

WEEKLY REPORTS

Checklist
3/18/16

Darren Springer

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

Sue Allen

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

Sarah London

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

Jessica Gingras

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

Laura Gray

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

James Pepper

- ☐ Department of Labor – Annie Noonan

To: Governor Peter Shumlin
From: Patricia Moulton, Secretary - Agency of Commerce and Community Development
Date: March 18, 2016
Re: Weekly Report

PATRICIA MOULTON, SECRETARY

GOVERNOR'S PRIORITIES:

- **EB5:** Thursday we received a letter from Bill Stenger requesting release of \$1.2 million for Q-Burke, this is more than is authorized from the investor funds. He is also requesting release of ANCbio funds. I am meeting with DFR and the Attorney General's office on Monday to discuss.
 - I spent time this week on the phone with Dan D'Ambrosio of the Burlington Free Press, and Anne Galloway. Trying to impart just the facts. Anne article is expected to hit Sunday. I'm unsure when the Free Press article will hit, perhaps this weekend.
- **North Bennington:** A few of the records ANR will make public contain references to conversations with me. There are also handwritten notes from the late Canute Dalmasse of DEC, referencing conversations with both me and Frank Chioffi. Mercifully, those records don't make me look bad. Not so complementary of Frank.
 - Alyssa Schuren has reached out to Jeff Sample at Mack Molding regarding the facility they own in Pownal. EPA and DEC would like to do testing at that facility. The concern is contaminants that may have come from the prior occupant. Hopefully this won't put Jeff sample into the stratosphere.
- Continue to do work with Paul Millman on the **Chroma expansion**. Also with Bellows Falls Area Development Office (BFADC) on the WCEDP grant. There's been a shakeup of personnel for BFADC. Much of that is settling down and we expect Dutch Walsh will continue to be the contact on the grant.
- **Enterprise Fund:** Global Foundries and GW Plastics have completed grant agreements. When BHS is complete, we will provide copies to the Auditor as I know he will be asking. GF will be making their first draw on the funds next week.
- **VEGI:** Auditor Hoffer has informed us he will be conducting an audit of the "but for" for VEGI. Stephan Morse has invited the Auditor to sit with VEPC to discuss "but for" as a procedure is one thing, how it is applied is another. See Fred's note below.

LEGISLATIVE ACTIVITY

- **Appropriations:** Mary Hooper and Matt Trieber continue to give us flack over the ACCD budget. Specifically, at issue are the Vermont Training Program ("Corporate Welfare"), marketing generally, as well as Vermont Life. Ellen Kahler has provided a nice letter on the value of Vt. Life to the Farm to Plate work.
- **Economic Development Bill:** Still waiting for money committees to take a look at the bill. Lucy is monitoring.
- Fred Kenney met with Representatives O'Sullivan, Dakin, Kitzmiller, and Sibilia regarding VEGI program re-write in House Commerce Omnibus **Economic Development bill**. No objection to re-write, but to help ensure passage by Ways and Means, they added in an audit, establishment of a working group to examine certain program issues, and a program sunset in 2019. Got agreement to drop the audit (although Auditor is doing one anyway!), revise working group composition and tasks, and push sunset out to 2027, which were included in version as passed House Commerce. Position of Ways and Means unclear at this point.
- Fred Kenney testified in House Commerce Committee regarding VEGI program re-write in House Commerce Omnibus **Economic Development bill**.
- **S.230 Energy Siting Bill and H.789 Forestry and Municipal/Regional Planning:** Noelle, Chris and John met to review the latest version of both bills that make substantial changes to municipal and regional planning. Both bills were voted out of their committees (Senate Natural and House Fish & Wildlife) but now have stops in the money committees before that can make their way to the house or senate floor.
 - **S.230** puts forward a new energy planning requirements and a certification process for town plans. Town plans that the Public Service Department certifies as meeting the new requirements are given more weight in process to review renewable energy projects, known as Section 248. As currently drafted, the bill includes a number of requirements that most municipalities would find difficult to achieve without funding and help

from outside experts. We believe separating the energy certification from the municipal planning process would simplify matters. We have outlined our concerns and recommendations to agency partners and will schedule a meeting to explore these options.

- **Utility tax:** We are hearing the Regional Planning Commissions are requesting a slight increase in the utility tax to generate \$300,000 for DPS to make grants to the RPC's for planning associated with the planning work in the bill.
- **H.789** adds new language to existing municipal planning goals and requirements related to forest blocks and wildlife habitat. In addition, it requires DHCD to patriciate a summer study committee on land use regulation and forests. Not huge issues, but some small tweaks will be suggested.
- **H.702: Housing Bill – now Committee Bill H. 865:** Bill was voted out of Committee on Friday. It includes \$1M from the Capital Budget for a pilot infrastructure grant program for housing projects that meet various income requirements in designated areas; \$50,000 in general fund for additional Municipal Planning Grants (MPG) funds to help communities plan and zone for infrastructure; a report from ACCD on ideas to encourage municipal planning, tools for infrastructure financing and suggestions for upgrading existing housing stock; and additional years of funding for the first-time homebuyers program at VHFA. Appropriations Committee looked at the \$50,000 for MPG and it doesn't look good folks! The \$1M will be discussed in House Institutions.
- The Senate Committee on Economic Development, Housing, and General Affairs voted out S.257 after some very last minute changes at the request of stakeholders. The bill creates a definition for subtenants and provides a system whereby a landlord can have a notice of trespass issued to people occupying a unit without right.
- The House Committee on General, Housing and Military Affairs voted down the landlord-tenant related bill they had taken testimony on over the past weeks. H.797 made changes to landlord access in the case of a tenant habitability complaint and would have allowed a judge to order all disputed rents into court at a Rent Escrow Hearing. The committee heard loudly from stakeholders on either side of this issue and ultimately determined that the language of the bill did not appropriately address the concerns raised. The committee members recognized the increased cooperation between tenant and landlord advocates over the past few years and indicated their interest in requesting the stakeholder groups discuss the issues raised amongst themselves and be prepared to provide agreeable language next year when another attempt at amending landlord-tenant law is anticipated.

LUCY LERICHE, DEPUTY SECRETARY

- **Vermont Council on Rural Development:** Lucy facilitated the downtown and economic development group at the final community visit meeting for the Town of Hardwick. The Town has a committee working with DHCD on downtown designation and has an ambitious yet achievable wish list for town economic development.

DEPARTMENT OF TOURISM & MARKETING: Megan Smith, Commissioner

- **Washington DC:** Megan is attending the National Council of State Tourism Directors annual meeting and Destination Capitol Hill in Washington DC this week. A full report will follow next week.
- **Porter Airlines:** All involved with the ongoing Porter Airlines project were thrilled with the announcement that Billy Bishop Airport in Toronto was included in the expansion of the Pre-clearance program announced by the Federal Government last week. This will allow the air service from Toronto to BTV to be year round. Many thanks to Senator Leahy's staff for all the support of this initiative.

Steven Cook, Deputy Commissioner

- **You Can Quote Me:** Steven will appear on Saturdays broadcast of You Can Quote Me on WCAX. Steven will appear with Parker Riehle of Ski Vermont. The topic is the impact of this year's winter season.
- **Spring Advertising:** VDTM's spring advertising campaign is off to a strong start. There are four components to this year's spring advertising promotion which include:
 - Digital Advertising
 - Direct Mail
 - Maple Syrup Contest Giveaway
 - Spring Vacation Giveaway

The Digital advertising campaign is performing strong with a .44% click through rate and \$.52 average cost per click. The Maple Syrup Contest Giveaway is surprisingly stronger then the spring vacation giveaway with 1,120 contest entries. The Spring Vacation Giveaway is currently at 959 entries. Both campaigns will run through the end of March.

- **VermontVacation.com:** VDTM continues to work on the Vermont Travel Planner with the Vermont Chamber of Commerce. Progress has been made through the support of ACCD IT. On March 16th VDTM presented updates to the Vermont Chamber for review.

MARKETING ♦ Patrick MacCormack, Digital Marketing Coordinator

- **Consumer's Email Newsletter | April:** VDTM sent out the April edition of the Travel Vermont consumer email newsletter to over 60k email subscribers. The three articles included: Enter to win a gallon of Pure Vermont Maple Syrup, Restaurant Week promo, and Enter to win the Sweetest Ski Season Weekend Giveaway. With the combination of both the email marketing campaign and the digital marketing campaign, VDTM experienced significant increase of traffic on the contest pages.

MARKETING ♦ Hilary DelRoss, Heritage and Recreation Specialist

- **Ambassador Program:** Hilary reached out to audit the designated Vermont Information Centers to introduce herself, make updates to the Info Centers contacts list, and verify that centers who would like to continue to be listed are keeping up with the requirements for certification. This effort will lead to updates on the Info Centers landing page at vermontvacation.com. New Ambassador Training and Certified Ambassador Training registrant inquiries and Info Center designee registrations have been redirected to Hilary's inbox to be processed. New applications have since come in, many of which came in response to the outreach to Info Centers.

SALES ♦ Kathleen Kolva, Sales Manager

- **Philadelphia Travel & Adventure Show:** Kathleen has been preparing for the upcoming Philadelphia Travel & Adventure show by coordinating shipments, arranging transportation, preparing exhibit tools, and gathering together various publications/brochures for distribution at the show, including but not limited to: VT Vacation Guides, Attractions Road Map, State Parks brochure, Historic Sites brochure, Campground Guides, Vermont Byways, Bikeways map, Fish & Wildlife Magazine, Cheese Trail Map, Palate to Palette map, Breweries map, Wineries Passport, Distilleries Tasting tour.
- **Amtrak:** A submission was sent to Amtrak for their *Up To Speed* publication for the July/August issue touting Vermont's diversity of summer festivals. Kathleen attended the meeting regarding the updating of the logos for the Vermonter and the Ethan Allen Express. There is potential for development of a marketing campaign based on the visitor offerings nearby Amtrak stations.

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

- **Pitch Vermont Life:** Sky has been working with Addison County participants to organize the next Pitch Vermont Life event, to be held later this month in Middlebury. These events take a lot of effort to pull together but are a great way for us to interact with Vermonters, and to tap into some of the stories and real energy that is out there in our state.

DEPARTMENT OF ECONOMIC DEVELOPMENT: Joan Goldstein, Commissioner

- NSA is interested in a possible acquisition of VT Aerospace which is very good news. This could ensure jobs stay here, etc. There are some technicalities whether or not the company needs to be put out to bid as it is currently an Employee Share Ownership Plan. Call is scheduled on Thursday to review options.
- Met with Matt Dodds of Brandthorology for a presentation of the draft of the **Vermont Tech Alliance's** report on the technology sector in Vermont. They are planning a rollout of the report in mid-April. It pinpoints many of the themes we have learned along the way during the Economic Development marketing plan discovery work and the usual work of the department via calling on businesses, i.e. we need more skilled workforce in STEM areas, etc. It was interesting in that there is NOT a policy recommendation nor a strategy on how to narrow the current gaps. Nonetheless it is helpful in that it bolsters our approach to learn about the employer workforce needs and our ongoing efforts to start bridging the known gaps.

BUSINESS SUPPORT - Economic Development ♦ Jared Duval, Director

- **Working Lands Enterprise Board (WLEB) Meeting:** Final decisions were made on our 2016 business grant applications. 19 final applications totaling \$515,947 in requests were received. 12 applications were selected for funding, for total grants of approximately \$330,000. Applicants will be notified on Friday, March 18. The April Board meeting will see final grant decisions made for the Service Provider category, in which we received 10 final applications requesting approx. \$334,000 (with approx. \$290,000 remaining in public funds for this grant round). All funding awards will be announced at a press event on May 17th.
- Sent out an invitation to State agencies, departments, and Capitol-region non-profits that serve Northern Vermont and may be eligible for and interested in the Northern Border Regional Commission (NBRC) program. Info session will be at 3:30pm on March 24 here at ACCD, in Calvin Coolidge.

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

- Received submittal for two STEP V projects from Kiersten. Project One would be a Quebec showcase for Vermont brewers, distillers and vintners in Montreal to help promote products, possible cross-border collaboration and seek new partners for this sector. Project Two would be to retain services of a consultant to provide education and technical assistance to the said brewers, distillers and vintners that are seeking to enter the Quebec market.
- Assisting Newmont Slate Company in submitting a proposal to VGTP to receive a \$3,000.00 grant for internationalizing their website.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- **State Auditor** has initiated an audit of the VEGI program. This is the fifth audit of the program in 8 years and is being undertaken despite repeal of audit requirement in statute 2 years ago. He will focus on the But For, specifically, documentation provided by applicants to support their But For argument and due diligence done by VEPC staff. We have provided But For statements for all approved applicants since January 1, 2009 (58 companies). He will then come back with a list of companies for which he wants full file of But For documentation. I have also suggested that he meet with the VEPC Board as the But For determination can only be made by the Board.
- With other DED staff, NVDA and NCIC, met with Jeff Sands and Larry Lyford at **Vermont Aerospace** to discuss ways to help avoid closure of company. Potential for company or investor group to apply for VEGI as part of acquisition of company.
- Following face-to-face meetings, continued to work with: Westminster Cracker (Rutland), IBEX (WRJ), Black River Produce (Springfield), CadCut (Montpelier) encouraging submittal of VEGI Pre-Applications.
- Spoke with Adam Grinold, BDCC regarding potential projects in Windham that could be eligible for VEGI and WCEDP: Riggs Distler, which purchased Bemis Line Construction in Whitingham, Accur8 Software (Brattleboro), and Chroma (Bellows Falls).
- Followed up with St. J Auto. They may file a Pre-Application, but project may have difficulties with Program Guidelines.
- Followed up with Lyndon Furniture, who has delayed filing Initial VEGI application until April.
- Followed up with Autumn Harp (Essex) regarding Initial Application. Sent VEGI Pre-Application Estimate in February.
- With Kiersten, held phoncon with and sent information to Ron Bakos, Elmet Technologies of GA and ME regarding potential expansion to VT.
- Researched and compiled data regarding VEGI Client Pipeline. Charts track inquiries and potential and actual VEGI applicants through application process since 2007. Charts can be viewed at:
<http://accd.vermont.gov/sites/accd/files/Documents/business/vegi/VEGI-Data/PipelineCharts-AllApplicant-03112016.pdf>

Tax Increment Financing Districts

- Spoke with Burlington officials and met with lobbyists representing Don Sinex regarding legislative strategy to get time extension for retention of property tax increment from Town Center Mall parcels only to help pay for public infrastructure required to ensure success of mall redevelopment.
- Received and transmitted to Tax/PVR notice from City of Burlington of first debt incurred for Downtown TIF District. This triggers ten-year period during which TIF debt can be incurred and 20-year period during which increment can be retained.

WCEDP

- Followed up on potential loan applications. Five companies have had Letters of Intent to Apply approved and are working on applications to VEDA.

VEF

- Finalized VEF grant agreements with Global Foundries, GW Plastics and BHS Composites. First progress report received from Global Foundries, allowing release of first \$500,000 payment, which they should receive by 3/18. GW Plastics has signed their grant agreement and should also receive first payment by end of the week. BHS is still working on setting up in Vermont, so will not finalize grant agreement until next week.

VERMONT TRAINING PROGRAM ♦ John Young, Director

- Last Thursday I met with **Flex A Seal** along with Brett Long to answer questions on their pending VTP application and their future plans.
- Friday I met with **Stratabond Co.** along with Jared Duval. Stratabond is owned by the owners of the old Rutland Plywood and have changed their business process to not include the wood processing operation but now receive the wood product from Canada. They are in the process of hiring a couple of new employees and may qualify for a VTP grant.
- Met with **Red Hen Bakery** Monday as they were looking into supervisory training.
- Tuesday I met with **Villanti Printing and Harbour Industries** along with Curt Carter. Villanti will be installing a new press and is looking at VTP to partner with the training and Harbour Industries have a variety of projects that they may seek assistance with.
- **Rock of Ages** is seeking a VTP grant for a partial transfer of their landscape division to the downtown Barre facility that will result in 5 new hires. The main production facility is also going to receive a new cutting machine that will be CNC controlled and this will result in a couple of new hires as well as a few backfill cross training needs.
- **Cabot Hosiery** is very close to a completed VTP grant that will also include Enhanced VEGI training in it.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT: Commissioner MacKay

- **Combined Sewer Overflow (CSO) and Cleaning Up VTs Waterways:** Joined Pat and Joan at a meeting with DEC Commissioner Schuren and staff members to get a better understanding of rules and legislative recommendations they are working on regarding clean water. Under the federal Clean Water Act, there are rules in place for dealing with CSOs. Several communities in Vermont still have CSOs where stormwater combines with sewer pipes to go to a treatment facility. During hard rains, the amount of water from runoff swamps the facility and both untreated sewage and stormwater go into waterways. DEC is developing a rule to ensure Vermont has the same standards as the federal Clean Water Act. Dale and John have been working with DHCD staff to share some of our concerns, with Comm. Schuren and her staff addressed. We also discussed the results of a report on how to address lake clean up in existing and new development. After walking through the recommendations, learning about the developer input and the cost of retrofitting existing development to treat stormwater, we agreed with their approach.
- **Interagency Coordination:** Due to the success of a collaboration between DHCD and AOT on the Stronger Communities/Better Connections grant, ANR is interested in also working with us to determine how we can best assist communities and coordinate our funding and skills to support development in our communities. The idea is that we will look for opportunities to reach out to communities where major infrastructure projects – like road rehab is happening and see if it might also be time to do stormwater upgrades, water and sewer upgrades, and highlight other key incentive programs. Staff are working on developing the ideas and we will be reaching out to chat with some communities to see if this would add value and help. But just seeing the spreadsheet of all the upcoming projects across the three agencies was illuminating and of value! Kudos to Richard Amore for spearheading this and to Chris for supporting and guiding.
- **Digital Parcel Mapping:** Joined Deputy Secretary Tetreault in meeting Director Herrick from the Department of Emergency Management and Homeland Security. He is supportive and interested in the program and will look to see if FEMA funds might be able to help support the project.
- **Next Steps for Melrose Terrace:** Melrose Terrace is a housing project owned by Brattleboro Housing Authority. It was hit hard by Tropical Storm Irene and BHA have been working to develop a long range plan to move folks out of the floodplain – they did move back temporarily and are working with Housing Vermont to move some of the units and residents. There are still 22 units that need to be moved and Noelle took part in a conference call to discuss the results of an analysis of options. Noelle will loop back with BHA Director Chris Hart to chat about how best to outline the phased approach and meeting with congressional delegation to see if we can find options for moving a vulnerable population out of this area. The best approach is a phased approach:
 - **Phase 1:** would involve moving the residents of the 22 units and BHS's offices to a cluster of existing units that are not in the floodway; demo the remaining units; put in a culvert at the bridge and lower the floodway to be able to hold more water. Estimated cost \$1.5 million.
 - **Phase 2:** remove the remaining units; take out the bridge and restore the floodway. This would also help with flooding in Flat Street in Brattleboro. Estimated cost - \$2.5 million
 - **Phase 2b:** develop new housing to replace the 22 units and the office. Could involve renovating existing space in downtown Brattleboro that is available or looking at developing new. Estimated cost - \$6 + million.

Deputy Commissioner Hanford

- **Council Of State Community Development Agencies (COSCDA):** Josh spent much of the week attending the annual COSCDA Program Managers Conference in Washington DC. This conference brings together all the state community development leaders that are responsible for administering the HUD funded programs (CDBG, HOME and ESG). Federal program policies, priorities and funding advocacy is discussed as well as best practices and strategies are shared. HUD officials provided key up-dates for several new rules and regulations going into effect and political observers/experts gave their outlook on federal funding, legislation and election predictions for congress and how the results will likely impact HUD programs. As you can imagine Washington DC is totally consumed with the Presidential Primary race; add an emergency shut down of the Metro for 26hrs and it was a high energy trip.
- **Vermont Housing Council:** Josh chaired the bi-monthly meeting of this group. The agenda included; member updates, a review of the Consolidated Plan- Annual Action Plan Update process & timeline from Arthur, an update on legislative happenings from Shaun and a discussion of the much anticipated Executive Order establishing a goal for organizations overseeing publicly funded housing developments to utilize 15% of their units to serve Vermonters experiencing homelessness. A few of the Housing Council members have some uncertainty about how exactly such a goal will play out on the ground and a few housing organizations have some anxiety about how this could affect their eligibility for funding in the future. Messaging about what this goal is, and isn't, is going to be key for encouraging the kind of partnerships it aims to create and strengthen. We continue to encourage our partners to build on recent successes in serving the homeless, focus on the strong network of housing and service providers we have and look at this goal as an opportunity to address an important issue we all care about.
- **Winooski Marriott Suites:** Josh and Claire met on-site with Adam Dubroff, Developer, his consultant, and the City of Winooski to discuss this potential VCDP application and plan to build a hotel just off the round-about in Winooski. The project seems to be moving forward and has the support of the City, but questions regarding permits, other funding and timeline remain.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

General Report

- **Supreme Court of Vermont: Amicus briefs filed for Exit 1 Development:** The Preservation Trust of Vermont, Vermont Natural Resources Council and five regional planning commissions from around the state have filed amicus briefs to the Supreme Court of Vermont – arguing against the Environmental Court's decision to overturn the Act 250 District Commission's decision to deny The Quechee Highlands project proposed at Exit 1. The project was denied by the district commission for failing to comply with the Regional Plan, which specifies that “principal retail establishments” be in Villages and Downtowns – not at highway interchanges. An appeal of the decision to environmental court resulted in the judge finding that “principal retail establishments” was not defined in the plan and therefore not clear enough to deny the project. The Supreme Court’s Decision could have ripple effects for regional and municipal plans and local bylaws across Vermont, many of which fail to include the level of specificity set forth in the environmental court decision.

State Designation Program Report

- **Bennington:** Richard, along with Trish Coppolino and Kristi Herzer from ANR-DEC, attended the final public presentation for the Downtown Bennington Area Wide Plan. The Area Wide Plan was modeled on the Vermont Downtown Action Team (V-DAT) and was funded through an innovative approach using EPA brownfield funds with an ACCD Municipal Planning Grant.

GRANTS MANAGEMENT ♦ Ann Karlene Kroll, Director

CDBG Disaster Recovery Program

- The Grants Management Disaster staff made a trip to Brandon to monitor the newly rehabilitated and almost complete Brandon Town Office building. The Town had been awarded \$500,000 in VCDP funds to be leveraged against \$324, 839 in Other Resources from Municipal and Insurance Funds, for the rehabilitation of the existing Town Office building. The rehabilitation work included demolition taking place on all floors, the installation of a lift, substantial carpentry, door and window replacements as well as, mechanical, electrical accessibility modifications and finishing work. Town office employees expect to move into their newly rehabilitated office building on April 5, 2016. The team completed the review and provided some technical assistance, but for the most part found that the Town was in substantial compliance.

See rehabilitation pictures of Brandon below:

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **Historic Preservation State Plan:** Laura has been having meetings with the National Park Service regarding our State Plan draft. Our goals, timeline, and images were complimented. We are expanding our discussion of how we reached those goals and including more details about Challenges and Opportunities.
- **Historic Preservation Fund:** Although still not Reauthorized, the appropriations for the fund have been granted by Congress to the National Park Service for distribution to the State Historic Preservation Offices. Vermont is level funded for FY16, which is great news. Devin and Laura are already working on the application to get the funds for Lucie as soon as possible.

Archaeology Heritage Center

- Jess took receipt of an important archaeological collections that various archaeologists had been unable to locate for approximately 20 years. Thanks to the help of NH DOT archaeologist Sheila Charles, Jess was finally able to locate it in the curation facility at the University of New Hampshire. Conserving and re-cataloging the collection contents will be the next priority for Jess and his volunteers at the Heritage Center.

Project Review

- **Vermont Gas Vergennes Distribution Line:** Scott met with VT Gas, BGS, and Northland Job Corp representatives at the former Weeks School to discuss the location of a VT Gas distribution line proposed for the area. Two alternate alignments for the Otter Creek crossing are under consideration. The preferred directional drill alignment would cross the creek adjacent to the wastewater facility on the south bank and exit on the Weeks School property near the MacDonough Shipyard archaeological site partially documented by the Lake Champlain Maritime Museum several years ago. The distribution line would then run up or adjacent to the gravel access road east of the Armory before intersecting with MacDonough Drive. This alignment would require additional archaeological work before construction. The second alignment is further east near the Vergennes dock area downstream from the falls and would not affect any archaeologically sensitive areas. However, this alternative has logistical constraints which would make construction more difficult. VT Gas will continue to assess the alternatives but will solicit proposals for the archaeological work necessary for the preferred alignment.
- **Burlington College Development:** Scott met with Eric Farrell and Owiso Makuku at Burlington College to discuss the scope of archaeological work that could be necessary within Mr. Farrell's proposed development of the property. A considerable portion of the project's footprint has been disturbed by previous soil extraction, but intact areas are present in the southern section adjacent to land recently sold to the City of Burlington, and in the area south of the existing buildings. There has been no commitment to complete the archaeological work, but the developers would like to have Phase I site identification survey scope that can be part of a request for proposals to be sent to archaeological consultants for potential work this coming field season.
- **Peru:** On Monday, Devin, Caitlin, and Elizabeth visited Johnny Seesaw's, a National Register of Historic Places listed resort facility for skiers. The lodge is currently vacant but Jay Eastman and Ryan Prins are currently working on a redevelopment plan for the property. Johnny Seesaw's has been a neighborhood favorite from the 1920s through the end of the 20th century and the community is hoping to have the facility open again. The property includes a 1920s dance hall that was converted and expanded into a hotel in 1938 as well as a number of mid-20th century cottages. Unfortunately, the property has a number of condition and code issues which will likely require the loss of much of the lodge building. Consultation will continue as the owners develop plans and begin the Act 250 permit process.

State-Owned Historic Sites

- **Bennington Battle Monument:** Only 4 weeks to go before the opening of the Monument, it is time for cleaning and organizing so Marylou can start stocking the gift shop. The seasonal employees have been notified to start the paperwork process and one new employee has yet to be hired. The elevator project is moving along slowly, hoping to finish by April 1. It is still quite cold and damp inside the Monument, tough conditions to work in. Marylou participated in the sites phone meeting and also attended Friends of the Monument meeting.

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

- **Housing Division Rules:** As reported last week, Dale Azaria and Arthur met with LCAR to submit revised final proposed rules. We're happy to report this week that the rules were approved by LCAR with only one small additional edit. The next and final step in the process is to formally adopt the rules by filing them one last time with the Secretary of State and LCAR. Arthur is preparing the required forms and "clean" copies of the finished product.
- **Lamoille Housing Partnership** is organizing another "landlord summit" in May, similar to gatherings they hosted in early 2015 intended to bring together local landlords and tenant advocates to discuss available resources

and ways to collaborate. Shaun has been assisting with some of the organizing and preparing landlord education materials for distribution.

CHIEF MARKETING OFFICE ♦ Heather Pelham, Chief Marketing Officer

- **Domestic Export Marketing Assistance:** The Agency of Agriculture recently secured a federal grant to help connect Vermont producers with regional and national markets, one component of which is focused on marketing. The domestic export team at AAFM had originally proposed developing an identity labelling program as a specific objective, but given ACCD's recent experience with trying to set up a 'Made in Vermont' program, Heather has been advising the group to not jump directly to that specific tactic without fully exploring how a brand licensing program would be structured and implemented to avoid past pitfalls. Heather will continue working with AAFM to write an RFP for consulting services that focusses on developing an overall marketing assistance program first – which may eventually include an identity component – but only if the strategy supports that tactic after market research and analysis is complete.

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

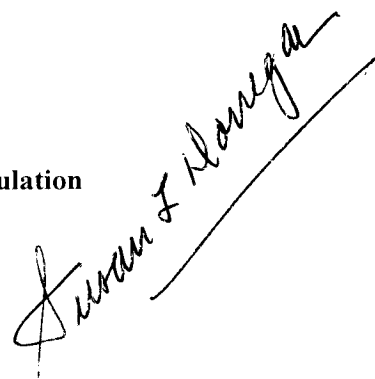
- **VCGI Imagery Program**
 - **LIDAR:** On Monday March 14 Deputy Secretary Leriche informed VCGI that the portion of Clean Water Funding supporting the U.S. Geological Survey (USGS) Broad Agency Announcement 3D Elevation Program (3DEP) proposal was intact and signed by the Governor into Act 68. In concert with support from the Department of Public Service and the Two Rivers Ottaquechee and Southern Windsor Regional Planning Commissions, the Clean Water funding completes the state match needed to move the project forward. The USGS will now work to complete a Scope of Work for inclusion in a Joint Financial Agreement (JFA) to be signed with ACCD in the near term. Data collection is scheduled for the fall 2016 season, typically after Oct. 1 when leaf off/no snow conditions exist.
- **Projects and Technical Support Services**
 - **VT Open GeoData Portal:** Ivan, Leslie, and Steve worked on finishing up front-end and back-end design documents in preparation to sharing 1st draft documents with a wider group of stakeholders for feedback. Leslie and Steve spoke with the CMO about the GeoData portal being its own site using the state CMS and she supported this.

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: March 18, 2016
Re: Weekly Report



Captive Insurance Division:

Three new captive insurance licenses were issued this week.

Captive insurance company number 1,067 was signed by Danaher Earnings Protection Insurance Co. The parent company is Danaher Corp., which designs, manufactures and markets professional, medical, industrial and commercial products and services. The captive will write policies that will protect various companies against the financial impact of currency fluctuations. Those risks were formerly insured by Danaher Insurance Co., Danaher Corp.'s first Vermont captive. Danaher has research and development, manufacturing and sales and service facilities in more than 50 countries and is ranked 149 on the Fortune 500 list. During the past 20 years, its stock has outperformed the S&P 500 Index by almost 2,800 percent.

Captive insurance company number 1,068 was issued to Recreation Risk Retention Group, which is being formed by the U.S. Hang Gliding and Paragliding Association (USHPA), the Foundation for Free Flight, the Professional AirSports Association (PASA) and 9 PASA certified flight schools. Recreation will provide professional and general liability coverage with policies that are more customized for its policyholders. It will also be a source of stability and a focal point for loss prevention for the founding groups.

And Urgent MD Risk Retention Group, formed by CityMD, was license number 1,069. CityMD owns and operates urgent care centers in New York, New Jersey and Washington State and is expanding to California, Oregon and Florida. The RRG will allow CityMD to control its medical professional liability program and providing flexibility, stability, and profit retention.

Two Vermont companies are linked to the life-saving parachute that prevented an airplane from crashing last weekend on Long Island. Heritage Aviation of South Burlington recently overhauled and inspected the parachute that helped Obergh and his 17-year-old daughter avert tragedy and walk away with only scratches. Cirrus, the plane's manufacturer, has a Vermont captive insurance company and is the only company that offers parachutes as standard equipment.





Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: March 18, 2016

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

GMP Expiring Net Metering Credits - We had multiple, ongoing discussions with GMP on the matter of expiring net metering credits. As of this morning, we believe we reached resolution on both the issue of expiring credits issue and how to move forward. We will continue to work with GMP on how to notify customers of the changes.

VY – We received a counter-proposal from Entergy on Monday and the team spoke on Wednesday about the proposal. It needs some improvement, but is not too bad. I've worked with Dept of Health and my Nuclear Engineer on the specific aspect of radiological standards and removal of structures. Entergy was to provide some additional information in these areas to us as a result of our meeting back a few weeks, but has not. Speaking to Mike Twomey last night, and with Sarah's e-mail identifying these items, we think they'll provide this information shortly and we'll be in a position to respond to their proposal I'm guessing mid-next week. This is instead of the Monday date for a response they requested.

Energy Siting Bill – S.230 – SNRE passed S.230, the energy siting bill, by a 5-0 vote on Friday. Senate Finance has spent 3 days taking testimony including some from Deputy Commissioner Copans. On Thursday they began working through 19 different amendments, some of significant concern. Most concerning are the following:

- A proposal to raise \$300,000 in revenue to support RPC's in working with towns to implement the new requirement to do energy planning. The source of the revenue would be a small increase in the Gross Receipts Tax on electric utilities.
- A proposal to require the board to issue a new sound standard and a continuous monitoring protocol for wind projects.
- A proposal to severely limit the ability of a gas transmission company to use a SERF-like fund to support future expansion

The Committee also adopted language from S.205 passed out of the Senate Ag. Committee that would incorporate the agricultural and forest soils criteria from Act 250 into Section 248. , Testimony on S.230 was also provided in HNRE by both me and Jon. Rep. Klein has indicated he will not be acting quickly to take up the bill and expects that, if the committee passes something, it will do so late in the legislative session.

VTel ETC and FCC Mobility funding – We have some issues brewing with VTel you should have a heads-up about. A review of dockets PSB's order granting VTel's request for ETC designation indicates that the designation request was precipitated by VTel's intent to apply for FCC Mobility funds, and both the conditional and final ETC designation orders included several specific compliance requirements that VTel has not met. On Friday March 11, the FCC issued a Public Notice indicating that VTel had defaulted on 35 of the Mobility Fund Phase One Auction 901 bids it had won and is now subject to a default penalty for each. The Telecom and Connectivity Division is reviewing how/if these defaults impact VTel's ETC designation. A question also exists as to whether VTel has a right to cure. Finally, VTel penetration of it's WOW project is less than stellar and our concern is that he is only cherry-picking a limited number of customers rather than providing broadband service to "all households" in the service territories. This may further erode our ability to say all Vermonters have access to internet or a solution in place. As you know, RUS seems satisfied with the project although we and the congressional delegation remain concerned. We are evaluating, and will keep you apprised.

Meetings/Calls this Week:

Mar 14– ICAR meeting,

Mar 15 – NRC briefing on Decommissioning Rulemaking, Cabinet Meeting, John Fernandes meeting

Mar 16 – VEDA Board meeting, ISO Board meeting, HNRE on S.230

Mar 17 – Peter and Art Miller, MMR Reception

Mar 18 – Meeting with Mary Powell (CR), ERE meeting

Meetings next Week:

Mar 21–

Mar 22 – Coolidge Solar, Entergy VY Monthly meeting

Mar 23 – VCRD Board Meeting, GMP Hydro Acquisition

Mar 24 – NDCAP meeting,

Mar 25 – VEDA Board Meeting

Media: Ratepayer Advocate Op Ed by Commissioner Recchia published in Times Argus and on

VT Digger; Jim Porter with VPR on VTel fiasco.

Public Official Contacts: Countless legislative contacts on S.230 and a variety of other legislative matters.

Everything Else:

PERD

Heat Saver Loan Program

- Continued work with OEO and the WAPs to refine and finalize the draft protocols for the new vermiculite component of the Heat Saver Loan. Sent drafts to the 5 WAPs involved with asbestos/vermiculite remediation for input on the protocols and application forms.
- Convened meeting with EVT staff to consider how to evaluate the effectiveness of the TEF/Heat Saver Loan product, and options for what may follow once the pilot is over. Generated a set of initial questions to consider, and three possible results from the pilot: 1) continue offering the HSL as currently organized; 2) transfer the entire operation to a 3rd party; or 3) a new variation with State and partner roles, credit enhancement models, and staffing, marketing, and coordination yet to be developed

Board Dockets

- Prepared discovery questions in GMP digester case (8673). Questions focused on whether they had pursued alternate sources of funding for the water quality benefits of the project, and the financial risk to ratepayers of over compliance with Tier 2 of the RES.
- Participated in Board workshop of the VGS renewable natural gas (RNG) case (8667) in which VGS presented details of the plan. Upcoming: internal DPS meeting to shape a position 3/16.
- 8550 (RES Implementation):
 - The Board has issued an interim order addressing a number of issues, in advance of working group meetings on 3/17. Most items agreed fully with the Department's suggested outcomes. In particular, TAG has been approved as a venue for prior approval of Tier 3 measures, which should allow characterization of heat pumps to begin soon.
 - Staff met with VEC to give feedback on a set of custom Tier 3 projects they are pursuing. They would involve covering some of the cost of line extensions for sugaring operations, eliminating the use of diesel fuel for on-site generation during sugaring season.

Standard Offer

- Board ordered new technology price caps for solar and hydro (each at 13 cents). All other technologies were kept fundamentally the same, adjusted for new inflation outlook and required return assumptions.

Other Items:

Finance & Economics

Engineering

Update on VY Groundwater Management Issues

On Thursday (3/10), the State Nuclear Engineer, VDH and ANR officials received an update from VY regarding the Turbine Building groundwater incursions. Incursion water previously stored in industrial grade bladders continues to be pumped to the three holding tanks located just outside of the Turbine Building. On Wednesday, 3/9, 10,000 gallons (two truckloads) of incursion water was shipped to Energy Solutions' Bear Creek, TN disposal facility. An additional 10,000 gallon shipment left the VY site Monday afternoon. Due to onsite security drills this week, no additional shipments will occur this week. Starting next week, VY anticipates shipping up to 20,000 gallons per week to Energy Solutions' disposal facility, as necessary.

NRC Conducts Commission Briefing on Decommissioning Advanced Notice of Proposed Rulemaking

NRC Commissioners were briefed by NRC Staff and 11 decommissioning stakeholder witnesses regarding the NRC's ongoing Advanced Notice of Proposed Rulemaking (ANPR) efforts for Reactor Decommissioning. The Briefing highlighted comments that the NRC will formally receive from decommissioning stakeholders in response to the NRC's extensive questionnaire for the ANPR. The witnesses representing individual states with decommissioning power reactors (especially MA and NJ) echoed concerns in Vermont's ANPR filing, particularly the need for faster decommissioning schedules and the continuation of offsite emergency planning until the spent fuel pool is empty. VT NDCAP Chair Kate O'Connor discussed the need for a shorter (10-year) SAFSTOR period and the appropriate composition of citizen advisory panels.

Vermont Gas Systems Addison Natural Gas Project (ANGP) Construction

VGS installed equipment to automatically inject odorant into natural gas passing through ANGP Segment One. Natural gas also passed through the newly-constructed Williston Gate Station (pressure control station) into the existing distribution system of the Greater Burlington Area. Gas sampling (from several locations which were selected to represent the effects of gas originating from Segment One and the Williston Gate Station on odorant detection) indicated odorant was detectable in the distribution system at gas concentrations specified by state and federal gas pipeline safety regulations.

VGS has been unable to provide the Department specific scheduling information for performance of ANGP in-line inspection and for above-ground testing of the pipeline corrosion control and pipeline coating condition by close-interval survey. Previously, the company indicated these activities would occur this month, but now they are expected in April. The Gas Engineer informed the company that the Department considers these activities critical to determine the continued fitness of service for these facilities which have been operationally activated.

The Gas Engineer requested, but has not yet received, information regarding: 1) the presence of AC current and its effects on the ANGP facilities, and 2) the external condition inspection of the leading segment of pipe installed by horizontal directional drill at Sand Plains 2 in Colchester.

Public Advocacy

GMP ESAM – No Docket – On March 15, GMP responded to the Department’s 3rd round of information requests pertaining to GMP’s ESAM. The ESAM will not take effect until October 1, 2016. However, as filed, it has generated significant concern. The Department’s rate consultant will now begin formulating recommendations and provide them to Department staff within the next couple weeks.

Generic Rule 4.100 Ratesetting Proceeding – Docket No. 8684 – In late February the hearing officer established a schedule that reflects one largely agreed to by the parties. The schedule calls for discovery to begin immediately, with a technical hearing in early July. The Department has responded to initial discovery from VIPPA and Ranger Solar. The utilities are also responding to discovery at present. Rolling discovery will end on March 21.

North Hartland Rule 4.100 Contract – Docket No. 8569 – On February 24, the Board issued an order setting the North Hartland 20-year requested Rule 4.100 PPA for hearing on a handful of issues. In doing so, the Board rejected the Department’s request to dismiss the petition. Department indicated to North Hartland that it was considering moving the Board to reconsider. That prompted discussions about a potential settlement. All parties have agreed to enlarge the time period for motions to reconsider (to March 25) to allow for settlement discussions. The parties met on March 10 for a prehearing conference and began settlement negotiations. The discussions were very productive. North Hartland and GMP are continuing talks this week and will update the group later this week. The outlook is positive for a negotiated resolution.

VGS Addison Expansion—Docket 7970-Discussions continue among the Department’s Gas Engineer, our safety consultant, VGS and the PA division with respect to the commissioning (gas up) of the first 11 mile segment. These discussions are with respect to safety requirements and the Department’s expectations from the Company. After the Department advised a Monkton resident that we would not post the Gas Engineer’s weekly reports on the Department’s website as requested, the resident contacted PHMSA to request assistance. PHMSA advised the resident that the Dept. of Transportation delegated all authority for the pipeline to the State as its agent.

Triland Williamstown Solar Project-Docket 8666-Petition to construct a solar electric generation facility of up to 2.2 MW off George Road in Williamstown. The Department will serve discovery requests on Triland on March 17, with responses due on March 25. There are no intervenors and the Department and ANR are the only other parties.

GMP-St. Albans Community Digester-Docket 8673- 800 kW methane biodigester generation facility to be constructed in St. Albans. The Department served discovery requests on GMP on March 11 and responses are due March 18. CLF and ANR also submitted discovery requests to GMP. Mr. Camisa, the individual intervenor from St. Albans, did not submit any discovery. (The intervention motions have not been granted, but no objections were filed.)

VGS-Broughton condemnation-Docket 8641 (Monkton) and Cuneo condemnation-Docket 8642 (Williston)-In each of these dockets, the Department filed testimony on necessity on March 7 and the landowners served discovery on the Department and VGS on March 11; responses are due March 18. The questions have nothing to do with the typical issues in a condemnation matter and are intended to probe VGS's lack of obligation to serve. The Department's appraiser will visit the Cuneo property on March 21 in preparation for the compensation phase of these dockets. We have not yet obtained permission to visit the Broughton property. In response to VGS's uncontested Motion to Consolidate these two dockets, the Board ruled that the respective hearing officers could hold a joint technical hearing on the necessity issues, but that the compensation issues would be heard separately.

VGS-Town of Hinesburg condemnation-Docket 8643-This parcel is in a park owned by the Town. In response to the Dumont Complaint re: Violation of Open Meetings Law, the selectboard "admitted" its violation and has warned a vote on its stipulation with VGS for March 21. The motions to intervene submitted by various citizens represented by Mr. Dumont remain pending, as well as the Motion to Intervene of the Conservation Commission. VGS has been having some productive meetings with the Conservation Commission. In an effort to get this docket moving again, VGS filed a proposed schedule with the Board. Mr. Dumont has objected to this schedule, so discussions will continue.

VGS-Peyser condemnation-Docket 8645-This parcel is in Monkton. VGS witnesses were deposed by Mrs. Peyser's counsel the week of March 7 and depositions will continue on March 18. Additionally, Mrs. Peyser will depose VELCO witnesses on March 30. Mrs. Peyser has put VGS on notice that she is not satisfied with the documents that have been provided and the witnesses inability to respond to certain lines of inquiry to date, and that a request for sanctions and attorney's fees is under consideration. Also, it appears that Mrs. Peyser will request some adjustments in the schedule. The Department will submit its necessity testimony on March 30. Mrs. Peyser has denied access to the property to further inform our testimony. Mrs. Peyser insisted that VGS submit a Motion for Confidential Treatment despite the existence of the Protective Agreement and the averments previously made by VGS. VGS submitted the Motion and Mrs. Peyser responded with an agreement to maintain the confidentiality of the subject documents for the time being, but reserving the right to challenge confidentiality when depositions are concluded.

Swanton Met Tower Penalty Investigation – Docket 8561 – Travis Belisle filed a response to the Department's Motion for Partial Summary Judgment and Cross Motion for Summary Judgment on February 17th, claiming the PSB did not have jurisdiction over Respondent at the time the met tower was erected and citing the Department's funding of non-permitted met towers through its anemometer loan program. The Department will be filing a response opposing Respondent's cross motion on March 17th. The Department is consulting with other parties in advance of the deadline.

EEU 2015-05 – Uncommitted Funds/Carryover – PSD is conducting a final review of the amount of uncommitted funds at issue in this proceeding. Once VEIC and PSD agree on the amount, we will submit a joint briefing schedule for PSB approval and each party will make

recommendations on how much money should be carried over to the current year budget and how the money should be expended.

EEU 2011-06 Guidance to the Fiscal Agent – The Department and VEIC continue discussing how to improve the process of tracking EEU expenditures. We have reached a general agreement on what specific guidance the Board should provide to its Fiscal Agent for current spending. A recommendation is due on 4/28. In addition, PSD has discussed with VEIC the idea of a significant change in the process, and intends to bring the other EEUs, BED and VGS into those discussions with the possible result of requesting the Board to open an investigation into changing the mechanism in a manner that would no longer include the use of a third party fiscal agent. When the PSD proposed this type of process for VGS when it became an EEU, the Board rejected it, so we need to craft a proposal that overcomes the Board's previously stated objections to such a mechanism.

BDE Grand Isle Solar (5MW Solar facility in Grand Isle) – Docket 8665 - PSD received responses to its discovery on aesthetics and decommissioning on 3/11/16. The Board has ruled on the Intervention motions of the Town of North Hero and the Northwest Regional Planning Commission, allowing their intervention. The Town's intervention was limited to the Orderly Development of the Region criteria, and the Board made clear that the scope of intervention would be limited to a review of the proposed Grand Isle project, and that the Board would not allow the proceeding to become a comparison between the proposed Grand Isle project and the not yet proposed North Hero project. The Board set an abbreviated schedule for a third round of discovery. The Department has resolved its issues with respect to the System Impact Study but has one additional engineering matter to review with respect to the transmission impacts. With numerous intervenors, the Department has no intention of entering into an MOU in this matter. Testimony is due 4/4/16. Whether we file testimony will depend on discussions with the Petitioner concerning aesthetic mitigation.

Chelsea Solar 2.2 MW Standard Offer Project in Bennington - Docket 8302- Chelsea Solar filed several motions via email on 3/11, including a Motion for Judicial Notice, accompanied by approximately 800 pages of documents, mainly relating to Town of Bennington zoning laws; a Motion to Reopen Discovery and a Motion to Vacate the Board's Final Order denying the CPG to the Project. The latter motion alleges as procedural grounds that the Board members did not read the record of the case before issuing the final order. Chelsea's Motion does not only request that the order be vacated, but in addition requests that a Final Order granting the CPG be issued, citing legal and factual grounds to warrant this reversal. DPS is researching the legal and factual grounds of the motion, and will likely seek a continuance. We anticipate that Chelsea Solar will also be filing a variety of post judgment motions on Monday 3/21. The Department intends to assess all motions together in order to determine the appropriate response. The Town of Bennington has sought intervention, mainly so they can participate in the appeal that is likely to be sought by Chelsea Solar, but the Board has not yet ruled on that motion.

Apple Hill Solar 2.2 MW Standard Offer Project in Bennington - Docket 8454- Apple Hill Solar filed two motions via email on 3/11, including a Motion for Judicial Notice, accompanied by approximately 800 pages of documents and a Motion to Reopen Discovery. The posture of this matter is that parties await a Board Proposal for Decision or potentially a Final Order. As in the

Chelsea Solar matter, the evidentiary record in the Apple Hill matter is closed, and thus the PSD review of the motions will include an examination of the grounds. The Town of Bennington is a party in this docket and the Department has reached out to them to discuss approaches to the pending motions. The Department is likely to ask for a continuance on our response to these motions.

Barton Village, Inc. Electric Department 20.81% rate increase - Docket 8646 - The Department has completed its review of Barton's discovery responses and recommends a number of adjustments to the Barton Cost of Service. The Department's recommended adjustments would result in a onetime 16.17% rate increase instead of a 20.81% increase phased in over two years. On March 14, 2016 the Department presented its recommendation to Barton to initiate settlement discussions. The Department anticipates further discussions with Barton this week.

GMPSolar – Pantan LLC 4.90 MW Facility in Pantan – Docket 8637 - On Monday March 15, 2016 the Applicant and the Town of Pantan filed a stipulation in this docket. The Applicant and the Town of Pantan are in the process of finalizing a landscape mitigation plan that is acceptable to those parties. The Department's aesthetic expert has reviewed the proposed landscape mitigation plan and believes that it goes above and beyond what is reasonable to mitigate the project. The Department is likely to support the Project based on current evidence, and recommend that a technical hearing proceed as scheduled on March 25.

Winooski Hydroelectric Company net meter 500 kW of the 893 kW existing Winooski 8 hydroelectric facility – Docket 8598 - On March 15, 2016 the Board issued a final order and CPG to Winooski Hydroelectric Company, an existing hydro facility in East Montpelier. These arrangements increase costs to ratepayers with no corresponding benefits, but the amount at stake is too small to justify an appeal.

BDE New Haven Lazar Solar, LLC 500 kW group net-metered facility in New Haven – CPG #NMP-7398 - On March 14, 2016 the Board granted the Town of New Haven intervention in this matter. The Town of New Haven also requested that GMP be joined as a party to this proceeding and the Board requested comments on this motion by March 25, 2016. The Board also set a general comment and intervention deadline of March 25, 2016, even though the application was filed in December 2015, due to some potential confusion as to whether the application was in GMP's net metering queue prior to GMP reaching its net metering cap.

NRC Decommissioning Rulemaking – No Docket – The Department, along with AGO, ANR, Public Safety, and Health continue to draft comments in response to the issues/questions raised in the NRC Advance Notice of Proposed Rulemaking. Comments are due to the NRC on March 18.

VY Second ISFSI – Docket 8300 – The Department filed its initial brief in support of the Project. The brief included proposed findings, among other things, that the project will facilitate timely decommissioning and site restoration of the site, and that adequate financial assurance for long term management of the VY spent fuel exists. The Department is reviewing the briefs from Entergy, Windham Regional Commission, and New England Coalition (ANR settled its issues with Entergy). Reply briefs are due on March 29.

Sheffield Wind/Brouha Investigation – Docket 8653 – The Department filed a response in opposition to a motion for partial summary judgment from Mr. Brouha. There are numerous genuine issues of material fact that are unresolved, including resolution of the proper assumptions to be applied to analysis of attenuation testing data, and whether sufficient evidence exists to determine that a violation of the project CPG noise limit has occurred. The parties have submitted two rounds of briefing to the hearing officer on a set of threshold issues identified by the parties. The parties are awaiting the hearing officer's decision on those threshold issues before establishing next steps in the proceeding.

Georgia Mountain Wind Investigation – Docket 8613 – The Department issued a second round of information requests exploring the sufficiency of GMCW's sound modeling claiming that wind conditions on the night of the McLanes' complaint did not justify attenuation testing at the McLane residence under the project's sound monitoring protocol. The Department's sound expert has identified other periods recorded during the project's first year compliance monitoring program that may also be sufficiently comparable to the complaint conditions to be evaluated for modeling purposes. GMCW discovery responses are due on March 29.

South 40 Solar – Docket 8600 – SFS has levied a round of discovery on the Department, and is focused principally on Asa Hopkin's testimony concluding that not enough evidence was present to find that the project (with its \$.19/kWh PPA price) met the § 248 need and economic benefit criteria. SFS has also noticed a deposition of Asa, with time and location to be determined. SFS continues to push for a stipulated agreement between it and DPS, despite the Department's repeated statements that it will likely not enter into a stipulation in this proceeding. DPS responses to discovery are due on March 25.

GMPSolar Williamstown – Docket 8682 – The site visit and the public hearing were well attended. A number of neighbors spoke out against the project. The select board and planning commission members are engaged. The PSD has been meeting with members of the planning commission to assist with process generally and to confer regarding aesthetic mitigation. The PSD requested informal information requests regarding site control and aesthetics. Motions to intervene are due by March 22nd.

Coolidge Solar 20 MW Solar facility in Ludlow - Docket 8685 and Request for Rule 4.100 contract approval- Docket 8586- PSD staff will attend a site visit and public hearing on 3/17 in Ludlow.

Charlotte Solar Enforcement - Docket 8638 – Parties have spent hours over the past week discussing settlement of this matter, but it appears that a fully stipulated settlement is unlikely to be reached. The remaining dispute is about the amount of the penalty. It is possible that parties will agree on a proposed revised aesthetic mitigation plan, and Charlotte Solar may admit that it did violate the CPG, leaving only the amount of penalties in dispute. On 3/16 parties will discuss procedural issues associated with providing the Board with a factual record upon which parties can base their penalty recommendation arguments. This may ultimately require a status conference with the Board's Hearing Officer on this matter. (While it is a full Board case, they

have appointed a member of the Board staff to serve as Hearing Officer.) The Board established 3/17 as the deadline for when the parties must either file a stipulation or a litigation schedule.

Telecommunications

2016 Connectivity Initiative Eligible locations -- Stone Environmental determined that 10.7% of Vermont locations lack broadband of at least 4 down 1 up. The 31,569 locations identified by Stone will be eligible for grant funding through the 2016 Connectivity Initiative. **For this analysis, Stone ignored the VTel wireless project** but did treat all 46,000 locations in the FairPoint CAF II territory as served at 4/1, although the FCC confirmed that FairPoint is only obligated to serve 28,000 of these locations. The identified 31,569 locations are in census blocks that have 107,106 total locations, so these census blocks are 70% served, primarily by cable. Bringing service to these locations will require significant overbuilding of existing networks. PSD staff have asked Stone to determine the number of locations in the FCC CAF Phase II territory that are already served at 4/1.

Northern Enterprises Fiber – Northern Enterprises wants to transfer its fiber assets and wind-down its operations. Nearly every entity eligible to take the Northern Enterprises assets has refused. Northern is now looking to the Department of Public Service to take the assets. The fiber comes with \$90,000 in cash, which would cover a few years of operations.

Docket 8549 (Vtel in Cabot) – VTel, the Department, and the Town of Cabot have filed proposed findings in this docket. VTel filed a reply brief. The Town of Cabot has filed a reply brief, but, due to a misunderstanding, has filed it four days late. The Town has requested an extension of time to file the reply brief. VTel has objected and the Department has not filed a reply to the town's request.

Craftsbury Broadband – Craftsbury is exploring whether it should lease fiber from the Department and begin a fiber to the home project. The town is applying for three grants. The town plans to issue an RFP for a service provider if it can secure sufficient funding.

VUSF – Division staff will meet with members of Finance and Management to go over VUSF activity. Activity for February shows the fund \$157,519.07 above projected revenues for the year. Finance and Management wishes to take monies from the fund to support additional 911 expenses, but it appears that the law does not currently support such a use of VUSF's funds.

Broadband Mapping – Staff reviewed broadband mapping methodologies used by other states as part of process of complying with legislative mandate to map Vermont broadband availability. Division has accurate cable mapping information; however, discussions continue regarding how best to present broadband availability related to VTel, FairPoint (current), and FairPoint (planned) CAFII due to insufficient and/or unreliable deployment information.

Connectivity Roadshow - Staff conducted two connectivity meetings this week.

1. Stamford: Connectivity staff traveled to Stamford to meet with Southern Vermont Broadband Co-op, a group of local residents that volunteer their time and energy to provide broadband service to the residents of their town. The co-op provides wireless

internet service to sixty-five percent of the residents of Stamford, including the school, town hall and fire department. Connectivity staff is working with the group as it explores options and seeks assistance in expanding the cooperative's service footprint.

2. Canaan: Staff met with the local select board in Canaan to discuss the current status of connectivity in the town. Many residents in the town currently lack reliable internet service and the group hopes to increase access for the community in the future.

CAPI

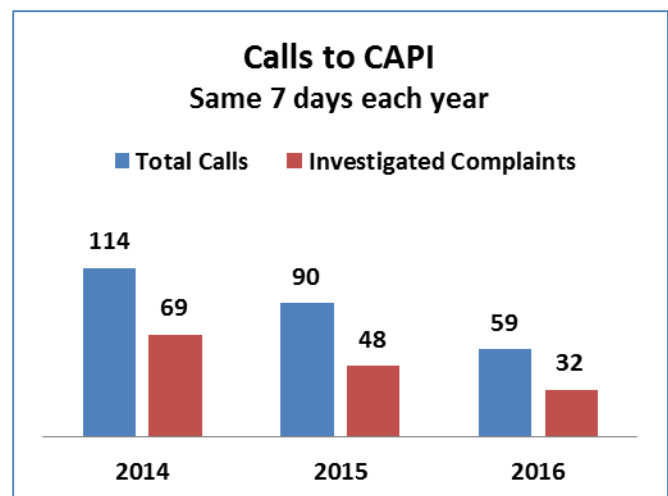
Reporting for the period Sunday, March 6, 2016 to March 12, 2016

GMP net metering credits-- CAPI continues to report issues about inconsistent information given to customers about expiring net metering credits by GMP. CAPI spoke to the Public Service Board and found that GMP sent the incorrect application to customers who are operating systems less than 15 kwh. There was no direction in the letter to consumers indicating they need only fill out one page of the document (not the entire application). There were 3 calls logged last week about GMP net metering credits. 1) The first caller reported \$951.83 in net metering credits and that SunCommon had told him when he installed his system that he could get paid for unused credit. This caller also reported GMP advising him that he could request a one-time transfer and these credits will never expire. Additionally, GMP told him that he could form a group and that future credits will expire. 2) Another caller wanted to know when the law changed. 3) The third call, transferred to us from the PSB, had accumulated about \$5,000 in credits. He had assumed that a check was forthcoming but then received a letter from GMP about credits expiring.

Cases of the week

FairPoint -- A happy consumer emailed to report his satisfaction and even related how he spoke about the experience at his town meeting. The initial complaint dates to last fall and both Telecom and CAPI worked on it. The consumer contacted CAPI about dual poles in Ferrisburg. CAPI and Telecom worked with FairPoint and GMP to move wires on the cross-country FairPoint poles to the roadside GMP poles. Then, FairPoint informed us that the first set of poles is set for spring removal. Now, the consumer reports FairPoint having removed the poles from his road and a nearby road to his satisfaction.

BCN -- A customer service representative called CAPI for guidance about an upcoming disconnection. The account is for a health center in St Albans. They are 3 months in arrears. BCN tried reaching the facility and the parent company in California, received no answer nor could they leave a message. BCN was not able to reach an appropriate person in the California office. BCN was concerned about disconnecting service for a medical facility. CAPI was able to locate a different phone number for the St. Albans location and spoke to someone who works there. The organization had filed for bankruptcy in 2008 and the name of the facility had changed at that time. The BCN account in arrears is under the old name and the phone number is



no longer current. The facility does have a BCN account under the current name with bills paid by the same parent company with a different address in Pennsylvania. Records show that this account is current. CAPI contacted BCN to relay our determination that it seems that the organization had not let BCN know of the change and was likely paying bills on an old account that should have closed back in 2008. BCN will further investigate in cooperation with the organization.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Hal Cohen, Secretary, Agency of Human Services
Re: AHS Weekly Report
Date: March 18, 2016

Secretary's Message:

S.107 (An act relating to the Agency of Health Care Administration) is moving forward in the Senate. The bill currently resides in the Senate Committee on Appropriations and it will be voted out this afternoon. My CFO, Sarah Clark, has prepared the financial impact on this bill to JFO and I'm concerned that funds will be cut from other important areas of the Agency to support this transition. As it stands now, there are a number of people who have spoken out against this bill including Con Hogan, Gretchen Morse, Bill Schubart, Doug Racine, and the Governor's Council of Pathways from Poverty, who unanimously voted to prepare a formal letter against this bill. My guess, S.107 is going to make it over to the house, and I would really appreciate any help and support from you and the 5th floor to kill it there. That being said, there is a compromise position that I think could be worthwhile to explore, and that is to do an organizational structure review, possibly by outside consultants, to help us determine what changes might improve the functioning of the Agency of Human Services.

My staff and I testified to a joint committee of the Senate Committee on Institutions, the House Committee on Institutions and the House Committee on Government Operations on our integrated eligibility path forward. This testimony included presenting all of the funds we have spent on the Health and Human Services Enterprise (HSE) including MMIS, IE, HIT, and VHC, which totaled a little over \$350 million and \$23 million of that is state funds spent since 2009. Surprisingly, no one in the committees fell off their chairs and in fact, the presentation was well received and I'm feeling hopeful that our path forward will be funded. We explained to the committee that in the path forward we wouldn't need \$2 million of the \$5.4 million capital allocation for the next 18-month period. However ongoing activities with VHC present possible funding challenges, we are working to understand the implications now.

AHS Highlights:

Agency of Human Services Central Office:

HSE Finance

As part of an AHS team, CFO Clark provided HSE testimony at a joint committee meeting of House Corrections & Institutions, Senate Institutions and House Gov't Operations about the project to date spending in the HSE. Testimony also included information about the planned levels of spending over the next 18 months.

Bennington Water Update

The first tests of water in Bennington returned positive results of PFOA (perfluorooctanoic acid) in 29 of 34 wells. An additional 150 test results are expected soon. Local emergency management officials will open an information center in Bennington, with support from state agencies. The United Counseling Service, the designated mental health agency for the Bennington area, has been contacted and informed of upcoming planning activities and the potential need for crisis counseling. The Department of Health will be activating the Health Operations Center (HOC).

Newport Warming Shelter Update

A warming shelter opened late February and outside of 1 frigid weekend when it hosted 3 individuals, it has been largely underutilized. Individuals applying for GA Housing have been referred, but to date, none have followed-up. Not unlike other parts of the state, this highlights a trend that seems to indicate that many of the individuals seeking assistance are not “on the street” homeless but rather folks who are precariously housed or inadequately housed and when offered the option of a cot in a church basement vs existing substandard housing, the opt for the latter. Given Newport’s low (relatively) GA utilization, it begs the question of could our limited resources be used differently to support those who are in less than adequate housing.

Newport Recovery Center receives a positive response from the community

The Journey to Recovery Community Center which opened last fall Newport continues to grow and establish itself as a part of the Newport recovery community. There are a number of different groups meeting including 12 step recovery groups such as AA, NA and OA as well as Making Recovery Easier and a WRAP group which begins next month. It was a long but fruitful process getting this center located in Newport and the response of the community has been very positive.

St. Johnsbury Warming Shelter Update

The St Johnsbury Warming shelter which opened in early December continues to experience steady utilization with a marked increase in the past month, often hosting 7-8 individuals per night. Planning is now underway for next year as this was a “trial year” for us with respect to the Select Board and our host Northeast Kingdom Human Services (NKHS). While there have certainly been challenges, most notably getting and keeping volunteers, the winter has been relatively trouble free.

Vermont Department of Health (VDH):

Tobacco Control Provider Outreach

Healthcare providers are critical in helping patients quit tobacco use. The Vermont Tobacco Control Program (VTCP) has been engaged in provider outreach to introduce the programs available for their patients and has been enhancing content on the 802Quits web page specifically directed at providers. One [video](#) available is Vermont cardiologist, Dr. Walter Gundel, dispelling common myths about tobacco use as well as illuminating ways physicians can help their patients quit smoking. Most recently the VTCP made a [short version](#) of Dr. Gundel’s testimonial that will be run as a targeted digital ad that also directs providers to the provider page.

Department of Mental Health (DMH):

Vermont Psychiatric Care Hospital

The hospital remains at full census of 25, while continuing to maintain steady pace of discharges, including some longer stay patients. An increase in new admissions with increased acuity has seen a corresponding rise in 1-1 staffing and more overtime demands this past week.

VPCH is finishing its most recent orientation group with 2 new temporary Mental Health Specialists and 3 new traveling nurses. Qualified applicants for permanent nursing positions remain low. VPCH remains hopeful that the AHS workgroup recommendations for more competitive hiring of nursing personnel will move forward, increasing the number of nurses seeking employment. Parallel to this process, the VPCH leadership team has begun seeking input from hospital staff regarding recommendations put forward in the external nurse consultation staffing report. This week, the CEO

and Medical Director have been meeting with staff on all shifts to gather information about nursing and mental health specialist functions, responsibilities, staffing distributions, and to generate creative ideas with regard to vacant positions that might further improve ongoing patient and staff safety and the environment of care.

Emergency Departments

There were 34 people in need of inpatient psychiatric beds this week and 29 were admitted. There remain 4 involuntary adults waiting at this time, with the expectation of 1 stabilizing and returning to their residence and 2 being admitted later today. There are currently no minors waiting for placement and no one waiting in the Department of Corrections. This week has seen a slight increase in the wait times for some individuals while waiting for an inpatient bed. This is likely due to one bed being closed at the RRMC Level 1 Unit due to high patient acuity. The overall occupancy rate of the adult inpatient system of care is averaging 97% occupancy and the minor inpatient system of care is operating at a 94% occupancy rate.

Legislative

DMH Commissioner and staff testified at House Human Services Committee on Act 79 accomplishments, current bed capacity and utilization in hospitals, and Emergency Department wait times. The committee members appeared very satisfied with the scope of programs and services that have been made available through the 2012 legislation. The DMH Commissioner, accompanied by the AHS Deputy Secretary, provided an overview of the Secure Residential Recovery Program status report submitted to the House Corrections and Institutions Committees at the end of February. The report overviewed the activities to-date, including a Request For Information process that secured some interest from possible community providers. Further defining the population to be served, siting, financial strategy, and overall cost for state-run versus services partnership model needs additional outlining and detailing through a Request For Proposal process. Preliminary summary findings suggested a 16 bed secure residential program to address mental health and eligible Department of Corrections population needs. The BGS Deputy Commissioner reminded the committee of its own requirement to also accept the preliminary report in order to free up limited funds for further exploration and development of a permanent replacement. The committee indicated that action would likely occur later in their meeting schedule.

Department of Aging and Independent Living (DAIL):

DAIL Working with the AG's Office to File a Receivership for a Barre Residential Home

DAIL is currently working closely with the AG to prepare a petition to request receivership at Cota's Hospitality in Barre. Survey and Certification has been monitoring the status of the Home closely and recent staffing losses, replaced only with temporary staff, a history of licensing violations, current non-compliance with a formal plan of correction and significant concerns about emotional abuse and neglect on the part of the current owner have created a dire situation which must be addressed. Although DAIL has the authority to revoke the license and simply shut down the Home, there are 17 vulnerable residents living there that span across three AHS Departments: DAIL, DMH and DOC. There are not easy options for transferring those residents to alternate arrangements and a sudden closure would displace them within Barre and to hospital settings. The most prudent course of action is to file for receivership to place an impartial individual in charge of the home and acting as the licensee to assess the issues and determine if the home can be restored to acceptable levels of quality and safety. If that cannot occur, the receiver will work to transition individuals slowly into alternate

settings without creating crises for those individuals. The AG's office will be filing the petition on behalf of DAIL and will handle media inquiries related to the petition. DAIL will be responsible for responding to programmatic media inquiries. DAIL will reach out the legislative delegation in Barre and to the chairs of HHS and SHW to alert them as soon as the petition is ready to be filed. We will plan to keep both the Secretary's office and the Governor's office apprised of developments as well. An Adult Protective Services notice of recommended substantiation is scheduled to be mailed to the owner this week. DAIL staff will plan to visit the facility over the weekend to check on the safety of residents as these events unfold.

March 22 Open Meeting on SSI Benefits Program for Youth

Voc Rehab is partnering with the VT Center for Independent Living to host a meeting for advocates, providers and state agencies to hear about Career Access from Bryon MacDonald and Justin Harford from the World Institute on Disability. Career Access is a national initiative to pilot allowing youth on SSI benefits to suspend their age 18 eligibility redetermination and allow them a window to maintain their benefits and obtain post-secondary education, training or work. Currently, those who are re-determined eligible often spend a lifetime on SSI benefits with very poor outcomes. Vermont is very interested in being a pilot state. Attendees will propose how the pilot would work in Vermont and what could be done even if the US Congress does not move Career Access forward. The VT congressional delegation is very supportive of Career Access.

March 23rd Disability Awareness Day at the Statehouse

From 8 to 9:30 AM, the Governor's Committee on the Employment of People with Disabilities is hosting a breakfast for the business who were Spirit of the ADA award winners for their outstanding work in hiring people with disabilities. The focus will be on sharing best practices and on what agencies like VR and CWS can do to facilitate and support businesses to hire people with disabilities. There is a Youth Summit sponsored by Voc Rehab and the VT Center for Independent Living from 9 to noon at the Montpelier Elks Club. 40 to 50 youth and young adults with disabilities who receive SSI benefits will come together to share what they need to be successful in adult life and not spend a lifetime on SSI benefits. They will also hear about Career Access.

At 10 AM, Governor Shumlin will host a press conference and make opening remarks for Disability Awareness Day. He will announce an executive order to make the state a model in hiring people with disabilities. As part of that announcement, Governor Shumlin will recognize the Spirit of the ADA award winners and also recognize two state agencies who have very successfully hired a person with a disability.

DAIL Presentation at the UVM Gerontology Symposium

The DAIL Commissioner presented at the UVM Gerontology Symposium on Monday, March 14, 2016. The presentation focused on current and projected demographics trends which clearly demonstrates that Vermont will be the oldest state in the nation in the next ten years. The presentation highlighted areas of success and accomplishment in Vermont and addressed three significant areas of concern in which Vermont is well above the national average for seniors: rates of falls an fall related deaths, addiction and death by suicide.

Department of Corrections (DOC): **High Risk Sex Offender Release**

Dale Adams Jr. DOB 3/23/88 will be released on dual status on 3/31/2016 and will be supervised by CSS Merrill out of the Springfield office. His furlough case will expire on 9/6/2016 and he will then be on deferred probation until 10/2018. Adams will be residing at the River House, located at 2263 Route 106 Perkinsville, VT and will be released compliant with treatment as he will be completing his Incarcerative portion of the VTPSA program at Northwest at the end of March. He will then do the community based sex offender program. CSS Merrill will be distributing the notification to VSP this week and has a meeting set up with Weathersfield PD next week (the chief is on vacation).

Population

The Department's incarcerated population averaged 1731 for the previous week. The Department's incarcerated male population averaged 1598 for the previous week. The out of state population is currently at 237. The female population averaged 133 for the previous week.

Department for Children and Families (DCF):

Successful Evacuation of a Family Child Care Home in Barre

During the early afternoon of Monday March 14th, the Child Care Licensor On Duty in the Child Development Division (CDD) of DCF received a call from Patrick McLaughlin of the Fire Safety Division. He notified us of a fire at the residence of a registered day care provider: Janelle Anderson, 80 Currier St. Barre, Vt. Mr. McLaughlin reported that all children present at the time were safely and quickly evacuated by the provider. The CDD Licensing Field Specialist assigned to this registered child care home connected with both Janelle and the Barre City Fire Marshall. It was reported that when the fire broke out, one of the infants was asleep on the second floor while another infant and preschooler were present with the provider on the main floor. The provider stated repeatedly to the Licensing Field Specialist that the emergency evacuation with the children felt routine as she had practiced it so many times, as required by child care regulations. Emergency Evacuations are required by rule to be practiced monthly with children. The provider will be meeting with our licensor as she works to identify an alternate place to provide care while her home is being renovated.

Department of Vermont Health Access (DVHA):

All Payer Model

The development of the RFP continues per schedule. Second round review by subject matter experts is in process. The team that will participate in a facilitated review of the RFP has been selected and invited to meetings scheduled for March 28 and 29.

Blueprint

On Monday, the Blueprint partnered with the ACOs to host a field staff meeting for all Blueprint Project Managers, Community Health Team Leaders, Practice Facilitators, and ACO Quality Consultants. These regular meetings create an opportunity to disseminate information and answer questions local leaders have about the direction of health reform in Vermont. This most recent meeting included a presentation from Vicki Loner of OneCare about the All Payer Model and a presentation from Michael Costa and Ena Backus.

Vermont Health Connect

IT: User validation testing on the March 4 Design Development Implementation (DDI) release will continue over the next few weeks as the team executes cases using the Department of Labor (DOL) data for income verifications.

The procurement review team is reviewing responses to the Request for Quote (RFQ) for additional DDI and expects to make a recommendation to leadership by the end of this week.

Legacy Medicaid Transition: Legacy Medicaid renewals (LMR) processing continues. To date, 5,988 responses have been received. With the current 17 resources, the team is able to process around 100 applications a day. The current backlog of LMR applications to be processed is at 3,394. The ADPC unit ran into technical difficulties scanning incoming documentation and is currently behind, but it will catch up on all VHC scanning by April 4. The initial notices for the March population of Legacy Medicaid renewals are being finalized and will be sent this week.

COC Backlog: As of Monday, VHC's net inventory of change requests was 4,177. Net inventory has been steady in late February and early March. VHC continues to receive approximately 125 change requests per day. The goal is to get queue below 3,000, a sustainable level for being able to meet prescribed customer service targets.

IRS Reporting: VHC issued another batch of approximately 400 corrected 1095As last week. The 1095A team has approximately 400 cases to triage to determine whether a correction is needed or not.

Call volume: Call volume remains very high in the last week with inbound calls totaling 9,065, calls answered totaling 8,709. The percentage of calls answered within 24 seconds was 80.2% last week with an average answer time of 47 seconds. Abandonment rate was 3.8% last week.

Other Items of from the Agency:

Bennington County ACEs Team moves agenda forward

This team includes community partners from many different agencies, including AHS Field Services, Building Bright Futures, United Counseling Services, DCF FSD, Easter Seals, VDH, the Vermont School for Girls, Sunrise, and others. The team is focused on creating a trauma-informed community in Bennington County. Led by Joy Kitchell, from the Child Advocacy Center, the team is planning to present a session at this Summer's Judicial College to inform members of the judiciary about impacts of trauma and how they might consider trauma's effects in their courtroom. They are also planning to continue their community-wide training to raise general awareness about the impacts of trauma, and increase the level of trauma-informed practice.

Promise Community Work Continues in St. Johnsbury

The Promise Community Work Group continues to meet and refine its mission and goal for the upcoming grant period. There is good representation on the work group with many participants serving in the dual capacity as parent and service provider. The last month has seen us transition leadership from the state provided advisor to a local school employee, all of which supports a higher degree of local ownership and investment.

Offender reports an injured civilian

On the morning of March 10th an inmate at the Marble Valley Regional Correctional Facility alerted staff that he had seen from his cell, an elderly gentleman fall down a steep embankment adjacent to the facility. Two staff members (with the assistance of a civilian) were able to get the man up the embankment without any further injury. An ambulance was called to assess the gentleman (who is in his 90's). The man was able to return to his residence with assistance.

Letter of appreciation

Staff and inmates at SESCOF received a letter of appreciation from Dartmouth Hitchcock Hospital for the doll house they made and gave to the hospital. The entire letter is attached.



Dartmouth-Hitchcock
CHILDREN'S HOSPITAL
AT DARTMOUTH

Child Life Program

One Medical Center Drive
Lebanon, New Hampshire 03756
603 650- 8064
603 650-6155(fax)

March 8, 2016

State of VT Correctional Industries
Southeast State Correctional Facility
Paul Brosseau
546 State Farm Rd
Windsor VT 05089

Dear Paul and Inmates,

Thank you very much for donating the wonderful large dollhouse to the Children's Hospital at Dartmouth. The Child Life Program provides toys and activities not only for the inpatients, but also for the outpatient areas that see pediatric patients.

The kids here at CHaD use toys for many reasons that people might not think of. Here at the hospital we think of toys as our tools to help normalize the patient's day and encourage them to do the developmentally appropriate play that they would be participating in at home or school. We also use toys as diversion for kids who are in pain or discomfort and as rewards for procedures that aren't very much fun. Toys are an integral part of our program. We are thankful to have your support in providing these important supplies for the children that we care for here.

Thank you for thinking of the children at CHaD!


Sincerely

The Child Life Team



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: March 18, 2016

Emerging Issues

At this link is a merger/Act 46 update:

<http://education.vermont.gov/documents/edu-act46-merger-update-march-2016.pdf>

We have five more merger proposals coming before the State Board at the next meeting. Quite a lot of activity!

We had a wild week last week:

- OPR/Campaign for VT libel and hatchet job around licensing. We sent a response to a handful of legislators involved in the licensing discussion, but tried to take the high road.
- Hoffer Audit on Equalized pupils: for the most part, the audit affirmed our work, but challenged in particular our PK count and the need for us to provide more technical assistance to fields on how to enter data. I firmly challenge his assertions on PK, and he will have to take on Sen. Mullin and Rep. Buxton at this point on that issue as well, from whom we got a letter in support of our decisions. In addition, while I agree that our systems need more technical assistance, under statute, that is also something he is supposed to do, but has not done.

Contracts and contracting:

We have a real problem here.

Historically, about 80% of our contracts are very small contracts, often to educators to provide education services. We have been using EAs for a lot of these, because they are so small, but while the dollar value is low, the volume of contracts is high, and so raises questions. For example, we contract with teachers to perform peer review of licensing candidates (e.g. reading and reviewing a candidates application and portfolio). The value of these contracts is often small (under two thousand, often only a couple of hundred dollars) and the recipients are educators, and not "businesses" or contractors per se. However, we can't complete state business without their help.

Hoffer challenged our contracting processes, and in particular, the EA process we use for this kind of work. In the absence of approved guidance related to bulletin 3.5 and with respect to how to handle EAS of the equivalent to hire educators to complete state tasks, we are kind of up a creek on how to hire people to do this work. This is creating an acute backlog.

Of note, we are finding we are unable to complete the work related to the high-profile Race to the Top PK grant. For example, to support the evaluation component of the grant, the plan was to pay educators to train others to use the CLASS tool to assess PK classrooms. The teachers would be

trained, and then we were to pay them to train others. These would be educators who are not businesses or consultants, and none of them would be getting enough \$\$ to quality for more than an EA. However, according to the Hoffer report, we should be hiring them as temps or bidding out. We have been going round and round this Mobius strip. We also mindful that the cost of trying to get this work done may exceed the value of the work at this point, except that the work is critical to the grant. As an aside, we have been unable to hire for any of the grants limited service PK positions, because basically anyone with the qualifications to do the work gets paid so much more and has so much more job security in the field that they wouldn't take the job with the state anyway. We are currently figuring out how to contract for work for which we were assigned positions, because after posting positions multiple times we were unable to find any qualified candidates who would take the jobs.

In sum, without some support on how to move forward with small contracts for piecework, we may have to give back some of the grant money. Again, the problem in the case of the CLASS work, for example, is that this work is critical to the evaluation component of the grant, so not hiring these teachers jeopardizes the grant. Basically, we need some guidance on how to pay educators to complete critical tasks that gets us out of the Hoffer-framed Mobius strip.

School choice:

Several stakeholders and lobby groups are seeking to use Act 46 to advance statewide school choice. We have repeatedly asserted that only a district can decide, by a vote of the electorate, whether or not it wants to tuition its students or operate a school. About 95% of our publicly funded students are in public schools, and about 15% of those are tuitioned students. We can't afford to lose all our public schools, because they are disproportionately serving students with disabilities and students in poverty. On average, students with disabilities and students in poverty are underrepresented in the population of publicly funded students in regular independent schools. It matters, because we now have entire regions of the state where small rural high schools have closed or are closing, and our towns are dependent on independent schools that refuse to commit to open enrollment.

An aggravating factor is that instead of staying the course on Act 46 and just being clear that districts already have the right to choose whether to tuition or operate, Sharpe is playing footsie on compromises and carve outs to blunt the thrust of statewide school choice advocates, and this is putting blood in the water and getting the lobbyists and advocates whipped into a frenzy. Shap also seems to believe that if a statewide choice bill was introduced it would pass the House, which is surprising to me, but he would know I suppose.

The State Board is also starting to become exercised about this issue, along with concern about equity and the cumulative effects of Act 46, Act 77 and Act 166 on public schools.

I feel we all have a lot to lose by taking this choice issue on now. It is threatening the stability of the state's ability to provide education, in particular, for higher poverty kids with disabilities in rural communities. There are a lot of rumblings about the introduction of statewide choice bills on the floor next week.

I spoke with the most influential lobbyist (Laura Pelosi) about how it was in nobody's interest to bring this to a head and she agreed. We agreed to work to bring down the temperature, and to quietly clarify that under current statute, it is up to a community to decide this issue by a vote of the electorate. I am hoping this cork is back in the bottle.

Preliminary peek at Early College data:

About 80% of Early College participants are girls, and only about 23% are eligible for Free or Reduced Lunch (compared to 40% of students statewide). Early College appears to disproportionately serve

students who are girls and more affluent relative to their peers. In addition, since EC college students are more likely to come from high schools in less affluent regions (not from the CVUs), preliminary data raises questions about whether under Early College, some of our less affluent schools are losing their high fliers (esp girls), which would have a disproportionately negative effect on the remaining senior class, given that schools are small and girls tend to be more achievement-oriented. (See table below.)

SY2015-2016

	SY15-16		Eligible for			Eligible for	
	Fall	female	Free	Reduced	Male	Free	Reduced
Burlington College	-	-	-	-	-	-	-
Goddard College	2	2	-	-	-	-	-
Norwich University	5	2	-	-	3	-	-
Castleton State College	12	9	2	-	3	1	-
Johnson State College	34	29	6	1	5	2	-
Lyndon State College	5	5	-	2	-	-	-
CCV	63	51	7	3	12	3	1
Total	121	98	15	6	23	6	1

Meetings

- Endless legislative work
- Spoke at the **VT Virtual Learning Conference**
- Met with a candidate to lead the social services and education department at UVM. If this candidate is hired, this could be a phenomenal move for UVM and the state. I am seeing really positive evidence that the President of UVM is trying to align and better support research and policy analysis in ways that will benefit the state. This is really great to see.
- **Lot of back and forth with Jim Condos.** We are meeting Monday with him and two of his staff. This is not a conversation, because he is unwilling to hear or make any adjustments in his proposal that would acknowledge or accommodate our concerns, even when the proposals we make back address his stated concerns. With some 40 references to educator licensing in the newly reauthorized federal ESSA, we cannot afford to not have close connections to licensing at the AOE. He is unwilling to acknowledge that reality, or the costs and risks that removing licensing from the AOE would impose on us and the state. He says he wants to meet with us before he “makes his concerns public.” We are unsure what he means, since he/his team have quite publicly stated that we are unlawful, but basically he is issuing an unending series of threats. If the legislature puts licensing into OPR, AOE will be asking for general funds to ensure we are able to meet our ESSA obligations, so that we don’t jeopardize our federal funds.
- **Tim Briglin and board members from Strafford, Sharon, Thetford, Tunbridge and Rivendell to talk about Act 46 implementation in this region.** This is a region with a strong preference to remain unchanged and some complexity in structures. We will work hard to find a bucket for them to sit in.

- Appeared at a **Windham Southeast Supervisory Union public forum on Act 46** in Putney, where I had the pleasure of being called “young lady” at the forum by a person from Dummerston. I think the speaker needed glasses, but I will take it as a compliment. Check out these Mountain Bikes for the PE program at Putney Central School:



I want to go back to elementary school. This is a great little school.

Media Contacts:

Hilary Niles, VPR: Requested the most recent update of school district merger activity. She was provided the most recent list.

Tiffany Pache, VTDigger: Asked about the two high schools experiencing additional phantom students as a result of Early College enrollment. Tiffany was seeking information regarding Peoples Academy and Hazen Union High School. Brad James is preparing that information.

Tiffany Pache, VTDigger: Requested specific school data (not SU/SD or statewide) for the last year regarding the numbers of Free & Reduced Lunch, Special Education (emotional disturbances), allowable tuition, and Smarter Balanced test scores. I am planning to work with the Record Custodian and the data team to determine if we are able to comply with this request.

Carla Occaso, Montpelier Bridge: Requested statewide enrollment reports, she was provided links to the information publically available on the AOE website.

Amy Kolb Noyes, VPR: Called Amy regarding her recent story about Stowe considering becoming an independent school. I provided factual information regarding “town academies,” advising that there are no town academies, but rather approved independent schools.

Daarel Burnette, Education Week: He is looking to possibly do a follow up story on Vermont's progress with school district mergers. He is also considering doing a televised segment with PBS Newshour. They were provided the most recent merger update, Secretary Holcombe's report to the State Board of Education regarding mergers that included detailed vote information from Town Meeting Day. They are going to review the information and get back to us if they decide to proceed.

Alexandra Conroy, Lyndon State College: She is doing a story on homeschooling in Vermont and is looking for background information on how it works. The reporter was provided a link to our website and they also sent questions to Brynne Reed to address.

Lola Duffort, Rutland Herald: Reporter was looking for information regarding PreK/K trauma-informed teaching practices. She spoke with Melissa Riegel-Garrett to obtain some anecdotal information regarding which PreK and K programs were incorporating these practices into their program. Lola also requested the numbers of PreK/K students that experienced trauma. After conferring with the data team, Lola was advised that the AOE does not collect this kind of data and was ultimately referred to DCF.

Erin McIntyre, Burlington Free Press: Following a public record request for information about educator investigations, Erin has several follow up questions regarding why some educators do not appear in the disciplinary database, retroactive license suspensions, and voluntary surrendering of licensure. Greg Glennon provided a detailed response to her questions.

Lesley Engle, Fox 44 and Anne Galloway, VT Digger: Both asked for a comment regarding the Vermont Auditor's Office audit related to Per Pupil Spending. They were both provided a written statement, along with our official response to the Auditors Office. "We are very gratified that the Auditor's office, after a painstaking review, has concluded that this Agency has "accurately computed the FY 2016 number of equalized pupils." We also appreciated the complimentary feedback the Auditor and his staff provided at the recent audit "exit" interview about our process for executing this critical function for taxpayers and students. We do take issue with several findings in this audit report. The comments we have already provided to Auditor Hoffer are attached to this release and provide greater detail on where we have some respectful differences.

Clearly, Auditor Hoffer believes that local school systems could benefit from technical support in improving local reporting to the Agency; this is basically how we craft the pupil count at the state level. We agree. At the Agency, we have seen a dramatic and unprecedented decline since 2008 of over forty (40) full-time staff positions, associated with an almost 40% decline in General Fund to the AOE. This somewhat limits our capacity to extend technical assistance to school districts.

With this in mind, we hope Auditor Hoffer may also see this process as an opportunity to expand technical support and education programs to school district administrators by the Auditor's Office consistent with Auditor's statutory duties under 32 V.S.A. § 163(12). We would be happy and grateful to join his office in providing ideas and suggestions for such an effort."

OFFICE OF THE SECRETARY

Phone: (802) 828-2657

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Executive Privilege

TO: Governor Peter Shumlin
FROM: Secretary Chris Cole
DATE: Friday, March 18, 2016
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

FBI

Yesterday, Captain Drew Bloom received a phone call from an FBI Special Agent with Vermont's Joint Terrorism Task Force requesting assistance with an ongoing investigation. On December 1, 2015, a woman from a Newark, New Jersey suburb traveled to North Troy, Vermont and rented an apartment. She never moved any items to this residence and never returned. This same day (12/01/15), she traveled to the Merchant's Bank in Johnson, Vermont and opened a checking account. She subsequently traveled to our Montpelier DMV office and obtained a Real ID compliant operator's license. For identification, she displayed the aforementioned lease agreement from North Troy and bank account documentation as proof of Vermont residency; she provided a United States Passport and Social Security Card as well. She surrendered a valid New Jersey operator's license in lieu of her newly issued Vermont license. This female is purported to be a US citizen born in Pakistan with apparent ties to terrorism. She was apparently involved in purchasing and trafficking firearms to other individuals in New Jersey for alleged nefarious use; she has since been arrested in New Jersey. The FBI contacted Captain Bloom seeking copies of her Vermont DMV license application and supporting documents, which were provided. DMV has cancelled her Vermont license (as she is not a Vermont resident) and documented Bloom's involvement in an incident report in our records management system. This is an example illustrating Vermont is not immune to terrorists and their actions. Everything this woman did to obtain an operator's license in Vermont was legitimate. Prior to December 1, 2015, she had no history with Vermont DMV. The FBI has Bloom's contact information should they need further assistance. This case is ongoing, so this information should have limited distribution.

Brattleboro Bridge

Deputy Secretary Tetreault and I met with FHWA to discuss our draft settlement agreement with PCL. FHWA needs to approve of the agreement in order for us to be able to use FHWA funds in the settlement. The agreement in principle is a little unusual

for FHWA because we are proposing changing the nature of the contract from one with liquidated damages to one that has disincentives that are more than twice the amount of the liquidated damages and removes the possibility for additional claims from PCL for being late. Both of these items were important to me in the settlement agreement; I don't want additional specious claims and I want the negative financial impact to PCL to be greater if they miss this deadline. The FHWA review by their attorneys will in all likelihood take 8 weeks and I don't want to wait that long to announce that the completion date for the bridge will not be December of 2016, but will fall into late spring or early summer of 2017. I'm not going to give a date because that's tied up into the agreement and if FHWA doesn't approve of the agreement we will need to negotiate a new settlement. My plan is to go to Brattleboro, meet with a local reporter for an exclusive interview and meet with the selectboard to give them the news in person. We will also be announcing at this time a special resurfacing grant for the town of Brattleboro for the wear and tear on their local roads to accommodate the interstate project.

Highway Fatalities Message

As part of our continued efforts to drive down highway fatalities, we have been made aware of campaigns in Colorado and Tennessee that have been well received in their states. In those states, the DOT has used the variable message boards that they own to display the number of highway fatalities to date. In Colorado this is referred to as "The Wednesday Memorial" (<https://www.codot.gov/safety>) as the number of fatalities is displayed on one phase of the board and the second phase provides a safety message such as "Please Buckle Up" or "Don't Drink and Drive".

Our plan is to begin the campaign along our highways on Wednesday, April 6th and will only utilize any boards that are not activated/necessary for construction, maintenance or emergency situations. Outreach and notification to the media, law enforcement and other safety partners will be completed prior to implementation.

NOTES FOR STAFF

Recycled Asphalt Shingles Research

A draft research work program to evaluate the use of shingles as a replacement binder in hot mix asphalt, cold mix applications and as aggregate supplement for road base and surface applications is under review by the Material Lab. Once comments are received, a final work program will be prepared and submitted to FHWA. The approved WP is necessary so VTrans can include the shingles in a select number of pilot projects this next season and performance results will be evaluated. If the experiment fails, the FHWA will cover 100% of replacement costs.

Recycled Tires Research

Research will be developing the work program to test the use of crumb rubbers from recycled tires for use in shoulder materials. The work program will also need to be

approved by FHWA. If approved, the crumb rubber will be included in a select list of pilot projects this next construction season and performance results will be evaluated.

Montpelier Transit Facility

The city announced that it has won 3 grants totaling \$1,228,000 which will be enough to move forward with the transit center at One Taylor Street. This center will provide better transportation options including a place for accessing intercity, local and regional buses as well as needed rental units which would be ideally placed for living without a single occupancy vehicle. This facility will require the State to vacate the Carr Lot which we have used for employee parking for the last 5 years.

Legislature

Legislative buzzards have been circling our FY16 budget looking at savings in winter maintenance that for the most part are offset by declining gas tax revenues from a lack of tourists. The fee bill was reported to cover the Governor's recommended Transportation Budget plus an additional amount to cover the loss in revenue from the DLS bill. I plan to be in House Judiciary next week on S.241. HTC is taking up the DMV miscellaneous bill and STC is taking up the TBill. I will be working with Senator Kitchel on a scheme to address VSP needs for cruisers. Stay tuned.

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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: March 18, 2016
Subject: ANR Weekly Report

Governor Level Issues:

N. Bennington/former ChemFab: Great job at the public meeting this week. As you saw, there is a great deal of anxiety in Bennington and our approach of being transparent and personal in our response is greatly appreciated. We expect to have a continuing stream of updates over the next few weeks and will work closely with Scott on our public outreach and communications.

Vermont Lead (Pb) in Drinking Water Strategy: USEPA, HQ Administrator Gina McCarthy recently sent a letter to Governor Shumlin regarding the national response to the events in Flint, Michigan. A similar letter was sent to Commissioner Schuren. EPA is requesting a response from Vermont by March 31, 2016. Specifically, requests were made regarding current state implementation of the Lead and Copper Rule, state use of EPA guidance, and updating the public water systems' inventories of lead piping, among other items. The Drinking Water and Groundwater Protection division is crafting a response, which will include Vermont's Lead in Drinking Water Strategy.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Bennington: Both the House and Senate environmental committees are asking for briefings next week on the Bennington drinking water issue and are asking whether there is a legislative response that could be helpful. We will vet ideas and bring to Sue and Darren any proposals. We

have been talking with the League of Conservation Voters and VPIRG to see what they might be thinking about legislation.

The **Dam Safety Program** received an inquiry from Representative Heidi Scheuermann seeking information for a dam owner in Morristown regarding the required registration fee for their pond/dam. After checking our database, we confirmed that this low hazard dam is subject to the fee as this 1960s vintage dam is capable of impounding ~ 1.8 million cubic feet of water which is well in excess of the 500,000 cubic foot threshold. This information was passed along to Representative Scheuermann.

Clean Water and Drinking Water State Revolving Funds (H.610): The House Corrections & Institutions approved H.610 on a vote of 10-0-1 on the final day before crossover. The bill was referred this week to the Appropriations Committee. DEC will urge Rep. Mitzi Johnson to take up the bill and pass it out of committee before the crossover date of March 18. This bill would modernize and simplify DEC's revolving loan programs; expand the types of projects eligible for CWSRF loans consistent with federal law; consolidate three grant programs (combined sewer overflows, dry weather flows and wastewater treatment facilities) into one program; adopt a single priority system for both grants and loans; and mandate a study to evaluate the pros and cons of CWSRF loans to private entities.

Potable Water Sources from Surface Waters (H.595): On a vote of 8-1-0, HFW&WR passed out H.595, a bill that would allow owner-occupied residential homeowners to draw from surface waters for drinking purposes. Because surface waters generally require ongoing disinfection, which may be difficult for owners to maintain, DEC opposed this bill as introduced. At the request of Rep. Krebs, DEC worked to reshape the bill, and reached a mutually satisfactory resolution. The committee considered but decided against adding a provision that would lower the stormwater permit threshold for new construction from one acre to one-half acre. Rep. Deen, while supportive of this change in the law, felt he had insufficient time to take testimony. He encouraged DEC to work with SNRE to add the half-acre permitting threshold to H.595 in the Senate.

Office of Professional Regulation – Licensing of WWTF Operators and Septic Designers (H.562): This bill makes general revisions to the Office of Professional Regulation and, in addition, transfers the licensing of septic designers and wastewater treatment facility operators to the Office of Professional Regulation. DEC worked closely with the Secretary of State's Office to draft the bill sections related to septic designers and wastewater treatment operators. Both professions would have their own three-member advisory board, and one member of each board would be an appointee of the ANR. The Department anticipates an active role in the training and examination of septic designers and WWTF operators, with less administrative burden. House Gov Ops voted out the bill on Friday, March 11 on a vote of 10-0-1. The bill will make a stop in the Appropriations committee before going to the House Floor.

Other DEC Bills: The House and Senate took up and passed several DEC bills during the week of March 7, including **H.517** (water classifications), **H.674** (CSO notifications), and **S.123** (DEC permit process improvement). The House also passed **H.674** (imposing water-quality

compliance on economic development grants awarded by the state), a bill introduced by Rep. Browning. HNRE took up but did not act on **H.602**, a bill that would have exempted out-of-state waste from DEC's solid waste franchise fee.

FPR FY2016-17 Capital Appropriations: Commissioner Snyder and Director of State Parks Whipple provided testimony to the House Corrections and Institutions committee.

Forestry Bills: All of our forestry bills were passed out of committee and some have passed final reading in the house. The Senate has begun work on them in anticipation of them formally coming over next week.

Press Issues/Releases:

Fish & Wildlife Press Releases: Turkey Hunting Seminars, April 2 & 3; "Open House" Deer Hearings Begin March 20; F&W Cautions Public to Stay Off the Ice; and VT Watershed Grants Awarded for 2016.

Vermont Forestry Bills in the News: Commissioner Snyder was interviewed this week by Nancy Remsen of Seven Days for an upcoming story featuring the forestry bills currently in legislation. Shelburne News and WAMC also mentioned the bills in recent news articles.

Forester for a Day: This event at Shelburne Farms gave children a chance to see what it's like to be a forester.

Significant Events/Meetings:

Long Term Financing of Statewide Water Quality Improvement: The first of six stakeholder meetings was held on March 7, 2016, on the topic of Long-Term Financing of Statewide Water Quality Improvement. DEC is co-hosting these meetings with the Office of the State Treasurer and in partnership with the Department of Taxes, the Agency of Agriculture, Food and Markets and the Agency of Transportation, and we anticipate expanding this partnership to include the Agency of Commerce and Community Development and the Agency of Administration. This first meeting focused on the overview and requirements of Act 64 to develop recommendations for long-term financing. We used sector-based breakout discussions to begin discussing needs and funding sources. The next meeting will be on April 27.

Convening on Pollinators: We held a day long symposium at ECHO on Vermont's Pollinators. The event was organized by ANR (F&W) but cosponsored by AAFM and many other partner organizations. 175 people attended and there was some good press. The focus was the status of Vermont's pollinators, what we know about the threats to their wellbeing and how that could impact Vermont and then what action steps we could take to reverse the disturbing trends.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Policy (OPP)

Warehauser (Plum Creek) Act 250: Plum Creek was recently acquired by Warehauser. Warehauser owns the private timber land portion of the former Champion Lands in northeastern Vermont. Approximately 6000 acres are located above 2500' in elevation; timber harvests above 2500' are subject to Act 250 review. Warehauser is beginning the process to develop a new 10-year management plan for all their holdings, including the high elevation acreage, and is interested in working with ANR to explore whether their planning process can also service as the first step in vetting issues related to Act 250 review and permitting. A meeting amongst Warehauser, FPR, DEC, DFW and OPP staff is set for April 20. An internal ANR meeting will be scheduled in advance of that meeting. Given the extent of Warehauser's holdings above 2500', their interest in working pro-actively with the Agency provides a unique opportunity to develop a clear process for Act 250 review of Warehauser's holdings that can serve as model for how the Agency addresses other high elevation harvests in the future.

Middlebury Airport Expansion: VTRANS has submitted an Act 250 permit to expand the state airport in Middlebury, a hearing is scheduled for early April. Agency review has identified issues related to wetland and T/E Bat impacts associated with the clearing of trees. Staff have notified VTRANS of these issues and will work to resolve them in the lead up to the hearing.

Ranger Solar (Coolidge/Ludlow): OPP facilitated a meeting between Ranger and ANR's review team on Wednesday, March 16. Ranger has filed a CPG petition for a 20MW solar project in Ludlow. The PSB has established a partial schedule for the proceeding and the PSB's site visit and public hearing was Thursday, March 17. The meeting focused on a range of natural resource issues and identified several unresolved areas for further discussion: re-calculating riparian buffer widths, how to address very large tire piles that exist on the project property, potential impacts to deer wintering area, extending buffers to man-made ponds that are connected to class II wetlands, GHG reporting and the need to survey for the presence of grassland nesting birds. Ranger appears willing to conduct a grassland nesting bird survey in June, but will not do so until ANR/DFW can articulate what impact the presence of nesting birds would have on the project. It's a priority for DFW to regroup on this issue and develop a clear approach for this project.

Ranger also shared that they intend to move forward with at least 3 additional 20MW projects in the coming weeks/months. This was somewhat of a surprise as Ranger's current business model relies on securing a guaranteed rate for their power through the PURPA structure. Vermont utilities and the PSD are contesting the applicability of PURPA for Ranger's projects, so there is risk for the company to proceed without having a guaranteed rate and consumer for their power.

New Applications for the week of March 7: OPP received 8 new Act 250 applications and 2 new Section 248 petitions.

Environmental Conservation (DEC)

Water and Wastewater Tracking System (WWTS): With the conclusion of the St J pilot, the new online application procedure, using ANR Online, is robust enough to introduce to the Northeast Kingdom consulting community as a whole. In order to provide a gradual transition from the old application forms and eDEC, we are allowing a grace period where consultants can submit either old forms or use the new ANR Online form until April 29. After that date ANR Online will replace the old forms and eDEC for all regional offices, and the vast majority of applications will be filed electronically, thereby reducing a significant amount of manual data entry. Between now and April 29, implementation of the new system will be phased in to each regional office with training opportunities around the state for staff and consultants.

BHS Composites (St. Johnsbury): A final Permit to Construct was issued to BHS Composites for a plastic composites manufacturing operation to be located at the St. Johnsbury Industrial Park at the site of a former similar plant that closed several years ago. The company is a Canadian firm that is expanding operations into the States and received incentive money from the Administration. The operation results in emissions of styrene from the resins used to form the fiberglass composites but the operation is not expected to have any use or emissions of PFOA.

Middlebury Selectboard: The Middlebury Selectboard had requested some assistance with understanding air pollution implications of a plastics recycling operation contemplated for Middlebury that would recycle LDPE plastic bags into solid plastic items such as benches. We had worked with this same Turkish firm a couple years ago to evaluate potential air emission issues. The firm had not pursued it further until they approached Middlebury. We provided them with our potential air pollution concerns and prior correspondence and technical details of their proposed operations at that time.

DEC Laboratory (Randolph): The new DEC laboratory will have minor usage and emissions of methylene chloride. FEMA had requested a jurisdictional opinion from the Air Program on permit applicability for its proposed usage. We reviewed the proposed usage and potential emissions and determined they will be well below permitting jurisdiction thresholds. Larger commercial laboratories performing certain analytical methods rely on the solvent properties of methylene chloride to extract the contaminants of interest from a sample, some of which is then evaporated off and emitted to the air.

New England Waste Services of Vermont (NEWSVT) / Coventry Clean Energy Corporation (CCEC - Coventry Landfill): Final Permits to Construct and Permits to Operate were issued to NEWSVT for the landfill operations and to CCEC for the landfill gas to energy electric generation plant. The permits delineate responsibility for the facility operations between the two entities.

Stormwater – Agriculture: AAFM has indicated they expect a significant number of requests to amend existing Large Farm permits for expansions. Under the ANR-AAFM Memorandum of Understanding (MOU), AAFM will consult with us on their determination that the permit

applicant had demonstrated that there are no point source discharges requiring a CAFO permit. The Stormwater Program is prepared to participate in this review. Where farms are proposing to build impervious surfaces (e.g. barns), and where such surfaces result in discharges that are not compliant with the Accepted Agricultural Practices (AAPs), an operational stormwater permit may be required.

Fish & Wildlife (FWD)

Fishing Update: With a few exceptions, ice fishing has ground to a halt after temperatures soared and ice became unpredictable and dangerous. This did not affect bullhead anglers who were out and about. Open water anglers have been showing up around the state on lakes and rivers. Wardens continue to be busy posting signs on closed sections of water for the spring seasons.

Warden Joyal: Last week an amazing, selfless rescue attempt was made by Warden Joyal on Shelburne Pond. Warden Joyal entered into the icy water after a longtime ice fisherman known to him went through and drowned. Joyal's attempt put his own life at risk, but he was well prepared. Thanks again, Warden Joyal.

Lake Champlain United Meeting: Staff attended the Lake Champlain United (LCU) meeting this past weekend. LCU is a group of anglers focused on fishing and stewardship on Lake Champlain. Staff take the opportunity to meet anglers, discuss fisheries and access issues on the lake, and occasionally present work that the Department is undertaking. This group meets twice each winter and staff take the opportunity to hear directly from our constituents about what matters most to them.

Forests, Parks and Recreation (FPR)

Firewood Importation Ban Rule: FPR filed the Final Proposed Rule with the Secretary of State and LCAR on Friday March 11, 2016. A few minor changes were made to the draft rule in response to comments.

AMP Revised Rule: FPR staff is completing the responsiveness summary of the comments received and making some changes to the draft rule in response to comments. FPR anticipates filing the Final Proposed Rule by the end of this week or next week.

Parks Reservations: Camping reservation activity is 17% ahead of last year and combined with other anecdotal information from the reservation call center, this season promises to be another record setter. Early warm weather and limited snow has contributed to the early interest.

Mud Season Hiking: FPR staff and Green Mountain Club are working together to convey consistent public messages related to hiking during mud season. Walking in sensitive areas on

wet ground poses numerous environmental problems. Both organizations have historically but separately worked toward that end.

New Federal Recreation Grant Program Announced: A new federal recreation grant program for recognized urbanized areas has been announced (Outdoor Recreation Legacy Partnership Program). The program is part of the Land and Water Conservation Fund program administered by the National Park Service. Up to two projects can be proposed from each state for a national competition. Applications will be due May 2, 2016.



State of Vermont
Department of Public Safety
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To: The Honorable Peter Shumlin
From: Joe Flynn, Deputy Commissioner of Public Safety
Date: March 16, 2016
Subject: Weekly Report

Priorities:

VFA Training Coordinator Litevich provided a tour of the Academy to Vermont Public Radio regarding their questions surrounding water contamination. We do not use firefighter foam containing PFOA at the training facility.

Administration

Responding to many continuing questions from HAC Rep. Fagan.

Watching FY'16 closely as will need to update Commissioner Pallito on the status of the DPS Pay Act requirement in early April.

PIF Technologies (Document Management System) Software is now loaded and security issues are resolved, so it looks like the configuration phase of this first project is about the rev up. Vendor is set to meet with the Vision folks shortly to discuss the system's integration with the Vision platform.

CJS

Forensic Lab:

Backlogs (as of 2/29/2016):

- Blood Alcohol (0)
- Drug Chemistry (769)
- Serology (60)
- DNA (casework) (161)
- DNA (CODIS) (155) – Note this was near 2,200 early last fall
- Firearms (37)
- Latent Prints (467)
- Arson (1)

Efforts to reduce backlog of DNA database samples caused issues with FY16 budget.
Expectation that \$100K in general funds has been added to FY17 budget for DNA analysis

Firearms destruction process still undetermined, 190 firearms at VFL and another ~250 confirmed in the field (only 11 out of 90 agencies reported).

Upcoming testimony in House Transportation on 3/23 regarding saliva testing in DUI cases.

Communications:

Westminster PSAP - Harris quote for engineering support received, working on a Purchase Order and Sole Source Justification; Westminster network router programmed. Working on the potential for providing a second router for Hot Standby Router Protocol; Started initial planning for combining Rockingham and Brattleboro VSP radio systems into one Westminster channel.

Williston State Police channel coverage improvement initiative at Hyde Park. Telephone network control is set up and a base station in place for a Receiver Transmitter at Hyde Park. Awaiting an engineered solution to utilize an existing Lamoille County Sheriffs antenna.

Project for encryption for Chittenden County/Williston State Police units underway. Ordered needed hardware and firmware. A solution for managing the encryption program needs to be established with the cooperation of State Police, Radio Shop, and local law enforcement.

DMV & AOT - Department of Motor Vehicles units to be included in the Chittenden County encryption project; continued systematic process of supporting new AOT installs by updating the mobile program and testing the radio after installation; multiple AOT District 4 radio issues investigated all scenarios were related to the Tenco salt controllers with over 51 mobile units, mostly in plow trucks in AOT inventory are affected by this manufacturer defect; engineering coverage enhancement for Bloomfield AOT District 9 area underway and pursuing the potential for adding a voted receiver at Burke Mountain; engineering a solution to reduce or eliminate bleed over across the middle of the state for AOT channels; drafting a proposal to update frequencies on the AOT District 3 channel FCC license applications need to be drafted for the needed changes; AOT District 1 requires a new frequency for the voted receivers; implementing the technology to stream VTrans radio channels via scanner interfaced to an application on a computer or smart phone.

Department of Liquor Control - DLC units to be included in the Chittenden County encryption project.

Completing State FCC license applications for Orleans County Fire on Jay Peak and Lamoille County Sheriff's Department on Mansfield.

VCIC:

Additional work has been completed on the Tri-State (VT, NH, ME) Automated Fingerprint Identification System (AFIS). The current goal is to complete the bulk of DI&I involvement this week and AG review next week. Maine has continued to report receiving political pressure to either move forward with the project or abandon the Tri-State model and New Hampshire now reports the ability to complete contracting requirements by the end of April.

Work continues with Valcour support staff on bringing NIBRS reporting requirements and there has been renewed discussion to potentially leverage VJISS to support this process. It is hoped that 2014 NIBRS data will be made available via the public VCON site in the coming weeks (after review by staff).

A concern has been raised relating to Sex Offender Orders being issued by the courts (in conjunction with State's Attorney), specifically in following statutory requirements as they relate to registration length. An initial contact has been made with the SA Executive Director (David Cahill) to review the protocol and discuss potential outreach or training opportunities.

DEMHS

DEMHS hosted 4 Spring Flooding Seminars throughout Vermont this week. Overviews on flooding preparedness were provided by DEMHS, the National Weather Service, Agency of Natural Resources, Agency of Transportation, Regional Planning Commissions and local administrators. Seminars were held in Waterbury, St. Albans, Johnson, Brattleboro and New Haven.

Southern Exercise Planner and RERP Planner deployed to Bennington to assist DEC in establishing ICS structure.

FEMA R1 EHP provided a timeline for completing the Environmental Assessment necessary for the Ag Lab alternate project, including public notice requirements. The timeline is doable, but very tight for 2016 construction.

VT Alert initial presentation provided to the VT Animal Disaster Response Team on 3/14/16.
Message sent to residents in the Bennington sampling area via VT Alert regarding information meeting Wednesday night.

HS Section Chief, HS Program Manager and the Financial Office met with the Operation Stonegarden Working Group on 3/17 to review FFY16 grant applications.

HS Section Chief, HS Program Manager and the Financial Office met with the Law Enforcement and Special Operations Working Groups on 3/18 to review FFY16 grant applications.

Fire Safety

Todd Cosgrove is doing well considering the severity of the automobile accident. Being optimistic he stated he would be back early next week to work.

The Division received \$6.4 Million in new plan review construction valuation collecting \$31,500.00 in permit fee revenue.

We have received a permit fee check for around \$120,000.00 for a 20,000 square foot addition to Copley Hospital in Morrisville. We also received a \$40,000 permit fee check for some projects at Norwich.

The Annual Report of the State Fire Marshal has been completed. Staff did an excellent job compiling all the data and I feel the end product was well done.

Testimony at Senate Institutions on the status of the Governance Committee.

Vermont State Police

A Troop

FF

14 Total Arrests, 8 DUI

Game Warden Joyal fell through the ice on Shelburne Pond attempting to make contact with male that had also fallen through the ice and was deceased.

Suspected Meth Lab Winooski.

Search warrant which yielded the recovery of several thousands of dollars' worth of ATVs, trailers, tools, scooter, and a go-cart.

Father took his 2 year-old despite a TRO in place. Good team work led to the arrest of the father and recovery of the child.

Investigating a fatal accident that occurred on RT 2 in Cabot where a 68 year old male out of Mass, lost control and was struck by a fully loaded dump truck, he died at the scene.

Contacted by DCF reference to a 4 year old that was brought to the hospital with a broken femur, child had reportedly been left outside unattended for 45 minutes.

BCI

Follow up and new search warrant for cell phone of Att. Murder suspect in vehicle crash on I-89.

Assisted LCSD with dead body in Johnson. Believed to be an overdose. Awaiting toxicology reports before investigation continues.

Assisted uniform with burglary investigation. Suspects identified and interviews taking place. Cell phone subpoenas sent out.

Ongoing investigation into child fatality at daycare center. Expert witness reviewed case and estimated the child to be in the water for approximately 30-45 minutes prior to finding. SA providing funding for expert to provide reports.

Dead body in Bakersfield. 83 year old female. Death ruled to be natural.

Assault case at NWCF on a correctional officer. Officer suffered no injuries. Sent for review.

Assault case at NWCF inmate on inmate. Minor injuries. Sent for review.

Assault case at NWCF inmate on inmate. No injuries. Sent for review.

Trooper background assigned. Applicant lives in NY.

Accidental death in Richford, 79 year old female located at the base of her stairway by responding Troopers during a welfare check. D/Sgt responded to scene for investigation.

Trooper background assigned. Applicant lives in Middlesex.

Investigation at Norwich University. Female alleging she was strangled by her boyfriend in November while at a party. Female alleged that she woke up covered in bruises. D/Sgt assigned and victim interview scheduled.

D/Tpr. assigned case of a 16 year old touching his sister's breasts. Case completed no criminal charges.

SIU investigated a 17 year old female from Maine who may have been moved in with a sexual predator from VT. Case unfounded.

SIU took case for Orange Cty. SIU due to conflict. Father allegedly digitally penetrated his 6 year old son's anus.

Civilian background assigned. D/Tpr assigned.

B Troop

FF
9 Total Arrests, 5 DUI

BCI
Assist to NHSP and Haverhill, NH with missing Juvenile. She was located in NH. Suicide.

Multiple Sex offender Registry Checks (physical residence compliance check).

Sex offender Registry photos.

Background Investigation for applicants continues.

Assisted Derby Troops with report of Missing Juvenile. Child was located at a friend's.

Death Investigation

St. Johnsbury, VT Missing person (Henry Morey) from January found Deceased in woods in St. J. Apparent Suicide with shotgun.

Burke, VT 82 yr old male found deceased by his wife. History of cardiac problems. Natural.

Albany, VT 3 month old baby with serious medical complications. Autopsy shows no signs of abuse. Toxicology pending, but does not appear suspicious.

Intake involving sex assault involving Juvenile Male cousins.

Correctional Center Cases - 3 separate reported assaults (Inmate vs Inmate) two were determined not to be assaults. One case is being investigated. Minor injury.

C Troop

FF

7 Total Arrests, 3 DUI

Presentation during a class at Mill River Union HS, Clarendon by Tpr.

DRE evaluation by Sgt. assisting Rutland County Sheriff's Department.

Dayshift responded to assist Middlebury Police Department with a fatal accident, a flagger was run over by a utility truck and killed instantly, provided traffic control and two members of CRT responded.

BCI

Case Discovery – Jameson Shooting.

Updated SOR photo.

Supplemental reports for West Rutland stabbing.

New Case: – Natural death of a ninety year old female in the town of Sunderland.

New Case: – Assist with a domestic assault that led to a restraint and sexual assault in the town of Poultney.

New case: Death Investigation 83y/o male who died in hospital as a result of a fall in the home approximately a week prior. Untreated broken arm led to rhabdomyolysis and death. Accidental.

New case: Death investigation 89y/o female who died at home halfway down the stairs in her tracked stair lift. Natural.

Continued work on Background investigation.

Continued follow-up on Hart homicide.

Training in Williston put on by FBI CAST members.

D/Tpr. attended a Basic Crime Scene Investigation Training for CSST.

Assigned new case: Background investigation Courtney Baker - Wells VT.

Assigned new case: Drugs MVCC.

Served subpoenas for 2nd weight of evidence hearing for the armed robbery at the Leister country store.

Reopened sex offense and met with and interviewed family/victims from North Carolina.

Case Follow-Up: Sex Offense. Assisted Detective Trooper with recorded interview transcriptions.

Case Follow-Up: Armed Robbery. Assisted Detective Trooper with Investigation at Peoples United Bank. Report Completed.

Case Follow-Up: Sex Offense. Town of Clarendon. It was reported an i-pad of a 14 year old girl was returned to Mill River High School with pornography.

New Case: Sex Offense. Town of Clarendon. It was reported two freshman students (male/female) were engaged in a sexual act under a set of stairs at the Mill River Union High School. Students Interviewed.

Training: City of Rutland. Rutland County Law Enforcement Training. Interacting with Victims of Crime with Disabilities.

New Case: Sex Offense. SANE Kit. Town of Rutland. Case Completed.

Training: City of Rutland. Rutland County Women's Network and Shelter. Language utilized when interacting with members of the Lesbian, Gay, Bisexual, and Transgender (LGBT) community.

New Case: Sex Offense. Anonymous SANE Kit. Town of Castleton. Case Completed.

Fire Investigation in Pawlet. Fire occurred on an agricultural farm. Fire was ultimately deemed undetermined, but was not considered suspicious. No injuries.

Fire Investigation in Rutland. Fire occurred to an apartment house. Fire was ultimately deemed accidental and was not considered suspicious. No injuries.

Fire Investigation in Bennington. Fire occurred to a six apartment tenement structure. All families were displaced as a result of the fire and (1) individual sustained substantial injuries resulting in an airlift to an out of state burn center. Fire appears to have resulted accidentally/investigation continuing.

Screened Fire Investigation request in South Londonderry. After conferring with SDO it was agreed the investigation could wait until Monday morning.

Continued to work on assigned Background Investigation.

D Troop

FF

15 Total Arrests, 6 DUI

Sgt. stopped a vehicle in Londonderry for a stop sign violation; 0099 done; two arrested for Poss of Heroin.

Continued search for missing subject from day prior-vehicle located on logging road not far from house, K9 called and located subject at mountain top due west of vehicle unconscious but breathing, rescue responded and transported to Grace cottage Hospital-subject expired some time later.

BCI

Fatal fire in Bennington.

Fatal fire in Marlboro.

Missing person/suicide case in Jamaica. 40 year old male subject located in the woods. Pills, alcohol and hypothermic. Died a short while after brought to hospital.

Assist Brattleboro PD with neighborhood canvas for arson case.

Death Investigation – Granville – 61 year old male found dead from self-inflicted gunshot wound. No suspicious circumstances.

Interview with complainant regarding possible child porn case in Rockingham, follow-up with P&P regarding suspect.

DCF intake Bethel, allegations of L & L at day care, interview at CAC with juvenile.

FBI cell phone training in Williston.

Assist Brattleboro PD with neighborhood canvas from November 2015 Arson.

Death investigation of 80 yr old female. Major medical issues. Natural causes. Non-suspicious.

Assist NHSP with evidence disposal from 2002 homicide case.

Discussions regarding failure to report case D/Tpr is investigating.

Assigned and began background investigation.

Death investigation: Fatal fire with two deaths. 41 and 46 year old females died in a house fire in Marlboro. Both sent for autopsy. Not suspicious.

Interviewed athletic director in failure to report case (Sharon). Unknown at this time if the Windsor SA Office will prosecute.

TOPS

Assist to NIU

CCU

Continued forensic examinations on several state and federal child exploitation cases.

Polygraph

Criminal test in Williston for NUSI. Suspect passed the exam and cleared from investigation.
9 PE polygraphs.

Unit accepted 6 criminal cases for criminal polygraph exams. Tests are being reviewed and assigned dates.

Major Crimes Unit:

Follow up on Peters unsolved homicide case; met with Morristown PD, review of physical locations of interest in the case.

Transfer of evidence in Brattleboro and Northfield Homicides.

Follow up in Burt Homicide (Northfield); Two interviews in Rutland, preservation to ATF.

Meeting with Retired VSP Det. Sgt. Tom Truex regarding Sarah Hunter homicide.

Follow up on Gaudette unsolved homicide (B Troop); met with Sten Lium (ex- Deputy SA Caledonia County); follow up with OCME.

Follow-up on Jay Gulick death – archives searching to see if there is a case from the 70's when Gulick was a baby. Info that Gulick abused as a baby causing TBI which 40 years later caused his death.

Meeting with Caledonia SA – working on O'Hagan case – jail calls – investigating Keith Baird for conditions of release violations and possibly obstruction of justice.

Responded to St. J for death inv. of missing person from two months ago, met with family. Death was suicide.

Meeting with FBI to review work up in Hart investigation.

Rashed homicide (Brattleboro); Authored and submitted NTO for Moffatt DNA, authored and submitted Search Warrant for GOOGLE and Gmail Account, evidence transfer from HQ to Brattleboro Evidence

Follow up for Manzilli Homicide.

Addressed discovery issues for upcoming burglary trial.



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Justin Johnson, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin
FROM: Secretary Justin Johnson
DATE: March 18, 2016
SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Issue Updates:

Roxbury Fish Hatchery – Peter Hack is reviewing plans & specs, starting to re-negotiate the HDR contract (designers) to update the plans and go to construction phase. Reviewing all permits, schedule, budgets etc. The two-year funding from the Capital Bill is NOT a good plan for this project!!

Randolph – VAEL – New Construction – Our second DRB hearing was held on March 14th and it was closed for the Board to deliberate. FEMA EA draft is complete and will be reviewed by all parties until 3/23/16. Cannon's Act 250 draft package has been received and is being reviewed. Cannon's 50% DD phase set is due this week. We have received a letter of support from the Veterans, and ability to serve letter from VTC. We are on track to submit the Act 250 application by early April. If no denials, appeals or negative comments to FEMA's FONSI are received, we will finish permitting by 6/1/16.

Surplus Annual Auction – Is scheduled for May 7, 2016.

Terry sent out notice and instructions to State government on March 11th

Exit 4 – Randolph – Sammis – Sam Sammis contacted the Commissioner on March 8th

Collaborating with Conservation Law Foundation ("CLF"), the Vermont Natural Resources Council ("VNRC") and Preservation Trust of Vermont ("PTV"). Plans to proceed with the project (future scope to be defined) and expect to be able to provide update in 60 days.

Has withdrawn Act 250 application

Development Agreement sent to JWJ, MJO, WLM 2016-02-22

FINANCE AND MANAGEMENT

Issue Updates:

- Monitoring and responding to many HAC request as they try to finalize Budget Bill today.
- Attended entrance conference with Auditor Office on the Performance Review Audit they are conducting with DII, F&M and DHR.
- Working with JFO to finalize language that creates a GF Reserve for the next 53rd week of Medicaid payments and next 27th week of payroll. It will be called GF 27th/53rd Reserve.

HEALTH CARE REFORM

All Payer Model:

Federal Negotiation: The all payer model work this week focused on preparing for an in person negotiation with CMS next week in Baltimore. GMCB and AOA are working to achieve alignment on the main issues for discussion. It is not clear that AOA and GMCB are on the same page regarding the start date of the model.

DVHA Implementation: The team is meeting with the Governor in two weeks to ask him to approve releasing an RFP that envisions DVHA contracting with an ACO and generally proceeding with the project. Michael and the DVHA project team led Justin, Lawrence, Robin, Hal, and Steven through a presentation, and the team unanimously recommended to proceed with the RFP and project given our progress and the known risks. We believe that the team will recommend to the Governor that he should proceed with the RFP and project barring something unexpected occurring during the next two weeks.

Global Commitment 1115 Waiver: Lawrence, Robin, and Michael are more actively supporting AHS as it pursues the Global Commitment waiver renewal. The team is concerned that lack of progress on the waiver renewal could imperil the all payer model.

SIM/VHCIP:

The SIM Core Team approved our year 3 program milestones, which are required for us to continue work after July 1st. We are starting conversations with the Feds next week on these milestones, and our budget, to ensure that we can proceed with our year 3 as planned and not have any extensions like occurred last Fall when we initially proposed year 3. We will finalize the year 3 budget in mid-April and submit the milestones and budget, along with a detailed Operational Plan to the feds by May 1st.

We are planning a site visit with the feds and are anticipating this the week of April 11th. As in the past, the site visit is a time for us to work through any issues we have for the current performance period and showcase our successes with our stakeholders.

We are still awaiting federal approval for several 2016 contracts. There are no substantive issues with the request, rather the Federal Office of Acquisition and Grants Management is also experiencing a backlog. We anticipate this approval any day, but will have to escalate if this is unresolved by the end of March.

The SIM activities are beginning to dovetail significantly with the APM activities as we enter our last year of SIM and plan for the first year of APM. Specifically, more SIM resources are being allocated to support the APM planning work and Medicaid preparations. Additionally, the Medicaid Pathway sits at the intersection of our APM and SIM activities and requires significant support from AOA to make sure that the planning efforts around future Medicaid-specific reforms are remain connected to the APM and SIM. The Medicaid Pathway road show that is being presented to numerous groups is alleviating a lot of stakeholder concern among the community providers.

1332 Waiver:

Submitted on 3/15. Robin is likely meeting with the feds on this next week.

Legislative Issues:

Misc. Tax Bill—HWM is raising \$6M with changes to the employer assessment for health care. They are creating a tiered system based on number of uninsured employees. Devon is very concerned that this will draw unwanted attention to our employer assessment, which is likely in current violation of ERISA and may be more likely to be found in violation of ERISA with this change to basing the rate on number of uninsured employees and in light of Liberty Mutual v. Gobeille.

S.243—Opioid Bill: Passed out of Senate Finance Thursday evening. Chiropractor Association proposed reduced co-pays for chiropractic services. Senate Finance added penalties and interest to manufacturer's fee b/c 12% of manufacturers do not pay it. Committee wants to know how much extra spending governor proposed in budget towards opioid issue.

S.245—Hospital affiliation notification: This is notification to patients when independent physicians have been acquired by hospitals. AG is adding an amendment to require reporting to the AG's office in order to stay on top of antitrust issues. Sen. Ashe has an amendment re: not increasing reimbursement for providers who are acquired by academic hospitals. Steve Costantino is testifying on this this morning in SHW.

S.255—Managed Care Organization technical bill—sent over to House.

H.812—ACO standards and oversight—Browning and Gage wanted an amendment re: disclosing reimbursement rates. Donahue will provide a compromise amendment, which passed the House on Thursday.

H. 620—LARC—In appropriations. Will check in with DVHA on this.

All payer model — Michael and Ena Backus of the GMCB testified at Senate Health and Welfare regarding a recent Ham Davis article. The article gave the impression that Medicare is backing out of the all payer model. This is incorrect, and Michael and Ena were able to bring the committee around.

HUMAN RESOURCES

Legislative/Policy Update:

H. 261, the Ban the Box bill, passed the House.

H. 111, a bill relating to redacting certain VLRB decisions posted on its website, passed the House.

Gave feedback to the VSEA on the proposal it is relating to death benefits for the family of Lara Sobel. We said we were ok with the payout of four times her salary, prefer that the education benefits mirror the VTA CBA, and that the provision extending health benefits to her children are unnecessary as she already qualified. VSEA was receptive to our feedback.

Coordinating with Governor's Office on S. 184 which establishes an ethics commission. The main point is that it must be consistent across branches and allow the administration flexibility in how it establishes a code of ethics for its employees.

Significant Events/Meetings:

Attended meetings with staff of the State Auditor's Office regarding its Performance Evaluation Audit. Informed that the objective of the audit is to review the timeliness of performance evaluations (which may be expanded) and to make recommendations for improvement, if applicable. The audit is expected to take approximately six months to complete.

CAPS staff and the VSP presented the Workplace Safety Training to a statewide human resources group made up of private sector employees. The trainers received a standing ovation. Good opportunity for DHR to show leadership among its peers.

2015 Employee Engagement Survey Results have been compiled. HR Managers are putting together a plan to work with appointing authorities to address concerns and opportunities raised from the results. Nursing classification and market factor adjustment proposals have been sent to VSEA which will have 45 days to comment.

INFORMATION AND INNOVATION

Evolving Issues:

Web Updates:

- Harry Bell is meeting with the Treasurer's Office on 3/17 to discuss their ongoing site migration.
- Harry met with AOT on 3/9 for initial discussions about the creation of a service to handle State Highway Access and Work Permit applications.
- A meeting of the Web Portal Board to discuss the contract extension and amendment was held on 3/11. A vote on the amendments was postponed so that language could be added addressing what would happen if a service for which fees were prepaid was cancelled before launch. A vote on the contract will be held electronically once there is a final version of the contract.

Project Updates:

- **AOT Learning Management System:** AOT working on Contract and has scheduled a meeting with the winning vendor and legal teams from both parties to discuss. Independent Review (IR) report was accepted by the CIO with conditions that going forward was AOT only, and that subsequent adopters will be required to gain CIO approval via IT ABC process.
- **Microsoft Cloud:** We have migrated approximately 6700 state employee email accounts. The next group to migrate is AHS – DVHA with approximately 260 users.
- **New Phone System** – Voice over Internet Protocol (VOIP): Approximately 600 users have been migrated to this new technology.

LIBRARIES

Nothing to report.

TAXES

Issue Updates:

Refund Processing: As of Friday, 3/11, we had received 158,164 refund requests. 102,423 refunds were issued or are in the process of printing/mailing, totaling \$49.9M. While we had been experiencing a backlog, we have been catching up this week and will continue to do so. While our processing time for refunds hitting flags for additional security checks and manual review can be up to 8-10 weeks, refunds that do not hit flags can be processed normally, around 10 business days. The high number of refunds hitting flags is a function of the growing number of comprised SSN reported to us. We have received over 700,000 this year alone from the IRS. We received real time reporting from vendors and other states. And in some cases, W-2 information has also been compromised through phishing schemes. Within a month of the phishing scheme aimed at state employees we received fraudulent returns with information from these W-2s.

Important Notes: Most other states are adopting similar precautions, and are seeing the same or longer delays in processing refunds. It is important to remember that cautious screening itself deters fraud, as fraudsters file in multiple jurisdictions, and are more likely to focus on states with less review and quicker refunds. Thus, we may see the benefits of our cautious approach in the coming years as fraudsters hesitate to target Vermont for refund fraud.

We will not have final numbers until the end of summer when we see response to letters and checks that we have sent out, but our preliminary numbers thus far suggest that we may be ahead of fraud activity in previous years (stopped \$2.5M over last two years).

There will be two important improvements the next year. We will be implementing personal income tax into our new IT system, which will automate more of the review. We have also asked the Legislature to require employer W-2s at end of January, which will allow us to match information from employers with information reported in refund requests. This will give us another tool in preventing fraud and ease staff time devoted to verifying information.

Commissioner Peterson held a press conference on Monday to urge Vermonters to utilize Free File software that many low-income and others are eligible for, and which many are not aware of as an option.

Legislative Updates:

Several bills impacting the Department have been working their way through the Legislature recently, with S.241 regarding the regulation of marijuana passing in the Senate and being referred to the House Judiciary Committee, and H.864 regarding farm tax exemptions being considered by Ways and Means before crossover. Most impactful to the Department will be the Miscellaneous Tax Bill, H.873, which contains the following revenue sources:

- Moves telephone tax, bank franchise tax, and FGR from quarterly to monthly (\$2.8M in FY2017)
- Bank Franchise Increase of 0.000025 on banks with >\$750M deposits (\$2.1M)
- Employer Assessment, tiered approach based on uncovered FTEs (\$6.0M)
- Directs Commissioner to enter into agreement with sharing platforms (\$1M)
- Increases FGR 0.25% (no electricity) (\$1.3M – weatherization, not GF)

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Patrick Delaney, Commissioner
Date: March 18, 2016
Re: Weekly Report

Vermont Department of Liquor Control

Legislative Issues/Contacts/Updates: Testified in front of Senate General regarding S.250, the Committee Bill on Liquor issues. A vote was scheduled for March 16.

Press Issues/Releases/Contacts: None

Significant Events/Meetings: On March 18 the Department is hosting an Open House for Liquor Agents for office and Warehouse tours, as well as question and answer sessions.

Summary of Key Department Activity:

Agency Issues: The Department continues to advertise for new agencies in Pownal and Brandon.

The Board and I continue to review applications for the Board Counsel position, and plan to have interviews scheduled for April 8th.

Staffing: - Deputy Commissioner Gary Kessler transfers to DLC 3/20/2016.

IT POS system: We are continuing to work on the RFPs and other State required paperwork to restart the POS and retail projects. We hope to have this completed for the POS project and out to bid by the end of the month.

Warehouse: Nothing noteworthy

Licensing: Nothing noteworthy

Commissioner's Commentary: I continue to meet with members of the DLC management team in an effort to improve efficiencies and gain greater understanding of interactions among divisions.

On March 16th I accompanied District Coordinator Brent Leach on visits to liquor agencies.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: March 18, 2016

Secretary's Top Issues

Randolph Lab

- On Monday March 14th, the Randolph Development Review Board held their second and final meeting to review the permit application for the construction of a laboratory building in Randolph Center. The DRB now has 45 days to issue a permit under the current zoning regulations and/or under the towns pending regulations.

Monitoring poultry industry for Avian Influenza

- Animal Health Section staff continue to meet with poultry farms to complete the voluntary High Path Avian Influenza on-farm assessments.

Laboratory's role in Bennington response

- The Vermont Agriculture and Environmental Lab is responding to the perfluorinated compound (PFC) contamination incident in North Bennington by modifying a critical analytical instrument to enable it to perform analyses for PFCs. The laboratory is further preparing to do analyses on sample matrices other than soil and water, including maple syrup and other agricultural commodities.

Illegally imported sheep

- Animal Health Section received information from USDA field veterinarians regarding a sheep owner who imported two sheep from ME without CVIs. An additional concern is that this person is a participant in the USDA Scrapie Export Program and the sheep that were brought into the flock came from a flock that is not a participant in the program, which is a big no-no. Since this is the second time this flock owner has done this, USDA will likely be taking action on the flock owner's continued participation ability.

Working Lands Board meeting

- The Working Lands Enterprise Board met on Tuesday, March 15th at the Pavilion Building to make decisions on Working Lands Business Applications. A total of 19 projects were considered for a \$515,947 total ask. The Board preliminarily approved 12 projects (4 from forestry, 8 from agriculture), for a total of \$344,225.33 in investments. In addition to funding decisions, Ela Chapin offered the Board an informative presentation on the outcomes of Vermont Housing Conservation Board's Farm and Forest Viability Service Provider Grant. Joe Nelson, Chair of the Working Lands Forestry Committee led a Board discussion and debrief of the Vermont Forestry Meetup which took place in Brattleboro on February 25th.

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Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: March 18, 2016

Status of Governor's Priorities:

Legislative Activities and Issues:

3/15/16

House Agriculture and Forest Products

- House Agriculture and Forest Products discussed the Required Agricultural Practices Regulations (RAPs). The VAAFM attended to hear the discussion and was asked to provide comments. The committee is concerned that 50 cows, the Small Farm Operation cutoff, is too large and that a 4 cow operation cutoff for applicability of the rule is unwise. The VAAFM explained in depth its process for drawing these regulatory lines for purpose of applicability to the spectrum of operations. It is unclear to VAAFM where these concerns are coming from regarding the regulatory thresholds.
- Rural VT's board voted to pursue extending the rulemaking dates for the RAPs. It has concerns with the rules as drafted. The Agency is on track to meet the July deadline, but that could change as it is on a tight schedule and would inform the Legislature if that schedule is not met. Rural VT wanted to know if the Agency would support an extension for rulemaking. The Agency response was that it would be disappointed if it did not have a final rule in place by August 1st.

3/16/16

House Agriculture and Forest Products

The VAAFM testified on H. 779 -On Farm Enterprise bill before House Agriculture and Forest Products Committee to further explain the intent of the bill.

Concerns raised by committee members

- Intersection of various regulatory authority (USDA, Act 250, local regulation, Health Department). What kind of signal are we sending to farmers if we create a path forward at the local level and there are other intersecting regulations where compliance is necessary? Are we sending mixed signals?
 - These regulatory authorities and compliance requirements already exist. The bill is meant to provide opportunities of limited expansion in place by a farmer within existing structures, ability to increase direct sales of products with additional business opportunities at a limited scale (agritourism), or lease out existing infrastructure to other processors (cheesemakers, commercial kitchen space)
- The proposed RAPs eliminate VAAFM's regulatory jurisdiction over very small operations with livestock and certain veggie operations and giving jurisdiction to municipalities to regulate water quality- and at the same time under H.779 reducing, municipal regulatory authority over businesses on farms.

- This is an effort to clarify jurisdiction and to focus on the impacts that are most concerning (based on a 2013 survey) without allowing a municipality to impose development to meet commercial development that would impact the operation of the farm.
- Concerns were raised over the uniform application of Act 250 jurisdiction
- H. 860 sponsored by Former Rep. Stevens and Rep. Toleno was an effort to address how to incent innovative businesses and preserve the rural character of Vermont's working lands -balancing working lands businesses with appropriate regulations to preserve that landscape.

Senate Appropriations

- The VAAFM monitored testimony in Senate Appropriations, when it briefly reviewed S. 169-Farm to School and Universal Meals program, and voted it out with an amendment to remove an appropriation of \$80,000 to support the Universal Meals portion of the bill. The amendment allows for the \$80,000 appropriation to be discussed during 'big bill' budget discussions at a later time.
- There was no opposition to the bill, all positive and believed to be worthy of supporting.
- No testimony from VAAFM of Hunger Free Vermont was taken/necessary.

Senate Agriculture

H. 861 Treated Articles. Industry representatives are opposed to the Agency having authority over treated articles for the following reasons:

- 1) No other state in the U.S. has this authority (Agency needs to confirm)
- 2) Authority would pull in thousands of products
- 3) Pesticide use restrictions are adequately regulated by EPA
- 4) A solution looking for a problem

The Agency testified regarding the intent of the language and used the utility pole issue as an example.

3/17/16

House Agriculture and Forest Products

The VAAFM testified in House Agriculture and Forest Products on H. 861 regarding the intent of having authority over treated articles. Generally, the committee agrees with the VAAFM's approach and believes that the Secretary should have the authority to manage problems associated with treated articles when they arise. Some interests are fanning the flames of fear suggesting that the Agency is only looking to ban seed treated with neonicotinoids as well as establish requirements in rule for the siting of utility poles.

In Senate Agriculture the Food Systems Section Chief Abbey Willard & Assistant State Veterinarian Shelley Mehlenbacher testified to H. 778. The bill would authorize the Vermont Agency of Agriculture to enforce the federal Food Safety Modernization Act Produce Safety Rule.

- Produce Program Coordinator Kristina Sweet provided explanatory materials and answered specific questions about the rule's thresholds.
- Cameron Wood, Legislative Counsel, also provided testimony and answered questions about definitions provided in the bill.
- Representative Purvis reported on the bill from House Ag committee
- Committee members asked clarifying questions about the types of farms that will be covered under the Produce Safety Rule and the potential overlap of federal and state authority.

- They also had questions about the # of operations covered under the rule, # of annual inspections, the cost of water testing, specifics around record keeping requirements, and the relationship with VT Department of Health around manufactured foods.
- Committee discussed whether H.778 should become effective upon passage as opposed to waiting until 7/1/16.
- Overall their appeared to be support for the bill and the development of a state level program. Questions arose around the practical implementation of the rule and our Agency's relationship to FDA

3/17/16

In Senate Finance the Committee amended S. 230 – Energy Siting bill that came out of Senate Natural Resources and Energy and include language from S.205 that wraps 9(B) into the review process that requires the Public Service Board to give due consideration to Primary Agricultural Soils.

Press, Marketing and Communications:

- Henry Marckres, Chief, Consumer Protection was interviewed by Lesley Engle of Channel 22 & 44 on maple production on Wednesday. Marckres also spoke with Jeff Brown of WBZ in Boston on the maple season and other maple information.
- Stephanie Smith, Chief Policy Enforcement Officer, spoke with a reporter from VT Digger on prime agricultural soil.

Significant Events/Meetings:

- On Monday March 14th, the Randolph Development Review Board held their second and final meeting to review the permit application for the construction of a laboratory building in Randolph Center. The DRB now has 45 days to issue a permit under the current zoning regulations and/or under the towns pending regulations.
- Henry Marckres, Chief, Consumer Protection, attended the annual Governor's Tree Tapping at the sugarhouse of Mark and Amy Yandow in Williston on Monday.
- Henry Marckres, Chief, Consumer Protection, served as one of three judges for the maple cooking contest at a fund raiser for Mayo Health Care at Norwich University on Friday night. Chefs from 10 area restaurants competed for the top prize.
- Animal Health Section staff attended a USDA-hosted training on indemnification payments for depopulation cattle and poultry and how to assess their value.
- Animal Health Section tested poultry on a Swanton farm that experienced the death of one rooster in a flock of about 15 birds.
- Animal Health Section staff continue to meet with poultry farms to complete the voluntary High Path Avian Influenza on-farm assessments.

Evolving Issues:

- The Vermont Agriculture and Environmental Lab is responding to the perfluorinated compound (PFC) contamination incident in North Bennington by modifying a critical analytical instrument to enable it to perform analyses for PFCs. The laboratory is further preparing to do analyses on sample matrices other than soil and water, including maple syrup and other agricultural commodities.
- Animal Health Section staff met with an out of state livestock auction market that has not renewed their license as a livestock transporter and has stated that they are not transporting, although we have evidence to the contrary.
- Animal Health Section received information from USDA field veterinarians regarding a sheep owner who imported two sheep from ME without CVIs. An additional concern is that this person is a participant in the USDA Scrapie Export Program and the sheep that were brought into the flock came from a flock that is not a participant in the program, which is a big no-no. Since this is the second time this flock owner has done this, USDA will likely be taking action on the flock owner's continued participation ability.

Summary of Key Agency Department Activity

Administration:

Land Use

- The VAAFM updated the Farm to Plate Farmland Access and Stewardship Working Group on the where it is in the Required Agricultural Practices Regulations rule process. Stephanie Smith, representing the VAAFM, provided the timeline for passage in July 2016, and highlighted the changes in the draft regulations from version I and II.
- The VAAFM, represented by Stephanie Smith will attend a Vermont Land Trust Board meeting on Friday, March 18 and participate on a panel providing a perspective on how the board can better understand farmland conservation and where it might be headed in the future based on understanding the current challenges and opportunities around agriculture.

Agricultural Development:

- The Working Lands Enterprise Board met on Tuesday, March 15th at the Pavilion Building to make decisions on Working Lands Business Applications. A total of 19 projects were considered for a \$515,947 total ask. The Board preliminarily approved 12 projects (4 from forestry, 8 from agriculture), for a total of \$344,225.33 in investments. In addition to funding decisions, Ela Chapin offered the Board an informative presentation on the outcomes of Vermont Housing Conservation Board's Farm and Forest Viability Service Provider Grant. Joe Nelson, Chair of the Working Lands Forestry Committee led a Board discussion and debrief of the Vermont Forestry Meetup which took place in Brattleboro on February 25th.
- Sr. Market Development Specialist Reg Godin traveled to Boston from March 8th and 9th to attend the [Boston Local Food Trade Show](#), meet with [Boston Public Market](#) management and do general buyer recruitment for the [2016 Vermont Food Matchmaker](#).
- On March 8th, the Boston Local Food Trade Show was held at the Curry Student Center on the Northeastern Campus. There were over 100 producers and buyers at the show selling products produced in New England. Vermont was represented by Full Sun Company, Joe's Kitchen at Sreamin' Ridge Farm, DRINK Maple, Woods Maple Syrup, Silloway Maple and Black River Meats. In addition, connections were made to various Boston based buyers such as Costa Produce, Red Tomato, Eat Boutique and others.
- On March 9th, Reg Godin visited Harlow's Vermont Farm Stand and Jasper Hill Farm booth at the Boston Public Market. In addition to the visit, a meeting was held with market manager Tiffani Emig to ensure relations were in good position and to perform preliminary planning moving into the growing season.
- In addition to this event and meeting, Sr. Market Development Specialist visited a number of Boston stores featuring Vermont products to extend a personal invitation to the 2016 Local Food Matchmaker. Stores visited include Whole Foods in Boston, City Feed & Supply in Jamaica Plains, American Provisions in Southie, Fromaggio Kitchen in Cambridge, & Harvest Co-op in Jamaica Plains.

Produce Program Coordinator Participation in Recall, Traceability & Crisis Management Workshop

- Produce Program Coordinator Kristina Sweet participated in a Recall, Traceability & Crisis Management Workshop hosted by UVM Extension.
- The workshop offered farmers, service providers, and state agency staff the opportunity to experience a mock produce recall, learn about the components of recall plans, discuss different traceability systems, and understand the role of media in a recall.
- More produce growers are building recall and traceability plans as larger produce buyers, such as Whole Foods, are beginning to ask for more detailed recall plans.
- The Vermont Agency of Agriculture provided support for the workshop through the Vermont Specialty Crop Block Grant Program.

Produce Program Coordinator Presentation to Addison County Relocalization Network (ACORN) Workshop on RAPs, GAPs & FSMA Regulations

- Produce Program Coordinator Kristina Sweet provided an overview of the Food Safety Modernization Act (FSMA) Produce Safety Rule to a group of farmers, producers, and service providers in Addison County.

- Sweet discussed how to determine whether a farm is covered under the rule, key Produce Safety Rule requirements, and grower concerns about compliance.
- Growers asked questions to clarify their farm's obligations under the rule and shared concerns about the financial burden of compliance.

Produce Program Coordinator Participation in Meeting with VVBGA, UVM Extension & Water Quality Team

- Produce Program Coordinator Kristina Sweet participated in a meeting with Vermont Vegetable & Berry Growers Association (VVBGA) board members, UVM Extension, and the Vermont Agency of Agriculture's Water Quality Team on the 2nd draft Required Agricultural Practices (RAPs).
- Sweet clarified questions about the types of produce farms that will be covered under the FSMA Produce Safety Rule and discussed possible revised definitions for produce farms that will need to certify as small farm operations (SFOs) under the RAPs.

Senate Agriculture Committee Testimony & Discussions on H.778, An act relating to State enforcement of the federal Food Safety Modernization Act

- Food Systems Section Chief Abbey Willard & Assistant State Veterinarian Shelley Mehlenbacher testified to the House Committee on Agriculture on H.778. The bill would authorize the Vermont Agency of Agriculture to enforce the federal Food Safety Modernization Act Produce Safety Rule.
- Produce Program Coordinator Kristina Sweet provided explanatory materials and answered specific questions about the rule's thresholds.
- Cameron Wood, Legislative Counsel, also provided testimony and answered questions about definitions provided in the bill.
- Committee members asked clarifying questions about the types of farms that will be covered under the Produce Safety Rule and the potential overlap of federal and state authority.

Food Safety and Animal Health and Consumer Protection:

Animal Health:

- Animal Health Field Staff
 - Met with a bonding agent regarding two prospective new livestock dealers.
 - Attended the weekly livestock auction at the Addison County Commission Sales to monitor Animal Disease Traceability compliance and complete the livestock market report.
 - Met with an animal shelter regarding their lack of 501C3 status (shelters are required have a non-profit status).
 - Provided official ear tags to a new livestock producer in Randolph.
 - Visited a livestock comingling site in Swanton – per the owners, their calf numbers are steady but prices down a little from what they were.
 - Collected avian influenza samples and tested a 4-H flock for Pullorum in Randolph. Testing for AI was done as part of our normal surveillance activities.

Agricultural Resource Management:

VAEL microbiologist, Wendy Blackman, who is one of the state's two Laboratory Evaluation Officers for the FDA's National Conference on Interstate Milk Shipments (NCIMS) Milk Laboratory Program, inspected and passed Oak Knoll Farm (Windsor, VT) for their proficiency in screening for antibiotic residues in milk shipment trucks.

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

- Staff responded to a complaint about a SFO in Franklin County related to farm and manure management. Findings from the investigation are being summarized.

- Staff attended a meeting in Canton, NY held by Cornell to discuss proposed changes to the Phosphorous Index (P-Index) used in NY as part of nutrient management planning. The P-Index is a screening tool that assesses phosphorous movement on fields. Cornell is currently revising the screening tool to improve its efficacy which will improve nutrient management planning and water quality efforts.
- Staff met with contractors to discuss farms that need technical assistance to improve water quality impacts on their farms. This effort is a result of North Lake Farm Surveys that the Agency conducted in 2015 and the contractors were selected through a RFP. The goal is to have contractors facilitate the process of assisting farms in making water quality improvements on their farms. The meeting was held to discuss approximately 25 of the highest priority projects that the Agency identified during survey efforts.
- Staff presented revisions to the second draft of the Required Ag. Practices (RAPs) at a Manure Management and Training meeting in Shoreham, VT put on by UVM Extension and the Champlain Valley Farmers Coalition. Attendees included farmers, custom manure applicators and technical service providers.
- Staff are processing LFO annual reports to determine whether or not their reports meet reporting requirements.
- Staff are reviewing nutrient management plans (NMPs) submitted by LFOs as part of their annual reporting. Evaluations are being made to determine whether NMPs meet required standards.
- Staff are working with the ARM Division financial management team to review Farm Agronomic Practices (FAP) Program applications for education/outreach grants and develop grants agreements with the applicants.
- 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 work on and test the FoodSafety Water Quality database. We are currently working on enforcement actions, permit fees and payments, data tracking and data migration. Releases to the staging environment have allowed for continued testing.

Secretary's Comments:

- Secretary Ross participated in numerous multi-Agency/Department PFOA discussions throughout the week.
- Secretary Ross participated in a conversation with the Department of Taxes, the Department of Public Safety and Mr. James Pepper of the Governor's office regarding the possible legalization of marijuana.
- Secretary Ross met with Emily Peyton to discuss opportunities for the hemp industry in Vermont.
- Secretary Ross met with Tom Vogelmann of UVM to discuss the numerous aspects of overlap and partnership which the Agency has with the University.
- Secretary Ross testified in front of the Senate Finance committee on S.230
- Secretary Ross participated in (and gave opening remarks at) a pollinator symposium at the Echo Center in Burlington.
- Secretary Ross participated in several FSMA and produce safety meetings in preparation for national level conference next week which he (and 3 other VAAFM staff) will be participating in.

+CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: March 18, 2016
Re: Weekly Report

Status of Governor's Priorities: .

none

Legislative Issues/Contacts:

Met with Sen Sears to ask him to add language of S.252 to the Budget Bill once it reached SAC. He agreed to with no concerns. VLC Chair Martha O'Connor and I met with Speaker Smith requesting that he let S.252 come to a vote in committee or full House. He said we would have better prospects if we wait until there is a different Speaker. We should expect no interest or effort.

Press Issues/Releases/Contacts:

none

Significant Events/Meetings:

None this week.

Evolving Issues:

none

Summary of Key Agency Department Activity:

Two positions became open this week – one by termination of a person within their 6 month probationary period, and one by resignation to accept position in AOT. The short term employee was not able to keep pace with learning and understanding the duties of the position after various coaching sessions. The decision was not a surprise when delivered.

Executive Director's Commentary:

VLC Chair O'Connor and I remain in disbelief at the Speaker's response, knowing that funding is needed and the personal views of House leadership are shaping this. We will continue to use normal efforts to get S.252 passed.