/2017 (remaining two years of the Fund) as a hedge to ensure it meets/exceeds its NSB requirements, GMP also sees an opportunity to focus more on new/innovative technologies in the remaining years as a result of its expected progress towards achieving its NSB requirements by the end of 2015. GMP said they would be willing to take “a little more risk” in 2016/2017. Furthermore, GMP also stated that it is harder to find electric energy efficiency potential in projects that EVT is not already doing. GMP also mentioned that while they have filed a study with the Board regarding the State’s energy efficiency screening tool and adapting it to screen for renewable energy as well, that the Board process would likely not be completed in time to invest in any “renewable energy” projects before the end of the CEED Fund in 2017.

Thermal Energy Finance Pilot – Heat Saver Loan

- Interest in HSLs picked up in the spring. The two credit unions issued 38 HSLs valued at \$490,327 using \$90,350 of interest rate buy down since opening the program last fall. Marketing efforts have ramped up and the credit unions already have about 10 more loans in progress as of this week.

Clean Energy Development Fund

- Reviewed & approved payment of \$75,018 for 41 incentive payments for the SSREIP consisting of 39 PV systems resulting in 285.7kW of new PV capacity, one solar hot water system and one pellet heating system. One of the PV systems was this 5.7kW system on a net zero Vermont home for the Addison County Community Trust:



- Together with Paul Fredrick of the Dept. of Forest, Parks, and Recreation and Lew McCreery of the Federal Forest Service reviewed and compared scores/comments on the 10 wood heating system proposals received and agreed on tentative grant amounts for 8 of the proposals and agreed that that two would not receive grant offers.
- Reviewed and discussed with VEDA invoices received from the lawyer working on the SBE foreclosure. The legal costs of the foreclosure will be paid by Lord & Lord LLC which will now own 100% of the SBE building and will have a new CEDF & ARRA funded loan of \$719,068 with a 10 year term. Lord & Lord will also pay the CEDF the ~\$21K of interest that SBE had failed to pay at the closing of the new loan, scheduled for 7/21/15.
- Reviewed and approved the first invoice (\$50K) for the Windham Advanced Wood Heating program for the first quarter of the two year program.
- Worked with BED on a draft grant scope of work for the City to look at reducing the costs of time and money to obtain a permit to install PV in the City. The grant is to be funded as a \$26,000 sub-grant through the PSD's Regional SunShot grant.

Upcoming meetings

- 7/21 Meeting with AAFM and VT Tech. College re: digester substrates
- 7/23 Ribbon cutting at S. Strafford community solar project. This 110kW project received a \$32,250 grant from the CEDF in 2014. I was told by the developer that the Governor will be at the event.

Renewable Energy Items

- Met with Swanton, their attorney, SHPO, ANR, and VPPSA to discuss Lower Swanton Dam study requests made by the state agencies in response to the utility's FERC filing. The meeting ended up being more of a philosophical discussion about how the FERC process works for a Vermont project. One useful outcome was agreement between ANR, SHPO, Swanton, and VPPSA that regular (perhaps annual) check-ins

would be beneficial to plan and prepare ahead of relicensings and avoid situations such as that playing out with Morrisville's relicensing.

- Set up meeting for VERA to come brief PSD staff on wind projects in development on 7/21.
- Worked on solar siting task force invitations, press, and logistics. Posted press release to PSD announcements on website. Also mentioned to Deputy Secretary Bothfeld of AAFM, who plans to attend.
- Learned that due to a second problem during testing (failure of a battery resistor), Dynapower has delayed shipping storage components to Stafford Hill until 7/21, with a revised anticipated commissioning date of mid-August. Dr. Gyuk of DOE is pushing for an August 13 ribbon cutting, but that may be too ambitious.

Net Metering

- Sent VEC net metering cap information to VPIRG, which has members that are trying to figure out if they can go ahead with solar installations.
- Met with Board staff to further explain our comments and provide context regarding the approaches of other parties.

Net Metering Activity 7/10/15 – 7/17/15

	Registrations	Applications	45 Day Notice	CPGs Granted
Count	15	1	1	16
kWAC	109	23	4699	130
Ave Size kW	7.257	115	4699	8.097

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
16126.80	24318.33	101433.39	~ 67.6%

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

Heating Fuel

- Since last reporting Crude Oil prices down from last week now at \$51.15 v. \$52.87 a week ago. The natural gas market prices are down now at \$2.881 v. \$2.776 a week ago.

Integrated Resource Plans

- Met with VGS to discuss PSD's expectations for their IRP. VGS will be hiring a consultant to help develop forecasts and planning scenarios. PSD stressed that it is the decision making framework not the results of the analyses that is important. It was acknowledged that there are some aspects of least-cost planning that apply awkwardly to a non-price-regulated utility.
- VPPSA submitted their IRP. We have not been working closely with them during its preparation, so we expect to not be able to quickly sign off; instead we will set a schedule for further work.

Other

- Staff advised Sandia National Lab staff who are putting in a DOE proposal to provide technical assistance to Vermont on grid modernization issues, in concert with NREL. Their scope would include "how to optimally integrate DER and controllable loads into the distribution system, control the DER and loads to enable peak shaving, provide regulation services and others for the entire utility service territory, provide distribution grid services at the feeder level and quantify the value to the end user."

Engineering

Vermont Yankee Spent Fuel Management & Decommissioning

Systems maintenance and testing to support Spent Fuel Pool integrity continued during the reporting period – most notably, annual Deluge System (part of the plant fire protection system) tests were successfully conducted. Work on the "B" train of the Standby Fuel Pool Cooling (SFPC) System reported last week was completed late Wednesday (7/15). Accordingly, VY has returned to its normal (condition green) state of risk for compromising Spent Fuel Pool integrity. No issues identified during the reporting period potentially impacted Spent Fuel Pool integrity.

NRC Decommissioning Inspector On-Site

Steve Hamman (NRC Region 1 Senior Health Physicist & lead Decommissioning Inspector for VY) is onsite July 20 through 23 conducting inspections of VY's Radiological Monitoring (i.e. personnel monitoring) and Radiological Effluent Monitoring Programs. The State Nuclear Engineer briefly met with Steve on Tuesday to discuss the scope of his onsite inspections, and will meet with him again at the end of the week to discuss any findings. VY's response to trace amounts of Strontium-90 detected in several on-site groundwater monitoring wells earlier this year will be reviewed [related to this, VY has contracted with a second (alternate) well sample testing facility].

DOE Begins Initial VY Evaluation for Transporting Spent Fuel Off-Site

The Department of Energy's (DOE's) Office of Nuclear Energy has begun evaluating the VY

site for options to (eventually) remove Spent Nuclear Fuel from the site once a federally-approved repository becomes available (currently projected sometime after 2025). This initial evaluation will focus on transport by rail, which is in close proximity to the VY site. The DOE maintains, on its web site, a national spent nuclear fuel transportation options report “Preliminary Evaluation of Removing Used Nuclear Fuel from Shutdown Sites” that is updated every October. The current (2014) version of this report does not include information for VY since the plant was still operational in 2014. The DOE anticipates visiting the VY site in early October as part of this effort.

Letter of Concern issued to VGS

The Gas Engineer issued a Letter of Concern to the Regulatory Affairs VP of Vermont Gas Systems Inc. (This letter was discussed with the Department Commissioner and its format was reviewed by PA.) The letter notified the company of several irregular conditions observed at above-ground pressure reduction stations located in Colchester and Georgia, VT. These conditions included ineffective safety advisory signs, the absence of corrosion protection coating, and an existing gas leak. The letter requested a remediation plan for the items and method(s) to prevent reoccurrence.

Regional Policy

FERC Cybersecurity Notice of Proposed Rulemaking

- On July 16, FERC issued a Notice of Proposed Rulemaking (Docket RM15-14-000) on updating Critical Infrastructure Protection Reliability Standards. The NOPR seeks to protect communication links among bulk electric control centers and prevent the introduction of malware into communication equipment at any point in the supply chain. The rule would propose to do so through regulation of those utilities over which FERC has authority. Additionally, FERC directed NERC to provide additional information as to why reliability standards related to “transient devices” such as flash drives should not also apply to low-risk bulk electric service cyber systems.

Critical Infrastructure Substation Upgrades

- A new NERC standard requires transmission owners to identify substations considered to be critical to operation of the eastern interconnect and put into place necessary physical security measures (such as cameras, physical protection, etc.). ISO-NE estimates that there are likely to be 30-40 substations in New England that would be identified as critical. ISO-NE is looking into modify its planning procedure related to review of these facilities to remove NEPOOL and stakeholder review of

proposed construction actions and costs, as this designation appears to be beyond the typical Critical Energy Infrastructure Information process. NESCOE has discussed the issue with ISO-NE and is working to ensure that states retain the ability to review proposals and cost estimates.

Federal Energy Legislation

- Staff worked with Representative Welch's office on a House bill that would require Regional Transmission Organizations to report on how well wholesale markets are meeting certain criteria. Staff suggested that the criteria also include provisions that would better enable renewable and utility-owned resources to clear in capacity markets.

National Governors Association Electricity Market Structures of the Future meeting

- Staff will be presenting on July 28 on a panel titled "Regional Solutions to Clean Energy Infrastructure Challenges." The presentation will focus on issues related to transmission of large-scale hydroelectric resources, including tracking renewable attributes and siting projects in a state that doesn't benefit from the infrastructure. Additionally, the presentation will touch on Vermont's focus on distributed generation and electrification of thermal and transportation industries.

Finance and Economics

Electric

Barton Electric Department: The Electric Department has had management and internal control deficiencies. One of the major issues is how proceeds from a \$1,850,000 in Long-term Tax Exempt Bond were used. The PSB issued a Procedural Order (Docket 7719 3/10/15) requiring Barton to file monthly status reports on its progress in working out its problems and said it would revisit the issues in three months to consider what additional measures, if any, will need to be taken. This week staff completed a review of Barton's filings and provided a recommendation indicating that no further action is currently required and that Barton should continue its monthly reporting. Additionally, we have asked Barton to come in and discuss its progress and plans for wrapping up all of the loose ends.

Deerfield Wind: Docket No. 7250 -CPG Compliance Filings - Third Set - Staff reviewed the filings and provided a recommendation indicating that Deerfield had met 3 of 4 conditions set by the PSB prior to the start of construction. Deerfield has failed to meet condition #19 to implement its decommissioning plan. Staff noted that Deerfield is making the compliance filings to meet the CPG compliance obligations required prior to construction and Condition 19 requires that “Deerfield shall implement the Decommissioning Plan”. Deerfield submitted a blank form letter type letter of credit with no specifics—so it was difficult to conclude the decommissioning plan was implemented.

GMP: Q2'15 Power Adjustor: GMP filed its Q2'15 Power Adjustor on April 30 indicating a rate adjustment (under collection) of \$572,051, or (\$0.0058) per kWh for the quarter. Staff is still awaiting response to discovery questions that were submitted on May 11. The power cost adjustments for the four quarters will be aggregated into one annual power adjustor rate change. For the first two quarters the net power adjustor is an over collection of \$126,979 (1st Qtr. over collection of \$699,030) that will be refunded to rate payers in FY 2016. Staff is continuing its review this week and has started discussing issues and observations regarding questionable items included in the adjustment.

VEC: Docket 8522-a \$248 Petition requesting approval to purchase of up to 10 MW of capacity from NextEra Energy. This week discovery was completed and sent to VEC and the review is ongoing.

The petition seeks approval of an amendment to an existing PPA between VEC and NextEra Energy which the PSB approved in Docket 7815 on March 9, 2012. Under the amendment VEC will purchase up to 10 MW of capacity produced by the Seabrook, NH generating facility. Discovery on VEC is due by July 23, a technical hearing is scheduled for August 17, and a proposed PFD is scheduled to be issued by August 24, 2015.

Natural Gas

VGS 2016 Annual Base Rate Adjustment – VGS filed its 2016 base rate adjustment based on the pending renewal of its existing Alt Reg Plan for an overall rate decrease to firm customers of \$756k or .9%. No new developments-staff continues its review and the development of possible adjustments.

The change resulted from an increase in base rates of \$1.7 million or 3.8%, which was offset by a reduction of \$2.5 million or 6.3% in firm gas costs. Fin and Econ is reviewing the filing and preparing discovery. A Department recommendation is due on or before August 31, 2015.

Gross Revenue Taxes

Gross Revenue Taxes (GRT) – This week additional collections came in. Collections for 2015 Fiscal Year total \$8,723,696.07 versus forecasted collections of \$8,708,117.00 resulting in a favorable variance (overage) of \$15,579.07 or .18%.

Gross Revenue Tax Return Reviews/Audits—this week staff continues its review of utility tax returns and annual reports. Any discrepancies will be pursued with the utilities.

Public Advocacy

VGS Addison Expansion – Docket 7970 – The Department continues to work closely with VGS on ROW issues and potential condemnation petitions. At this time, VGS anticipates less than a dozen such petitions will be necessary. The timing of these petitions remains of concern, with the Department advising that any petitions should not be filed until the remand order is issued.

VGS Looping Phase VII – Docket 8472 – The Department and ANR joined in an MOU with VGS with respect to the Project. The MOU was submitted in advance of a technical hearing, which was held on July 14. The Hearing Officer had no questions for any party. VGS has circulated for review a Proposal for Decision, which it hopes the Department and ANR will join. The Department is reviewing.

VGS Alternative Regulation – Base Rate Filing – No Docket – On June 30, VGS made its annual base rates filing, which reflects an overall decrease of 0.9%. The Department has begun its two-month review of the filing and served initial discovery. Responses are pending.

VGS Alternative Regulation – One-Year Plan Extension – Docket No. 8471 – VGS and the Department jointly proposed a one-year extension of VGS’s alternative regulation plan months ago. The hearing officer recently issued an order indicating that a technical hearing would need to be held on the proposal and the parties have proposed dates in mid-August.

GMP Alternative Regulation – No Docket – On July 1, GMP filed scheduled updates to its 2016 base rates filing. The original filing (all in) resulted in a 1.91% increase. The revised filing (again, all in) now results in a 2.34% increase. The Department has reviewed the filing and conveyed a number of concerns to GMP. GMP and the Department will meet on July 23 to discuss these concerns. There will also be a public workshop on July 23, which will be held at the Department. AIV, GlobalFoundries and AARP were served direct notice of the workshop.

Rule 4.100 – PURPA – In early July, the Department became aware of a significant number of potential Rule 4.100 projects in the early stages of development. VEPPI has responded to six requests for 20-year levelized contracts for 20 MW solar facilities in each of the following towns: Barton, Highgate, Florence, Randolph, Ludlow, and Sheldon. A gentleman named Adam Cohen of Yarmouth, ME, is the person who proposed these projects (through different LLCs). Additionally, the 4 MW North Hartland hydro facility has sought a 30-year

non-levelized contract under Rule 4.100. VEPPi has responded to all requests by noting that it will develop a draft agreement, but that it is not empowered to enter into any agreement until such agreement is approved by the Board.

GMP - Investigation into proposed changes to Electric Assistance Program – Docket 8500 –

The parties submitted a proposed schedule on July 10 and the Board subsequently approved it. The schedule calls for an MOU and supporting testimony to be submitted by July 24. GMP has circulated a draft MOU and testimony, which the Department and AARP are reviewing. The Department will also submit complementary testimony in support of the MOU on July 24 and drafts are currently being reviewed.

TDI New England Clean Power Link Project – Docket 8400 – The petitioner filed a number of agreements with the PSB, including the stipulation with PSD, ANR and DHP; the stipulation with GMP; the lease agreement with AOT; and host agreements with the Town of Alburgh, the Town of Benson and the Town of Ludlow. TDI is scheduled to file rebuttal/supplemental testimony on August 26th.

VEIC use of Energy Efficiency Funds as Collateral for RUS Loan Program – Docket 8486 - VEIC and the Department filed a joint request to extend the schedule in this matter until August 21, 2015. A stipulation was entered into between PSD and VEIC setting forth conditions required for PSB approval of VEIC participation in the EECLP program, using only funds in which VEIC has an interest. This stipulation has not been filed in the docket, pending further information from RUS. Discussions continue with respect to the Board's authority under statute to encumber EEC funds in which VEIC does not yet have an interest.

Deerfield Wind – Docket 7250 – PSD filed comments on the third pre-construction compliance filing of the Petitioner. In our comments we state that the Power Purchase Agreement with Green Mountain Power satisfies the CPG condition with respect to obtaining stably priced contracts for a majority of the facility's power output; we note that the Letter of Credit, submitted as a form in blank, does not in our view fulfill the CPG condition to implement the Decommissioning Plan and we request additional time to review and comment on the updated cost estimate for decommissioning the project.

Overall Performance Assessment of VEIC – Docket 8455 – The Board conducted a technical hearing during which it sought clarification from PSD and VEIC on certain specific issues contained in the prefiled testimony from both parties. The schedule requires submission of either a draft proposal for decision or post hearing briefs by 7/25/15, but parties are discussing a short extension on that schedule.

Chelsea Solar 2.2 MW Standard Offer Solar Project – Docket 8302 – The Board conducted a technical hearing in this matter, following stipulations between the Petitioner, ANR and PSD. One intervenor did not reach a stipulation with the petitioner and conducted limited

cross examination on aesthetics issues pertaining to noise from wind that may be created by the clearing of trees from the project site. A briefing schedule has been set, but stipulating parties will be filing a draft joint proposal for decision prior to that date.

VGS/Plouffe Condemnation – Docket 7819 – On June 22, VGS advised the Board that it had reached a settlement regarding compensation with the Plouffes and that the docket was due to be dismissed with prejudice. The Board issued a procedural order, in which it requested comments from the Department with respect to the joint request to dismiss the petition. The Department has advised that it has no objection to the dismissal of the docket.

PHMSA matters – no docket – The PA division continues work with the Gas Engineer, including responding to PHMSA inquiries as well as inspection issues with VGS. Some of the VGS matters may result in one or more NOPVs. A Notice of Concern (regarding issues at two gate stations) was submitted to VGS on July 20; they have 15 days to respond.

VEC Substation Expansion and Rebuild in East Berkshire – Docket 8450 – The Department participated in an uneventful technical hearing.

Rutland Renewable Energy City Solar Garden Project – Docket 8182 – The petitioner has filed a Motion to Transfer its CPG.

GMP White River Junction Substation Project – Docket 8322 – GMP filed a petition to amend its CPG, along with supplemental testimony to support its request. The amendment requests approval of a project change consisting of using one pole (of the same height and material) on the east side of Mill Road instead of using two poles directly in front of the house of a landowner that strongly opposed the pole locations. While the new pole location requires additional stream buffer clearing, ANR has not objected to the change.

Ferrisburgh Community Solar – NMP-6220 and HVT Solar – NMP-6300 – The Board held a site visit at the proposed sites for two solar net metering projects in Ferrisburgh on July 20. The site visit was attended by the full Board.

The Farm at South Village – Docket 8406 – On July 20 the parties met to discuss a proposed planting plan and stipulation. The Department is working with the parties to file a stipulation and recommendations by July 24.

Next Generation Solar Farm 2.2 MW Solar – Docket 8523 – The Department attended a site visit and public hearing in New Haven on July 15. Both the site visit and public hearing were well attended with many members of the community expressing opposition to the project on aesthetic grounds. The deadline for filing Motions to Intervene is July 23, however the Board Hearing Officer stated at the public hearing that that deadline may be extended in response to a request by a member of the public.

New England Power d/b/a National Grid Harriman Switchyard Section 248 Petition – Docket 8493 – NEP replied to the Department’s discovery requests on July 7. Second round discovery questions were filed on July 17. The company will be contacting Department engineering staff to work through oil containment issues. NEP is preparing a Proposal for Decision, with the expectation that the Department’s concerns can be resolved.

VEC Petition for Declaratory Ruling – no docket – VEC 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 Board will be scheduling a prehearing conference during the week of August 17.

Ludlow Electric § 248(j) to replace voltage regulators at the Smithville Substation – Docket 8520 – Comments are due to the Board on July 30. The Department will report that it has not identified any concerns under the Section 248 criteria and recommends that the Board approve the project.

GMP § 108 Petition – no docket – The company filed a petition on June 11 requesting approval to issue \$60 million in long-term debt securities to finance capital investments, to redeem existing short-term debt and long-term debt, and for other utility purposes. The Department will be filing its recommendation on July 23, and will support the financing.

GMP § 248(j) Petition to upgrade the Wallingford Substation – Docket 8536 – Comments are due to the Board on July 30. In addition, the Board has requested that GMP respond to a number of questions by July 20.

Barton Village, Inc. Electric Department’s use of \$1,850,000 of Long-Term Tax-Exempt Bond Proceeds – no docket – On July 9, Barton responded to the Department’s inquiries relating to its use of bond proceeds that were not consistent with the Board’s Order in Docket 7719. The Department filed its recommendation to the Board on July 20, noting that it has reviewed the information provided by Barton and recommends that the Board continue to require monthly reporting and a 5-year cost of service prospective following the completion of an audit. Barton has also agreed to meet with the Department as necessary to work through any concerns, but no further action or sanctions are required at this time.

Telecommunications

VTA Facilities Maps – PSD staff is in the process of developing maps of the telecommunications facilities held by the VTA, including cellular corridors and fiber routes. This process has been delayed by access to the data.

VTA Data Files – The VTA stored its map information on a stand-alone server which was not managed by DII. This server has software that is past end-of-life, but DII has replicated and restored the server for archival purposes on the state network. PSD staff has been given access to the server to view and access VTA map information.

Broadband Data Request – The PSD is preparing to gather broadband availability information as of 6/30/15. The state no longer has the requirement to submit this information to the NTIA since the grant has expired. In the past, under the terms of the NTIA grant, the PSD asked for a list of locations that have access at 768/200. It also asked that if companies offered higher speeds, they provide information about where these speeds were available. Under the statute revised in 2015, the PSD is required to report on areas with 4/1, 25/3, and 100/100. The PSD data request will therefore ask providers to provide information about locations that have access at each of these speed tiers. Historically FairPoint has been unable to provide any information other than locations that have access at 768/200 or better. If this continues to be the case, FairPoint will likely be excluded from any of the required reporting.

NDA for Broadband Data – Since 2010 broadband service providers have submitted broadband availability information subject to a non-disclosure agreement drafted in accordance with the conditions imposed by the NTIA which provided grant funding to gather the data. PSD staff has revised the NDA and will offer to enter the amended NDA if broadband providers seek this data protection for the forthcoming collection of data as of 6/30/15.

Resiliency Points Net-Metering issue – Through the VTA transition, the Department now owns 10 net-metered solar voltaic arrays, located on municipally owned property in 10 different towns. As part of the lease agreement with each town, the VTA gave the towns, as consideration, the credits from the net metered facilities. The facilities were permitted by the Public Service Board as net metered facilities. At least three towns have notified Department staff that the towns are not receiving credits from power production. It appears that the facilities were not installed as net metered facilities. It appears at this time, that the towns did not receive a generation meter. While the towns are technically set up to receive to receive credits, they have no meters to gauge the amount of electricity produced. Staff is in contact with GMP to facilitate the installation of generation meters. A generation meter costs \$110.

VTA Transition Notices – Department staff sent notices to VTA vendors notifying vendors of the address change and organizational restructuring.

Green Mountain Power § 8093 Compliance – By law power utilities are required to notify telecommunications providers when the utilities are doing work in the rights of way. The

law allows telecommunications providers to lay conduit and do other telecommunications work in the rights of way when the electric company makes a change or begins a new project. GMP has submitted a list of projects for the upcoming year as part of its 8093 compliance.

NBRC Ride Out – Staff traveled to Island Pond to view the progress of the NBRC Grant funded fiber project. This fiber extends from Island Pond to Norton, VT. Crews are working complete the project, which must be closed out by July 31. Staff anticipates the project will be complete by July 31. Department staff will aid the Department's contractor in completing the closeout documents. The NBRC has a template for closeout reports, which must be followed.

EDA Audit Question – The Department has requested the EDA to transfer the resiliency grant from the VTA to the Department of Public Service. The EDA has questioned audit findings against the Department from previous federal grants. One finding involved the lack of debarment certification on loan forms. The other negative finding involves the way employees accounted for time on federal programs. The Department will need to assure the EDA that action was taken to correct these deficiencies.

Coding Worksheet – The Department created a coding sheet to do accounting of VTA projects. It does not look the same as the coding worksheet used by the VTA. Division staff would like to see the Department's coding worksheet look exactly like the VTA's. The VTA accountant is working with the Department's administrative staff to make the needed corrections.

Fiber Buildout Template – Staff began work on a template to track fiber buildout of the VTA's remaining projects.

FairPoint Grant Contest – FairPoint contested half of the addresses in the ECFiber grant award. While the Department was aware that FairPoint served the ECFiber awarded locations, FairPoint has been previously unable to verify that it service greater than 768/200 kbps at any particular location. FairPoint contested the addresses but did not present any evidence demonstrating that it has 4/1 Mbps or greater service. The Department is waiting for FairPoint to produce such evidence.

Duncan Cable CPG Renewal (Docket 8438) – DPS submitted prefiled direct testimony on Friday, July 17. The Department has recommended that the Board approve the petition and renew Duncan's CPG. However, the Department has also recommended that if Duncan Cable does not submit a valid line extension tariff to the Board during the pendency of this docket, then the Board should impose a condition that Duncan Cable file a line extension tariff within 60 days of receiving the CPG. Division staff are currently attempting to communicate with Duncan Cable on preparing a valid line extension tariff.

FairPoint Service Quality Investigation (Docket 8390) – DPS is preparing a response to FairPoint's motion for confidential treatment of information contained in the Department's rebuttal testimony. The Department has had several discussions with FairPoint on the issue, and will make a responsive filing with the Board as soon as practical.

FairPoint Petition for VETC Designation (Docket 8542) – The Board held a status conference on FairPoint's petition for VETC designation on Friday, July 17. The Board informed the parties that it will schedule a second status conference for the docket to prepare a docket schedule after the Board completes and issues a Procedures Order for the VETC designation process.

Frontier Communications of the West (Level 3) Petition to Surrender CPG – Frontier Communications, which is a Level 3 subsidiary, has filed a petition to surrender its CPG. The Department has been in touch with legal counsel from Frontier, and explained that the Department cannot support the petition as Frontier is not current on its gross receipts tax obligations. Frontier informed Division staff that it will provide a check for all outstanding gross receipts tax obligations by the end of the week.

Wireless Telecommunications Facilities (§ 248a) Petitions –

Division staff filed recommendation letters with the Board for the following projects:

- AT&T *de minimis* application for modifications to a facility installed on a 61 foot tower on the summit of Pico Peak;
- AT&T application for *de minimis* modifications to a facility installed on the rooftop of a building located in Grafton;
- AT&T application for *de minimis* modifications to a facility located in Brandon;
- AT&T application for *de minimis* modifications to a 150 foot tower located in Williamstown;
- AT&T application for *de minimis* modifications to a 180 foot tower in St. Albans.

DPS received the following new 248a petitions and notices:

- Verizon *de minimis* application for modifications to a facility installed on the roof of a building located on North Street in Burlington;
- Green Mountain Clean Energy application to convert a MET tower to a telecommunications facility pursuant to § 248a;
- AT&T *de minimis* application for modifications to a facility installed on the rooftop of a building located in Colchester.

The Board rejected a petition from Verizon Wireless for *de minimis* modifications to a telecommunications facility that has received a CPG, but has not yet been built. DPS supported the petition. Verizon has informed the Department that it will file a motion objecting to the Board's determination.

The Board has set two of the pending VTel applications (Rochester and Cabot/Peacham) for prehearing conferences on July 30, 2015. The Department filed recommendation letters in support of the Rochester petition, but a neighbor has filed a motion to intervene. The Department intends to file supplemental prefiled testimony from its aesthetic witness noting that it will support the petition if recommendations from the expert are included as conditions in a CPG. VTel has informed the Department that it objects to the DPS expert's recommendations.

Consumer Broadband Availability Correspondence- The Division of Telecommunications & Connectivity continues to receive correspondence from the public inquiring as to the available options to access broadband internet service in various areas of the state. The division also spoke to a constituent in southern Vermont and scheduled a meeting with the local Fiber Optic Subcommittee to address the town's broadband access needs and possible resolution options.

Vermont Telecommunications Authority Audit RFP- The Telecommunications & Connectivity Division completed a request for proposal (RFP) for the audit of the Vermont Telecommunications Authority in accordance with the standards for financial and compliance audits contained in the Government Auditing Standards – Standards for Audit of Governmental Organizations, Programs, Activities and Functions, issued by the US General Accounting Office, the Single Audit Act, and provisions of OMB Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. The RFP has been sent to Bonnie Batchelder of Batchelder Associates, before it is to be issued publically.

Fiber Project Updates

NBRC

Derby to Derby Line: The Contractor has relocated a section of fiber (located behind the Store/Gas Station) and moved the fiber to the front of the store to attach and follow the new VEC poles. The fiber was placed in a manner to allow fiber splicing at this location.

Staff has requested from the Fiber Users their splicing requirements and is incorporating with the fiber splicing.

Staff has completed splicing Diagrams for Derby to Derby Line and submitted to Contractor for splicing.

Fiber splicing has commenced this week.

All NBRC related work will be completed by July 30th.

Brighton (Island Pond) to Norton: The Contractor has completed the installation of four reels of fiber and is installing the last 5th reel of fiber. All 15 miles of fiber will be hung by this weekend.

The Contractor has moved the fiber slack on the Northern Enterprise Fiber 15 poles to the intersection of RT 114 & RT 105. This is the meet me location/interconnection point of the Brighton to Norton Fiber with the Northern Enterprise fiber.

Staff has requested from the Fiber Users their splicing requirements and incorporating with the fiber splicing.

Staff has completed the splicing Diagrams for Brighton to Norton and submitted to Contractor for splicing.

Fiber splicing has commenced this week.

All NBRC related work will be completed by July 30th.

Staff has completed the NBRC 10th Quarter Reporting, Ending June 30, 2015.

The NBRC Final Report is in process.

Central Greens:

Ulteig: Staff had a follow up teleconference/internet session with Ulteig to review its new report. The new report calculates what the fiber will sag when ice loaded for the spans in question. Ulteig and Staff are preparing a Summary Report to be submitted to GMP.

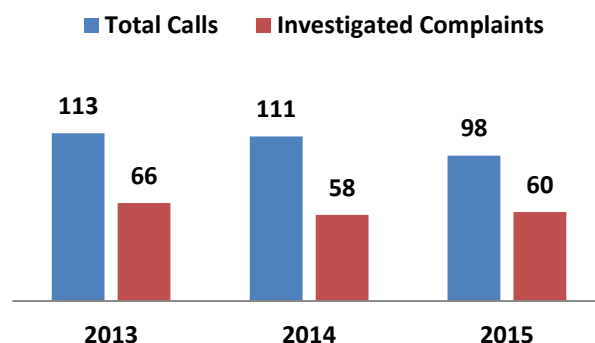
OCFC-W: ValleyNet has received a new license from FairPoint, VTA2014-05 for Brookfield.

VEC Connector: Staff is coordinating the splicing requirements for the meet me point/interconnection for the VEC Connector fiber and the VTA/BTOP fiber in Bloomfield with VEC.

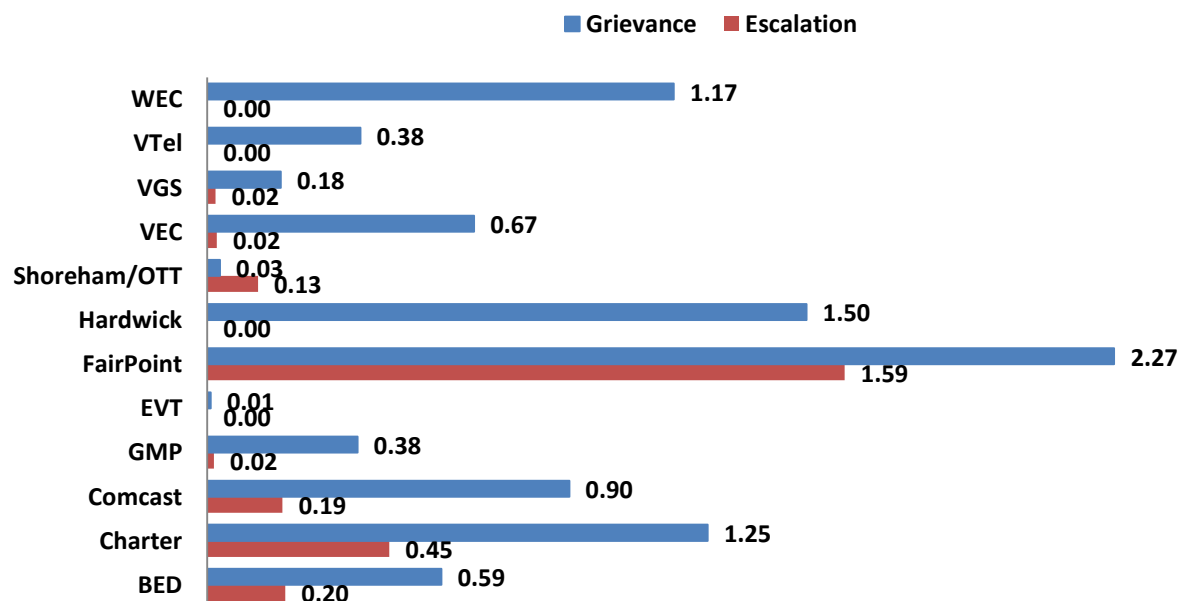
Staff is preparing a splicing Diagram for this location. Once completed Staff will send to Splicers to splice.

CAPI
CALL DATA

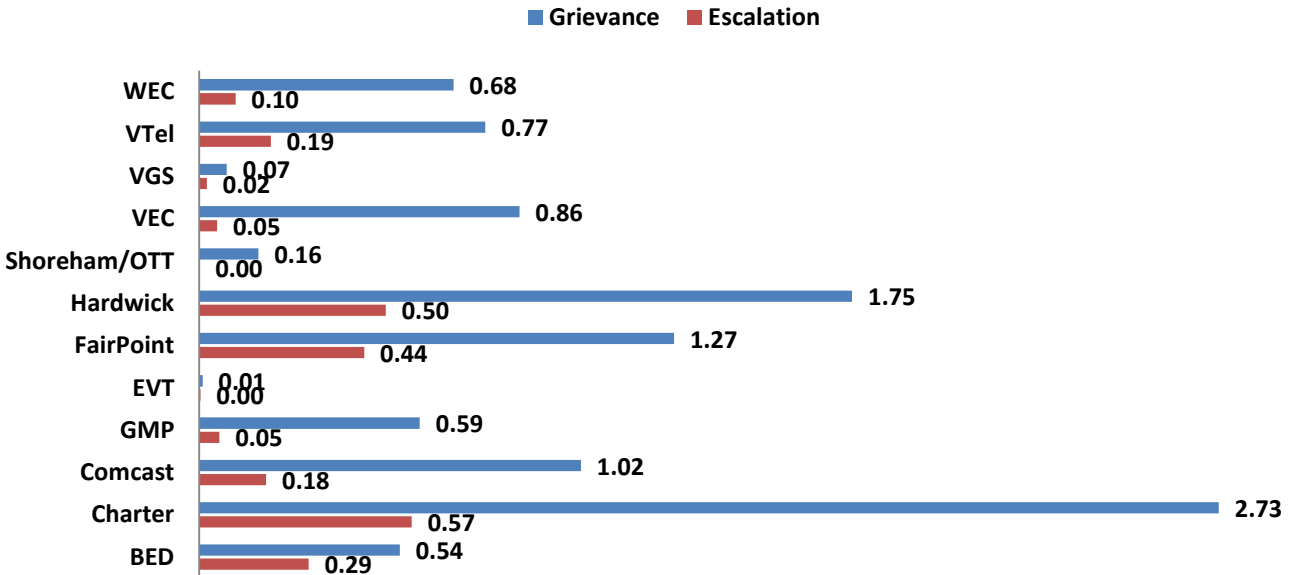
Calls to CAPI
Same 7 days each year



Complaints Investigated, by Company
per 1000 customers
January 1 - present, 2015



**Complaints Investigated, by Company,
per 1000 Customers
January 1 - present, 2014**



CONSUMER COMPLAINTS

Complaint topics included, but were not limited to:

- VTel broadband availability (1)
- FairPoint repairs, including delay in moving line off of the ground in vulnerable location (see below)
- Questions regarding a line extension involving Comcast and underground pole attachment regulations (see below)
- Questions from a utility about not having access to a customer's meter
- Cell Tower: Consumer inquired about the sudden appearance of a cell phone tower on property adjacent to his.
- 476 total complaints received to date opposing Phase I of the VGS Addison Expansion project

Examples of complaints:

Comcast: A caller from a law firm specializing in telecommunications issues contacted CAPI initially requesting information about the number of complaints CAPI has taken in regarding Comcast and underground pole attachments. The caller had reviewed PSB rule 3.700 regarding pole attachments and wondered if the rule pertained to underground service as well as overhead. The rule is silent about whether pole attachment agreements between utilities apply to service that is provided underground. Further conversation with the caller identified that the caller's law firm represented a party wanting to obtain underground service that would require an agreement with Comcast (which according to the caller

owned an underground conduit), to share use of the conduit. The caller had not yet contacted Comcast to request that Comcast allow shared use of the conduit for provision of other utility services. CAPI referred the caller to Comcast and advised that the caller could call CAPI back if further assistance was needed.

FairPoint: A consumer contacted CAPI for assistance in getting FairPoint to move a line that has been lying on the ground for at least a year; the line is 200—300' long and has been damaged by the consumer's lawn mower causing the consumer to lose phone service. FairPoint has spliced the line together multiple times but has not put the line back up on the poles according to National Electric Safety Code standards. CAPI has contacted FairPoint to do the required work and to explain why there has been a delay in doing so.

POST CPG WIND COMPLAINTS

One consumer reported disturbing noise levels at Kingdom Community Wind. This consumer has had ongoing concerns about noise levels. He reported that he plans to grieve his property taxes and that the town's lister is looking into the issue, with concern.

Attorney hiring: Wayne Jortner has officially been hired in a newly created attorney position within the CAPI division. He will be focused on representing consumer complaint-driven issues before the Public Service Board as well as addressing them directly with consumers and utilities. He will develop materials to present regulatory information to consumers, provide the CAPI review of utility filings, directly handle consumer complaints, and provide legal interpretations to division staff in their investigations of complaints, among other things. His first day will be August 17.



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: July 24, 2013
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Middlesex Residential Replacement: Several sites to review on the I-89 corridor and some new interest from NEK. Not sure where this one is going.

Barre City Place: VSEA wants to do an event in the lobby. Owner said no, which is not acceptable to them so the question starts to get politically charged...stay tuned.

DEW White River: State Ribbon Cutting and Opening not yet scheduled.

GMP Solar Lease at Windsor: Working to finalize. DOC requested 150 ft. setback and the Panel Site configuration is being adapted to meet this criteria. Will go after DOC to sign off once accomplished. Anticipate public meeting in Windsor involving GMP, BGS and F&W. The hearing should include discussion on solar panel installation and wild life management area.

Hebard Strategy: Slow moving. CAM estimate is done and has been presented to owners. Owner meeting went well no real surprises. Power (meter) configuration received and circulating. Need more analysis on as built and prints to determine what we really have there. On site Wednesday 7/22.

1 Baldwin: Moving into the Statehouse during heating system replacement 8/9 – 9/19, Rob is working with Catherine on details.

Berlin Vermont Psychiatric Care Hospital (VPCH): Awards: The International Academy for Design and Health presented two awards to VPCH this past weekend in Hong Kong. One was for Mental Health Project and the other for Interior Design Project.

Logue Camp - Working on Act 250 application for the Father Logue Camp – should have it ready today or tomorrow for signatures.

Capital Projects - New Health Lab: Working on details for the move, still scheduled to open for business on August 18, 2015. Scheduled the Certificate of Occupancy final inspection for August 13, 2015.

Waterbury VSH Replacement Beds - New Secure Recovery: Meetings scheduled for August 3rd in preparation for a meeting on August 7th to discuss proposal for providing this service from the Northeast Kingdom Human Services.

FINANCE AND MANAGEMENT

Nothing to report.

HEALTH CARE REFORM

Nothing to report.

HUMAN RESOURCES

Significant Events/Meetings:

Center for Achievement in Public Service (CAPS): Completed a consultation project with the AG's Office that centered on discussing their results from the Employee Engagement Survey and how they can use the results for their upcoming retreat. We will also assist with upcoming employee events scheduled for September and November. Staff reports that AG's Office management intends to modify some of its behaviors based on the results of the survey and its work with the DHR consulting team.

Assisted Department of Libraries management with how to help employees deal with stress and change. As part of the consultation project we surveyed staff -- several surveys relayed resignation, anger, resentment, and uncertainty regarding the budget cuts, RIF's, and work changes to the department.

Agency of Education plans to send several staff to the Supervising in State Government Level I Training Program. Their confidence in the program speaks well for their Agency and the CAPS program.

Consulting team has been asked to lead a strengths-based training at the DVHA (Business Office) retreat in August.

Field Operations & Investigations:

DHR has been invited by AHS to participate on the Waterbury State Office Complex planning team, focused on HR issues surrounding the move. DHR will assist with HR issues that emerge and in facilitation of brown bag meetings and follow-up FAQs.

Continue to serve as point of contact for the matrix DCF/HAEU/VHC project. Work is underway for class RFR's for three positions.

Responded to VHC audit requests for HR-related information as appropriate. Outside auditors from the federal government have requested information for staff who have access to VHC.

Working with AOT Maintenance and Operations Bureau and Civil Rights on an on-the-job training program for females and minorities.

Working with Agriculture Deputy Secretaries on Domestic Violence training. This training follows a recent domestic violence issue involving an Agriculture employee that impacted the work environment.

Policy, Programs and Legislative Affairs:

ACA Implementation: Will send a memo this week to appointing authorities seeking feedback on draft policy and process changes regarding the ACA Employer Shared Responsibility mandate.

Ban the Box: Memo to appointing authorities with a guidance document will be sent this week.

Workforce Analysis and Reporting / Benefits/Wellness/Classification/Recruitment:

Benefits and Wellness: Decision was made to require individuals to designate whether they want to receive Cholesterol Rx's by retail or mail. Clarke is coordinating messaging from ESI to employees and retirees, and to the unions.

Providing data to Milliman and Delta Dental so they can perform premium rate analyses and provide that data to us by mid-August.

BCBS and DHR Benefits will meet with the Auditor tomorrow on the provider cost comparison that BCBS performed.

Classification: RFP for Classification Study has been drafted.

INFORMATION AND INNOVATION

Status of Governor's Priorities:

Healthcare:

GAO Audit

- A preliminary audit report came back looking pretty good. This audit was against the CGI environment.
 - Of the 18 preliminary findings,
 - three are being contested
 - we are taking action to ensure that the 11 technical findings are remediated in the new Optum environment
 - the other four are management-related items (low) will be addressed after migration is complete

- **IRS Audit – September**
 - This will extend across TAX, AHS and VHC
 - Site visits to
 - CGI – even though they know we are moving – it is an IRS budget issue
 - Optum
- **Healthcare/Hosting Move:**
 - The Hosting POAM is looking good as it comes back from Janus
 - The penetration test from the Optum hosting site contains many findings – we are pushing Optum to remediate them.

Press/Media Notes:

We have had several inquiries from the media concerning the change in Vermont government email addresses. When we explain the details they realize there's not much of a news story.

Significant Events/Meetings:

State email address, with the exception of the Legislature and the Secretary of State will change from firstname.lastname@state.vt.us to firstname.lastname@vermont.gov on July 27th.

Evolving Issues:

Web Updates: The proposal permitting an enterprise wide 3% processing fee for any transaction processed by VIC will be before the JFC on the July 27th rather than July 29th as previously thought.

Projects:

- **VoIP Implementation:** Contract is signed by all parties. A substantial delay (1 month past expected signature date) will push the DII pilot out to end of Sept completion (anticipated) and may result in one planned site being removed from the beginning of the schedule and being shifted to a different date. We expect to have a project schedule prepared for baseline acceptance within 2 weeks of contract signature.
- **DEC-ECMS:** Proposal Review Team continues to meet twice weekly. Continue to work to finalize list of pilot programs (Storm Water – identified 2 programs to select from, Drinking Water – License Designer, Solid Waste – hazardous, Solid Waste – haulers, Legal Services) Newly appointed DEC Commissioner Alyssa Schuren supports the project so there is no concern in regard to impact of departure of DEC Commissioner David Mears.
- **Office 365:** The Exchange portion of the project is anticipating being able to sync the 100 pilot users within the next week or two. The pilot team will also be meeting to start planning and documenting use cases for testing. The vendor, Catapult, will be on site through the first week of August working with stakeholders and the DII SharePoint team.

LIBRARIES

Nothing to report.

TAXES

Legislative Update:

TDI Pipeline: The Commissioner asked our general counsel to prepare a memo on the taxability of the water portion of the line, which was shared with the Governor's counsel and DPS Commissioner – we are discussing additional communication to towns. Basically, our GC concludes that the water portion is not subject to the statewide property tax, and is not generally subject to municipal tax, although Grand Isle and South Hero might have an argument given a decades old provision specific to them. Although that 1961 provision was designed to cover a situation where VELCO had stopped making payments to those two towns, the language is broad giving rise to an argument (which our GC actually thinks is strong). We may want to consider if we want to let that situation play out, or suggest limiting clarifying language in the miscellaneous tax bill.

Corporate Revenue: Based on the underlying confidential corporate data, we share the economists concern that our corporate taxes, although growing, are heavily concentrated in a very few taxpayers with dynamic circumstances – we are at risk for both declining incoming revenue and refund requests from some high balance accounts that have accumulated. This is in addition to a large corporate appeal that is pending before the Supreme Court – we expect a decision any day that could go against the Department and spawn more appeals. Against this backdrop, staff has been looking at ways that we might modernize our tax code and possibly broaden the base. One trend is for states to more heavily weight sales over property and payroll in apportioning income for corporate income tax, and to source sales of services like sales of goods to the market state (currently, Vermont sources services to the state with the greater cost of production). Both of these provisions would tend to favor our in state companies, and draw more revenue from out of state companies. However, estimating the revenue trade-offs is very difficult.

Collections Unit: Staff met with staff from the division of child support to explore possible synergies in collection. This is in fulfillment of our legislative mandate to consider MOUs with other agencies, and to develop rules.

Sales Tax on Services: Staff is narrowing in on services to study for inclusion in the sales tax base, again pursuant to legislative mandate. It appears the most likely candidates, based on other states, is services such as repair that involves tangible personal property. We need to draft regs for the chosen services.

Audit of Current Use Towns and Study Committee: Staff is also narrowing in on the three towns for audit of their appraisal of current use properties, pursuant to legislative mandate. Staff is combing data to compare valuations on current use to non-current use properties, and trends when properties are first enrolled. The new Director of PVR is also pulling together the first meeting for the study committee on municipal payments.

Operations:

Retirements: There is quite a buzz among personnel regarding the retirement incentive – not surprising since 28 employees, 17% of our staff, are eligible (in addition to the 4 employees who were rified but otherwise would have been eligible as well). The biggest risk is to the go-live of the second phase of the VTax project in November, particularly since the business tax unit that stands to lose the most

employees is coincidentally the unit that administers the high volume taxes that are being converted – sales and use, meals and use and withholding.

VTax Project: As also experienced last year in the summer, the testing phase is stressful for the Department. We have experienced one hiccup related to the reporting of sales tax for businesses with multiple locations – apparently our current method of reporting local option revenue would not be supported under FAST’s conventional configuration. Classic tech issue of whether to change our business process or customize the software.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Jessica Gingras, Director
Date: July 21, 2015
RE: Boards and Commissions Update

Justice of the Peace, Essex/Democrat
APPOINTED: Bernard Couture

Justice of the Peace, Richford/Republican
APPOINTED: Dan Newton

Justice of the Peace, Richford/Republican
APPOINTED: Joyce Wetherby

Justice of the Peace, Arlington/Independent
APPOINTED: Susan Wirkki

District #5 Environmental Commission:
APPOINTED: Joslyn Wilschek (Attorney at Primmer)

Workforce Equity and Diversity Council:
APPOINTED: Dana Hutchinson (Senior Recruiter, Champlain College)

APPOINTED: Jasmine Wheeler (Peer Outreach Worker, Spectrum Youth Services)

APPOINTED: Maria Avila (Assistant Professor in the Dept. of Pediatrics)

APPOINTED: Denise Bailey (HR Compliance Manager for Burlington School District)

Enhanced 911 Board:
APPOINT: Steve Locke (Hartland Fire Chief)

REAPPOINTED: Captain Donald Patch

REAPPOINTED: Roger Marcoux

Public Safety Broadband Commission:
APPOINTED: Captain Donald Patch

State Program Standing Committee for Child, Adolescent, and Family Mental Health:
REAPPOINTED: Laureen Mulhern

REAPPOINT: John Pierce

Act 264 Advisory Board:

APPOINTED: Kathy Holsopple (Certified Parent Support Provider)

REAPPOINTED: Cynthia Smith

REAPPOINT: Karen Woolsey

Southern VT Economic Development Zone: “Reverse the decline in the workforce from 2000-2014 and to revitalize economic growth within the Southern Vermont Economic Development Zone created in 10 VSA §8.”

APPOINTED: Wayne Granquist, Weston

Liquor Control Board:

APPOINTED: Tom Lauzon, Barre

Liquor Control System Modernization Study Committee:

APPOINTED: Lawrence Miller

Access Board:

REAPPOINTED: Michael Charron, Northfield

Governor’s Committee on the Employment of People with Disabilities:

APPOINTED: John Young, Jericho (Assistive Technology Trainer)

State Program Standing Committee for Developmental Services:

REAPPOINTED: Anne Bakeman

REAPPOINTED: Linda Berger

REAPPOINTED: Susan Yuan

REAPPOINTED: Nicole LeBlanc

APPOINTED: Rachel Colby

State Rehab Council for the Blind & Visually Impaired:

APPOINTED: Jennifer Anne Hart (Interim Dir. Of State Libraries)

State Rehabilitation Council:

APPOINTED: Martha Frank (Family Consultant)

APPOINTED: Olivia Smith-Hammond, Burlington (Vermont Family Network)

REAPPOINT: Michele Hubert (Special Educator)

Travel and Recreation Council:

REAPPOINTED: Paula Maynard (Group Tour Director for Hildene)

Employee Relocation Tax Study Committee:

APPOINTED: Robin Scheu, Middlebury – Addison County Economic Development Corporation

Technical Advisory Commission:

REAPPOINT: Roger Thompson Jr., Licensed Designer seat

REAPPOINT: Scott Stewart, Hydrogeologist

REAPPOINT: Craig Heindel, Hydrogeologist

REAPPOINT: Stephen Revell, Engineer

REAPPOINT: Justin Willis, Licensed Designer

REAPPOINT: Mary Clark, Environmental Analyst/State Hydrogeologist

REAPPOINT: Peter Boemig, P.E./Licensed Land Surveyor

REAPPOINT: Kim Greenwood, Water Quality Specialist

REAPPOINT: Rodney Pingree, Agency Technical Staff

Children & Family Council for Prevention Programs:

APPOINTED: Amy Marie Davenport, Montpelier – Superior Judge

Vermont Universal Children's Higher Ed. Savings Account Program Fund Advisory Council:

APPOINTED: Shana Trombley (Governor's Designee Seat)

State Workforce Investment Board:

REAPPOINTED: Frank Cioffi, St. Albans (Currently serving as Chair)

APPOINTED: Joan Goldstein (statutory appointee, replacing Lisa Gosselin)

International Trade and State Sovereignty Commission:

APPOINTED: Dennis LaBounty, Lyndonville – Director for Vermont State Labor Council (fills Labor rep. seat)

Commission on Women:

APPOINTED: Colin Ryan – Burlington, Personal Finance Speaker & Author

**First male to serve on the Commission*

Blue Ribbon Commission on Financing High Quality, Affordable Childcare:

“Created to: inventory and review reports and recommendations issued over the past 10 years relating to high quality, affordable child care. To determine elements inherent in all quality child care programs and to make recommendations to the General Assembly and the Governor on the most effective use of existing public funding and additional opportunities. Collaborate and work to support goals and strategies within the Vermont Early Childhood Framework and the accompanying Vermont Early Childhood Action Plan.”

APPOINT: Charlotte Ancel, Chittenden County (GMP, Business Rep.)

APPOINT: Melissa Bailey (Vermont Care Partners, Business Rep.)

APPOINT: Frank Cioffi (Business rep.)

APPOINT: Dave Rubel (Financial services rep.)

APPOINT: Rachel Hunter, Windham County (Home based program/holds license)

APPOINT: Chloe Leary, Windham County (Licensed center-based program)

APPOINT: Paul Behrman (Head Start rep.)

APPOINT: Christie Gibson, Addison (Parent w/ child enrolled in program)

APPOINT: Michelle Fay (Rep from child advocacy group)

APPOINT: Mary Burns (GBYMCA, Rep. from BBF)

APPOINT: Donna Bailey (PCC Rep.)

Green Mountain Care Board:

REAPPOINTED: Betty Rambur (new term starts 9/30/2015)

Building Bright Futures Council:

APPOINTED: Kim Keiser

Total Appointments: 62

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: James Giffin, Interim Commissioner
Date: July 16, 2015
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: Still waiting to hear on Senate members for the DLC Modernization Study.

Press Issues/Releases/Contacts: **None**

Significant Events/Meetings: **None**

Summary of Key Department Activity:

Agency Issues: I received a query on why we had an Agent stores (operated by a legislator) that was not accessible. This particular store was accessible, however, all stores might not be. Although the stores may be complying with the law, it raises issues on why we have continue to license them. More work to do on this.

Breakage: Success!! Historically DLC staff have verified the destruction of wine and beer at wholesalers and filed an affidavit form to the Tax Department. No one knew why we did this and made no sense, Tax agreed. Effective immediately stopped the practice.

Commissioner's Commentary

Quiet week – working on a variety of issues that will report on when completed.

Sent from my iPad