

WEEKLY REPORTS

Checklist
5/30/2014

Elizabeth Miller/Aly Richards

- Agency of Commerce and Community Development – Patricia Moulton
- Health Care Reform – Lawrence Miller
- Department of Labor – Annie Noonan
- Department of Financial Regulation – Susan Donegan
- Agency of Education – Rebecca Holcombe
- VT Commission on Lottery – Greg Smith

TBD

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

Sue Allen

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

Sarah London/Carolyn Wesley

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

Susan Spaulding

- Boards and Commissions – Susan Spaulding
- Department of Liquor Control – Mike Hogan

To: Governor Peter Shumlin
From: Lucy Leriche, Deputy Secretary - Agency of Commerce and Community Development
Date: May 30, 2014
Re: Weekly Report

LUCY LERICHE, DEPUTY SECRETARY

- **Major Projects:** As requested by Liz Miller, Chief of Staff, Lucy is working with her leadership team to assemble a list of major grants/investments/projects/events and otherwise important stuff for the Governor—coming soon.
- **Legislative Implementation:** A comprehensive list of legislative directives is currently being compiled by ACCD legal counsel John Kessler. Once complete, Lucy will coordinate execution and completion.
- **VCGI:** Lucy has assembled a team (thank you Kathy Thayer-Goselin and David Metreaux) and work is underway to help with the integration of the Vermont Center for Geographic Information into ACCD beginning July 1.
- **NCIC Business Event:** Lucy spoke at the Northern Community Investment Corp meeting at Jay Peak. She also facilitated small group discussions on workforce education and training. This was the single most important topic participating businesses expressed an interest in addressing.
- **Precyse:** Lucy met with Commissioner Annie Noonan and Jerry Ghazi and Julie Davis of VT HITEC to discuss an opportunity for job creation in medical coding. ACCD and Labor will work to coordinate incentives and resources for a HITECH proposal to Precyse to create 20-40 jobs in the medical coding field for Vermonters.
- **GE Food Rulemaking:** Lucy is working with folks from Ag, Health Department and the AG on laying out the parameters for the Genetic Engineering labeling rule making process.

DEPARTMENT OF ECONOMIC DEVELOPMENT

Lisa Gosselin, Commissioner

- **One Stop Shop:** Lisa Gosselin, Nancy Brooks, David Metreaux and Alex Iby represented ACCD at a meeting on 5/22 on how the state can comply with the requirements for a “one stop shop” web site addressed in S.220. Suggestion was made that an overall project manager be assigned to integrate content from each agency into the Secretary of State’s new Business Registry (under development). DED explained the original intent of House Commerce to better direct businesses of all stages to the appropriate technical, financial and workforce assistance. Lisa will serve as point for the next meeting and DED will begin mapping the process of working with outside partners (such as RDCs, SBDCs, etc.).
- **CEDS:** Lisa Gosselin and Ken Jones presented an overview of CEDS to outgoing Secretary Miller and Deputy Secretary Lucy Leriche on 5/27 and will be presenting to incoming Secretary Moulton on 5/29 and to the Governor on 6/3. Reviewers’ comments are being incorporated. A draft of the document will be available on the DED web site by June 1 for review. The final Committee meeting and review is scheduled

for June 11 and the public will be notified. Final product will be submitted to EDA on schedule by June 27.

- **HR Advisory Board:** Lisa followed up with HR representatives from Burton, VEIC, JDK, Cabot, Mack Molding and others to gauge interest in participating in an informal advisory panel to help DED better understand how hiring and workforce challenges impact their businesses. Lisa will coordinate with Commissioner Noonan, Aly Richards and Beth Demers to ensure that we are working in tandem.

BUSINESS SUPPORT ♦ Ken Horseman, Senior Economic Development Specialist

- **Sweet Maple 1, LLC - Island Pond:** A meeting was held with the development team beginning work on the fit up of the former Ethan Allen plant in Island Pond. They requested assistance recruiting the 12 – 15 staff positions for the Island Pond plant, as well as additional positions working in the Reverse Osmosis Centers and field crew working in the woods. They are also interested in training assistance. Work will begin with the HVAC infrastructure this week and they hope to make product this spring.
- **Town of Brighton:** A meeting with the town manager was held to review a list of priorities for which the town is seeking assistance. They are completing the park work funded by the NBRC grant and the project is being well received. A priority for the town is to attract passenger rail service as they are a mid-way stop between Montreal and Portland, ME – a key venue for attracting tourists. The north section of town is ideal for the establishment of a recreation refuge for biking, hiking, bird watching and winter sports. The town is considering another potential NBRC grant to develop necessary infrastructure for the refuge. Plans are in progress for a Dollar General store downtown.

INTERNATIONAL (EB-5/Vermont Global Trade Partnership) ♦ Brent Raymond, Director

VT EB-5 REGIONAL CENTER

- **CONFIDENTIAL:** Brent continued to respond to a dissatisfied 1st phase Jay Peak investor whose equity position was taken out and is to be replaced with an unsecured loan agreement (as per him). This continues to highlight a trend of Jay Peak not adequately communicating with investors to maintain positive relations, and keeping the RC in the dark. The Loan Agreement docs were requested approximately one month ago for RC review, but received just this week.
- John Kessler and Brent continue to work with Russ Barr on their proposed Morrisville/Stowe Airport EB-5 project.
- John Kessler and Brent are performing ongoing due diligence and research on AnC Bio project.
- Brent is working with Joe Perrotto of Country Home Products and his legal team regarding interpretation of USCIS rules regarding final I-829 approval and granting of permanent green card for "troubled business" EB-5 projects.

VERMONT GLOBAL TRADE PARTNERSHIP

- Brent has responded to three separate Foreign Direct Investment (FDI) inquiries from various Chinese entities. China has promised billions for Chinese companies to acquire international assets. Investment interest in VT thus far has included manufacturing, lumber mills, and agricultural and forestry lands.

VERMONT ECONOMIC PROGRESS COUNCIL ♦ Fred Kenney, Director

VEGI

- Worked with following companies on VEGI applications:

- Met with Ric Cabot at Cabot Hosiery regarding potential expansion. They will have trouble with Wage Threshold and overcoming background growth.
- 1366 Technologies (Expansion to VT; potential Initial Application in June).
- Resolute Forest Products (Relocation to VT; potential Initial Application in June).
- Whistle Pig Whiskey (Expansion; Pre-App).
- WARM (Expansion; Pre-App).
- Precyse (Establish work-at-home coding position in VT; PreApp).

VT PROCUREMENT TECHNICAL ASSISTANCE CENTER ♦ Robin Miller, Director

- **Sb Signs Inc. DBA Edgeworks Display – Williston:** Neal Kandel approached Babette to thank her for her assistance with the matchmaker event. He was amazed that he spent ten minutes of time with an agency which resulted in an award to his company of \$40,000.00 with four other possibilities to pursue. He was very pleased to have the PTAC program assistance, and asked if he could write something up to let them know of his success. He is excited for future projects that might be in store for the company.

DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

Commissioner MacKay and Deputy Commissioner Hollar

Commissioner MacKay

- **VY Funding Process:** Successful stakeholder's meeting (Windham County Legislators, W Regional Commission Ex. Committee, SeVEDS Ex. Committee members) held May 22nd. ACCD team met following the meeting and ran through the suggestions/comments/concerns raised during the meeting and will be making updates to the documents, and presentation in preparation for the public meeting scheduled for Tuesday, June 3rd from 5:30-7pm in Townshend. Public notice has been sent to the newspapers as well as our email list. A webpage (<http://accd.vermont.gov/WCGP>) has also been developed and the team is working on the online application, communication plan and next steps for monitoring and contract development. Productive meeting held with the finance team to make sure their needs are considered during this planning phase. All aspects of the project are in good shape.
- **H.809/H.823 Bill Signing:** Over 70 people joined the Governor in signing H.809 (Growth Center process updates), H.823 (designation incentives, updates to Act 250) as well as H.740 (transportation's proportional share). The remodeled St. Alban's House was the setting for the event. Huge kudos to Chris Cochran for all his work pulling the pieces of this together.

Deputy Commissioner Hollar

- **Low Income Housing Tax Credits:** Congressman Welch has agreed to cosponsor legislation (H.R.4717) that would make permanent the 9 percent federal Housing Credit rate floor for new construction and substantial rehabilitation and establish a 4 percent rate floor for the acquisition of affordable housing. The permanent rate expired at the end of last year leading to more uncertainty about the development process, less equity for projects and greater demand on CDBG and HOME funds. There are encouraging indications from the House of Representatives that the bill, introduced by Representatives Tiberi (R-OH) and Neal (D-MA), may be considered soon.
- **CDBG Funding:** The federal budget process is off to a promising start for the CDBG program. The House Appropriations Committee approved its version of the T-HUD Budget for FFY15 with \$3 million in

funding for the CDBG, approximately the same as the current fiscal year. Overall spending to transportation and housing programs was down, however, including reduced funding for the HOME program. The Committee's bill would include \$700,000 for HOME, a cut of \$300,000 and the lowest level since the beginning of the program. The Senate has yet to take action on its version.

- **Hunger Mountain Child Care Center:** Continued facilitating calls and meetings with the Center, Town of Waterbury, VTRANS, and BGS. The current focus is on assessing the licensing and historic preservation implications of five site plan alternatives. Goal is to identify one or two that work for all and address BGS' concerns re: traffic and safety. The project's loan commitment from the Northfield Savings Bank has expired due to these delays and HMCC is reapplying. Our CDBG-DR commitment to the project is firm.

COMMUNITY PLANNING & REVITALIZATION ♦ Chris Cochran, Director

- **V-DAT to Receive Project of the Year Award:** The Vermont Planners Association executive committee voted the [Vermont Downtown Action Team](#) as its Project of the Year. With VPA's endorsement, the project will now go on to compete for Project of the Year among the New England states. Thanks to all who supported this initiative – Senior Management and the Community Development and Grants Management staff.
- **Neighborhood Development Area (NDA) Designation:** John presented the Neighborhood Development Area designation to the Chittenden County Regional Planning Commission's Planning Advisory Council (PAC) as part of a discussion on how to address housing needs. South Burlington gave the designation process glowing reviews -- noting the application and approval process took about one month and that it would help increase mixed-income housing stock, while saving developers hundreds of thousands of dollars. South Burlington's NDA designation was also featured on [Fox 44](#), noting that the designation "means it's a little easier to build mixed-income and mixed-use projects there." Additionally, the HR&A Advisors, Inc. just published a [Downtown Housing Strategy Report](#) for the City of Burlington that goes into detail (see page 39) explaining how the designation "will support walkable housing development in areas close to the core downtown."

HISTORIC PRESERVATION ♦ Laura Trieschmann, State Historic Preservation Officer

- **TripAdvisor Award:** Marylou Chicote and her dedicated team at the Bennington Battle Monument received a 2014 Certificate of Excellence TripAdvisor Award. TripAdvisor travelers have been consistently providing outstanding feedback on this State-owned Historic Site and its knowledgeable staff. Congratulations Marylou and all of the monument staff!
- **Elizabeth Mine:** DHP believes the proposed solar project will have no adverse effect with conditions. DHP will continue assisting with the project.

Vermont Archaeology Heritage Center

- **Borrow Area for Rutland Airport Runway Project:** The Phase I Site Identification survey has been completed for proposed expansion of the former Weeks borrow pit in Clarendon. Casella Construction, Inc. wants to extract up to 250,000 cubic yards of material for the Rutland Airport runway expansion project. Native American cultural material was found in three areas of the planned extraction area. Supplemental work in Stage 4 found two additional site loci, including a lithic activity area containing over a thousand artifacts per sq. meter. These site areas will either be avoided or subject to additional archaeological work before extraction is permitted.
- **Boucher Artifacts Reburied:** Six artifacts found over 40 years ago at the Early Woodland Native American burial site on Monument Road in Swanton were quietly reburied over the weekend. The six artifacts had been excluded from the gift of deed of all other cemetery materials to the University of Vermont back in 1977 and retained by the original landowners of the property. The deeded material was

ultimately reburied back on Monument Road in the mid-1990s. However, the six retained artifacts remained with the property owners until placed on an auction prospectus in March of this year. With help from Duane Merrill, the owner of the auction house, and through quick action from Paul Bruhn and staff, the Preservation Trust of Vermont purchased the artifacts and initiated a process for repatriation to the Abenaki people using the Lake Champlain Maritime Museum as temporary custodians and Wobanaki, Inc. as the arbiter for the reburial.

DEPARTMENT OF TOURISM & MARKETING

Steve Cook, Deputy Commissioner

- **Vermont App / Travel Planner Public Announcement:** VDTM announced the development of the Vermont App / Travel Planner to the Department's business list on May 28th. This announcement was made on the tail of an announcement sent from the Vermont Chamber to its business members. Registration for the upcoming system has had a strong response reported by the vendor.
- **Make VT Home:** VDTM has been working closely with the Chief Marketing Officer, Commissioner Gosselin and the Governor's office to implement content for resident and employee recruitment on this year's summer marketing campaign. We expect to have this project completed and ready for next week's press conference with the Governor.

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

- **Editorial:** Several members of the team traveled to Bellows Falls on May 22 for "Pitch Vermont Life," the fifth in a series of occasional nighttime events done in partnership with Lars Hasselblad Torres, Director of the Office of the Creative Economy. Lars' networking has been key to the success of these events, which allow entrepreneurs, artists and many others in the community to make rapid-fire presentations to Vermont Life in hopes that their pitch will catch the ear of our editors and writers. Besides yielding strong Vermont stories for the magazine and website, the events allow us to get the word out about the new Vermont Life. The gatherings also spark synergy and networking opportunities within the community itself; we were all particularly impressed by the creativity, positive energy and community spirit in Bellows Falls.

CHIEF MARKETING OFFICE ♦ Nancy Brooks, Chief Marketing Officer/Heather Pelham, Marketing Specialist

- **Media Buying RFP:** Nancy has started drafting the RFP for statewide media buying services. While we extended the current media buying master contract with HMC Advertising through February 2015, this RFP will put that contract back out to open bid this summer, with the intent to select a vendor for the new contract by October. Work under that new contract will begin March 1, 2015.

To: Gov Peter Shumlin
from: Annie Noonan, VDOL
may 30, 2014

Report from VDOL -- please forgive typos. Working from my ipad

issues of note: We are working under some TAA deadlines for enrollment for the June 2013 displaced IBM workers we have done a tremendous amount of outreach but need to get them to finalize their individual paperwork or risk loss of their individual benefit. We've hired 4 temps to staff up the burlington district office to work solely on TAA outreach. We have a newly hired regional manager in burlington and St. Albans - Karina Ware - which is a big boost to the office.

The VY meeting in Brattleboro went well. VDOL hosted NHL and MA DOLs, VY, BDCC, and IBEW. Sue Allen attended for admin. VDOL will file the trade petition. VY committed to working with Morgan sailer Carlisle from VDOL - reg manager- to provide us very specific workforce profile data.

Kennametal- we are working w 78 of the 80 displaced workers. Plasan work is going well. We did rapid response for vermont tech and Johnson state college. We are anticipating layoffs at LSC - and more at VTC. LSC is giving up their CNC manufacturing center and VDOL will likely allow st jay academy to have the equipment. We are continuing to support NEK EB-5 by having Cindy Robillard continue to lead the NEK team. We have expanded the participation by including more employers and economic development groups. VDOL will be working w LL Bean on staffing up their 100 jobs in burlington. We are also hosting job fairs and rapid response sessions by reg offices. We just filed the following grant applications: NEG for long term unemployed Vermonters; REA for UI claimants; and have proposed partnerships for the newly released disability grant with VR; working with DOC on an offender work grant; with VtHITEC on 2 grants; and with a veterans group on a vet WIG. I am also asking for approval for a contract from June to October with an individual who has outstanding workforce grant and system development to help VDOL with establishing on line job programs, establishing new processes for job clubs and employer outreach, and programs for ESL and new American populations.

I coordinated a meeting this week between VDOL and ACCD and VtHITEC to discuss Precys jobs coming to vermont if we can help prepare the workers. We anticipate 100 jobs in 3 years with great potential for growth in the medical coding and IT staff.

VDOL is working on our boards and commission appointments. We have to finalize recommendations to the following: workforce development council (newly constituted under S220), state apprenticeship council, labor advisory

council, and vermont labor relations board. The VLRB Review Panel is recommending the reappointment of Dick park and Jim Kiehle.

We are working on 4 VOSHA rules with icar and lcar. In addition we are revising worker comp and UI rules. I am starting to schedule meetings for the misclassification group, as well as the several summer study committees I was assigned - as well as the informal requests I have received from legislators since the end of the session!

I think VDOL did well this session - other than prevailing wage imploding. We had 13 bills we were either shepherding or otherwise working on. I have some new concerns about the employer health care assessment issue which I will write up next week.

Wcax is doing a story on VDOL internship and SEO and Youth employment this week coming on the 30. I am having VDOL youth staff Danielle Kane and 2 kids interviewed.

We did a press release this week on the governors workplace safety awards. UI numbers are a little concerning the past 2 weeks - particularly the number of folks who have fallen off EUC with no supports. We are working to get them enrolled in other federal programs.

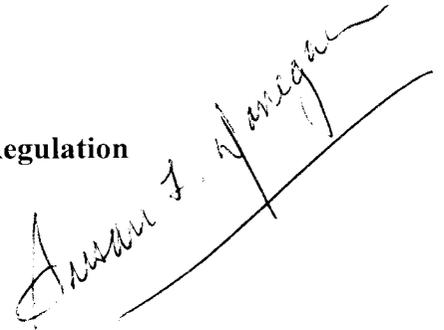
All in all -- we are super busy but it's good to get back to my desk and to be able to get a lot of VDOL work done !

State of Vermont
Department of Financial Regulation
89 Main Street
Montpelier, VT 05620-3101

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

CONFIDENTIAL and PRIVILEGED

To: The Honorable Peter Shumlin, Governor
From: Susan L. Donegan, Commissioner, Department of Financial Regulation
Date: May 30, 2014
Re: Weekly Report



Insurance Division:

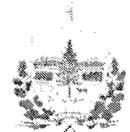
The division received four requests from insurance companies (Progressive, Allstate, Ford Motor Credit Insurance and Phoenix) for authorization to use Cat Adjusters in response to the hail damage in the Rutland area. The companies have reported many damaged vehicles including to auto dealership inventories. The commissioner approved the requests for thirty days, subject to DFR's standard limitations: cat adjuster must be licensed somewhere, any claim denial or contested claim must be reviewed by a licensed adjuster within 90 days. The companies will provide the division with a list of names, state of license and license number in order to monitor the additional adjusters brought into the state to respond to anticipated high number of claims.

Captive Insurance Division:

The commissioner signed an order today approving Global Hawk Insurance Company Risk Retention Group to convert from a stock insurer to a mutual insurer. The company cited reduced administrative costs to operate as a mutual company as the primary reason for the conversion. Global Hawk specializes in the highly competitive market of commercial auto/trucking, general liability, physical damage and cargo coverage.

Securities Division:

The Vermont Small Business Offering Exemption (VSBOE) has been approved by the Legislative Committee on Administrative Rules (LCAR). It will become effective in 15 days. The commissioner will talk to Liz Miller and Sue Allen about whether to consider issuing a press release on June 16th to announce the new rule allowing small Vermont companies to raise capital without full securities registration.





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

CONFIDENTIAL AND PRIVILEGED
MEMORANDUM

TO: Governor Peter Shumlin
FROM: Rebecca Holcombe, Secretary, Agency of Education
SUBJECT: AOE Weekly Report
DATE: May 30, 2014

Significant Events/Meeting:

Rob Evans, our public safety officer, is on board and doing good work. He has begun to work with individual schools on school safety plans. The quality is incredibly variable, and we are grateful to have his help in bringing those plans into alignment with some basic best practice. We also met recently with Rob and a team from the State Police to review an online statewide system for offering tips related to school safety and bullying, etc.

Debi Price and I met recently with the **National Institute for School Leadership**. We have a critical problem with turnover and development of building leaders. Also, the way the principal role is operationalized in schools our principals are often isolated, distracted from instructional leadership by management tasks, and poorly mentored and supported. The National Institute for School Leadership is a nationally respected model with demonstrated results that trains cohorts of leaders for schools in a shared language and skill set for instructional leadership. We are currently doing some offline interviews of superintendents and principals in NH that have participated in their cohort, to get some feedback on quality and value. If that checks out, I am going to do a little networking with **David Wolk and the Rowland Foundation** to see if I can stir up some interest in partnering with Castleton and NISL to bring in some high quality support and professional development for our leaders. I wonder if this is something the VT Business Roundtable might be interested in as well. I had previously spoken with VSC about developing an approach, but they have had some critical turnover and don't seem to have the internal capacity yet to develop a project of this nature.

Signing of Act 270: Need I say more?



(That little rascal in the first picture (on the right) is the son of Lyle Jepson, the director of the Stafford Center. See comment on Lyle Jepson below.)

Emerging Issues:

CTE Policy and Vision

I met with Jim Boutin, who is head of the CTE Board in the Bennington area. I mention this only because the nature of his request highlighted some of the challenges around CTE governance and structure that unintentionally increase costs, limit options and access, and in some cases, limit quality. At the same time, paradoxically, some of the CTEs have critical capacities that could be models for high schools across the states. The CTEs are the programs with deep experience around internships and community based learning of the kind called for by the PLP process and Act 77. The CTEs also have skill and knowledge around proficiency based graduation. They do an amazing job at helping young people, particularly from working class families and lower income families, acquire post secondary credits that reduce the cost of college and develop a marketable skill they can use to pay their way through college. I wish I had had time to take the Governor through Stafford when we were there to speak with some of the students, so that concretely, he could see the promise and power of some of what is outlined in Act 77 when we are doing it right. (Keep your eye on Lyle Jepson, the Director there, who is leaving Stafford for Castleton. He is worth watching, and will be a good potential partner for us in the future. He is a high capacity leader.) **I have asked John Fischer to do a little blue sky thinking about what CTE should/could look like**

in 5 years if transformed to be more nimble, more accessible and more responsive to the state's priorities for a sustainable, green and economically viable future.

Governance:

I am having a series of meetings to figure out how to keep the ball rolling on governance. I have attached again with this email a sample Power Point presentation that gives you a sense of how I am positioning us on this issue. In short, I am trying to build understanding around four issues:

- School quality is a function of economic sustainability;
- We have intolerable variability in cost, quality, efficiency and opportunity across the state;
- Our current structure makes it difficult to hold ourselves accountable for quality and efficiency; and
- One of our best state exports is highly educated HS graduates, who go to college out of state and don't come back. We need to do a better job of educating all students, especially the ones who stay in state and take and create the jobs that power our state and ensure our economic vitality.

I am saying that the recent legislative session tells us that both Senate and House agree we have a problem around governance that needs to be addressed, but that we have not yet gotten to a solution that we agree will work. The job of the next few months is to develop our understanding of what might work. Follow up will include:

- I am working with Steve Dale of the VSBA and will join 6 meetings in the fall that will try to reach all of his school board members, to present some statewide data and tools for moving this conversation locally. **(Let me know if you want to join any of those sessions—they will be evening sessions in September.)**
- I will be meeting with Jeff Francis when he gets back to begin a series of conversations on framing.
- I have thrown out a line on some possible research studies to UVM that will move the conversation. Let's hope they bite.
- I am meeting with Senator Tim Ashe next week, and will also meet with Representative Joey Donovan.
- Time permitting, I will use the next SBE meeting and a (very weak) proposal for redistricting submitted by some superintendents and board members to lay out the problem and issue a challenge to local school boards.

I will meet with Paul Costello, Executive Director, Vermont Council on Rural Development, at his request. My perception is that after the last session, he has become a bit of a third rail for us, so am not inclined to partner in any way.

Staffing

We are beginning to work internally to align staffing behind priorities. We have also engendered a little turnover. This is good. It will make us look worse, however, before we look better. Our licensing division is still a mess. We are working on it. Give John Fischer a purple heart and pat on the back on this if you see him.

Good news updates from staff:

Positive Behavioral Interventions and Support (PBIS) Network Leadership Forum

At a recent PBIS conference, George Sugai, the Director of the Center for Behavioral Education and Research, **singled out Vermont for its fidelity of universal practices, the large percentage of Vermont schools adopting the framework and demonstrated ability to refine implementation tools for use in our state.**

The Vermont team included AOE representatives Josh Souliere, Richard Boltax and Erin Henderson, along with external BEST Team members. Over the course of the two days, our representatives met with national level consultants George Sugai, Brandi Simonson and Lucille Eber to share progress, inform future directions and receive guidance for our application for new grant funding.

The Vermont team led two separate workshops, both of which received enthusiastic applause:

- *Implementing Second Step within a Multi-tiered System of Support*
Presenters: Richard Boltax and two counselors from the Dothan Brook School, Amy Wheeler and Rebecca Lallier
- *Vermont's Continuum of Tier 2/3 Interventions from Targeted to Wrap Around*
Presenters: Ken Kramberg and Sherry Schoenberg

The Vermont team also participated in the poster session:

- *Vermont's Cascade of Systems of Support for PBIS Sustainability*
Presenters: Sherry Schoenberg and Cassandra Townsend
- *Vermont's Alignment of PBIS, MTSS Components and School Effectiveness Indicators*
Presenters: Josh Souliere and Erin Henderson

Partnership on STEM education for elementary teachers

May 29, 2014 marked the beginning of a wonderful science learning opportunity for Pre-K – 5 Vermont educators. Carla Zemal-Saul, Ph.D. Professor of Science Education, Kahn Professor of STEM Education, and Head of Department of Curriculum & Instruction at Pennsylvania State University, and four of her team members kicked off this event with a dinner meeting including AOE staff and Ellen Baker, Director of Teacher Education at the University of Vermont. During dinner there was a dialogue previewing the main learning event “*Constructing Explanations from Evidence in K-5 Science Classrooms Part 1*”. It was also a time to discuss the implementation of these strategies with pre-service educators at UVM.

On Friday, May 30th Carla Zemal-Saul and her team will be working with 25 Pre-K-5 Vermont educators and professional learning providers. These educators come from the range of the state geographically; they will include Presidential Award winners in science and mathematics, classroom teachers, professional development providers and professors from UVM. They will learn about using claims, evidence and reasoning as they construct explanations with evidence. Over the summer we will collaborate together using the Vermont Education Exchange as the platform. Our Vermont educators are very lucky to have this sought after researcher and author to have chosen us to work with as part of her research. Carla has graciously provided each of the participants with a copy of her book, *What’s Your Evidence? Engaging K-5 Students in Constructing Explanations in Science*, to use as a reference and a tool when the teachers begin to implement the strategies learned with students. Carla and her team will return at a date to be determined in the fall to continue this work.

Have a great weekend!

Rebecca

Education Quality and Economic Sustainability

What are our goals?

Education as a **public good** with a public purpose

(Sounds like: We need to educate all our children well to ensure the economic vitality of our shared future as a state)

Education as a **private good** with a private vision

(Sounds like: We want to educate our own children as well as we can to ensure their advantage in college and careers.)

What do we want our schools to do?

- Ameliorate social inequality
- Credential students so they can advance themselves
- Provide a common experience
- Provide for personalization and choice
- Address public health issues
- Address economic competitiveness
- Reduce crime
- Promote traffic safety
- Stop obesity

And so on....

Changes Driven by Technology

STAGE OF LACTATION PROFILE									
WEEKS	1	2	3	4	5	6	7	8	9
AVG	1.5	2.1	2.8	3.5	4.2	4.9	5.6	6.3	7.0

IDENTIFICATION AND GENETIC SUMMARY									
GENETIC	REG. NO.	REG. DATE	REG. TYPE	REG. STATUS	REG. CLASS	REG. VALUE	REG. TYPE	REG. VALUE	REG. TYPE
AVG	100	100	100	100	100	100	100	100	100

CURRENT SOMATIC CELL COUNT SUMMARY									
SCC	AVG	MAX	MIN	STDEV	CV	CV2	CV3	CV4	CV5
AVG	100	100	100	100	100	100	100	100	100

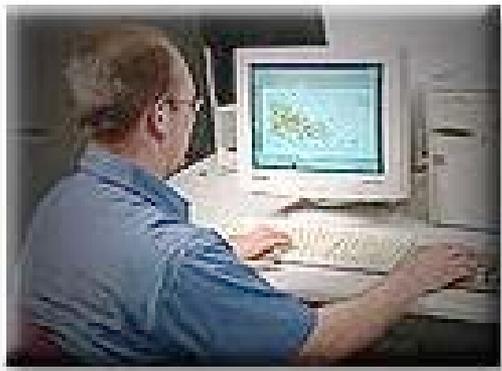
PRODUCTION BY LACTATION SUMMARY									
PERIOD	AVG	MAX	MIN	STDEV	CV	CV2	CV3	CV4	CV5
AVG	100	100	100	100	100	100	100	100	100

YEARLY SUMMARY OF COWS ENTERED AND LEFT THE HERD									
YEAR	AVG	MAX	MIN	STDEV	CV	CV2	CV3	CV4	CV5
AVG	100	100	100	100	100	100	100	100	100

YEARLY PRODUCTION AND MASTING SUMMARY									
YEAR	AVG	MAX	MIN	STDEV	CV	CV2	CV3	CV4	CV5
AVG	100	100	100	100	100	100	100	100	100

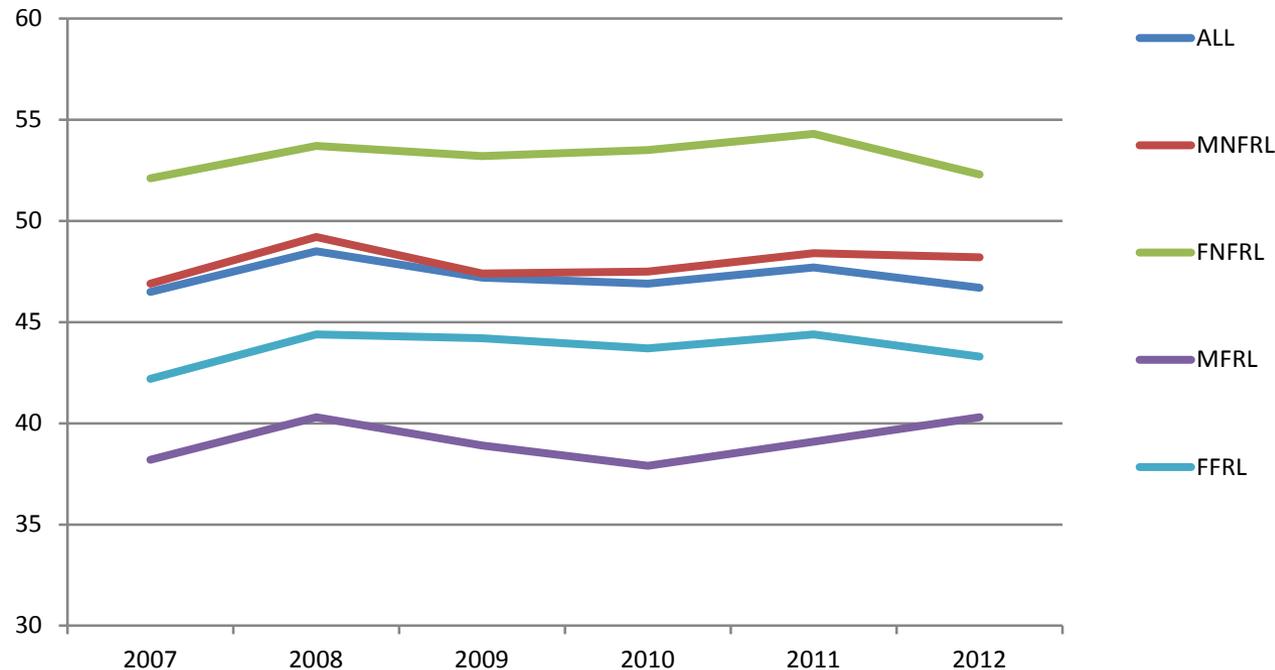
Peak Milk by lactation

Summit milk by lactation



NECAP Reading Scores from 2007 to 2012 – the Interaction of Poverty and Gender

NECAP Grade 7 Reading Results by Gender and Family Income



Poverty and Gender:
To improve equity in outcomes,
we need to look at the
interaction of poverty and
gender (and race)

All = All Assessed Students
MNFRL = Male Not Free/Reduced Lunch
FNFRL = Female Not Free/Reduced Lunch
MFRL = Male Free/Reduced Lunch
FFRL = Female Free/Reduced Lunch



We net export our most educated students, and don't sufficiently educate those who stay.

Governor Peter Shumlin, April 3, 2014, to students in Bennington:

“...we don't just want you, we need you! We have now moved from the problem I had when I took office, which was not enough jobs, to needing more workers to do the jobs that we have.”

Sustainability Indicators:

- Number of students trained for jobs that are available in the local economy?
- Number of students who go to college and come back to their community?
- Proportion of voters who are working?
- Proportion of voters with children in the schools?
- Aging population?

Sustainability Indicators:

- After 17 years of uninterrupted declines in enrollment, we serve about 20% fewer students than we did twenty years ago.
- Declines are concentrated in more rural districts.
- Between FY90 and FY13, we saw a 97% increase in FTE special education professional staff, and a 178% increase in special education aides, and a trivial increase in number of special education students served.

Different opportunities to learn?

Course offerings in two middle schools, both of which feed into the same high school:

School A:

School B:

Value for Dollars?

	School C	School D	School E
Ed Spending per EqPup	13,413.10	\$13,499.30	\$12,448.76
Actual Homestead Tax Rate	1.428	1.4181	1.3
Per capita income	\$35,474	\$15,173	\$19,012

Value for Dollars?

Do students in these Vermont high schools have comparable opportunities to prepare for college and/or careers?

School C:

Mathematics:

General Math
Pre-Algebra
Algebra I
Algebra II
Geometry
Trigonometry
Pre-Calculus
Calculus
AP Calculus AB
Business Math
Probability and Statistics—
Other Mathematics
Proficiency Development

School D:

Mathematics:

Integrated Math
Problem Solving
Pre Algebra
Algebra I
Junior Math

School E:

Mathematics:

Integrated Math
Pre-Calculus
Calculus
Applied Life Math Statistics
Statistics AP

Continued on
next slide...

Value for Dollars?

Do students in these Vermont high schools have comparable opportunities to prepare for college and/or careers?

School C:

Science

Earth Science
Biology
Biology—Other
Chemistry
Physics
AP Physics B
AP Environmental
Science
Technical Science
Life and Physical
Sciences—Proficiency
Development
Life and Physical
Sciences—
Independent Study

School D:

Science:

Biology
Physical Science
Forensics

School E:

Science:

Science, Gen & Adv
Environmental Science, Gen & Adv
Anatomy & Physiology, Gen & Adv

Continued on
next slide...

Value for Dollars?

Do students in these Vermont high schools have comparable opportunities to prepare for college and/or careers?

School C:

Social Studies

Modern European History
World Area Studies
Contemporary World Issues
Early U.S. History
Modern U.S. History
AP U.S. History
State-Specific Studies
Particular Topics in U.S. Government
Law Studies
Psychology
Particular Topics in Psychology
Social Sciences—Independent Study
Humanities
Social Sciences and History—
Proficiency Development
Social Sciences and History—
Independent Study

School D:

Social Studies:

US History
Civics
Psychology

School E:

Social Studies:

World Geography, Gen & Adv
US History, Gen & Adv
Modern US History, Gen & Adv
Anthropology Adv

Continued on
next slide...

Value for Dollars?

Do students in these Vermont high schools have comparable opportunities to prepare for college and/or careers?

School C:

Foreign Language:

Foreign Language
Spanish II
Spanish III
Spanish IV
Spanish V
AP Spanish Language
French I
French II
French III
French IV
French V
AP French Language
Italian I
German I
Latin I
Chinese I

School D:

Foreign Language:

Spanish I
Spanish II

School E:

Foreign Language:

Spanish I
French II
French III
French IV

Continued on
next slide...

Value for Dollars?

Do students in these Vermont high schools have comparable opportunities to prepare for college and/or careers?

School C:

Band, Arts :

Concert Band
Contemporary Band
Chorus
Creative Art—Comprehensive
Creative Art—Sculpture
Ceramics/Pottery
Printmaking/Graphics
Graphic Design
Crafts
Photography
Art Portfolio
Visual Arts—Independent Study

School D:

Music/Arts:

HS Art 1
HS Art 2
HS Music 1
HS Music 2
Video Production

School E:

Music/Arts:

Band
Chorus
Internship Music Theory
Music Independent Study
Introduction to Art
Advanced Art
Journalism/Yearbook
Music History
Ceramics/Photography

(Data as reported by schools)

In some cases, lack of meaningful data about performance?



NECAP Assessment Report

Organization:	Lowell Graded School
Teaching Year:	2012-2013
Test/Subject:	NECAP Science Grade 8
Breakdown:	Differences in achievement by family income?
Comparison:	Over Time?



	2009		2010		2011		2012		2013	
	Not FRL	FRL								
Number of Students Tested	++	++	++	++	++	++	++	++	++	++
Proficient With Distinction	++	++	++	++	++	++	++	++	++	++
Proficient	++	++	++	++	++	++	++	++	++	++
Partially Proficient	++	++	++	++	++	++	++	++	++	++
Substantially Below Proficient	++	++	++	++	++	++	++	++	++	++
Total Proficient and Above	++	++	++	++	++	++	++	++	++	++
Total Below Proficient	++	++	++	++	++	++	++	++	++	++
Average Scaled Score	++	++	++	++	++	++	++	++	++	++

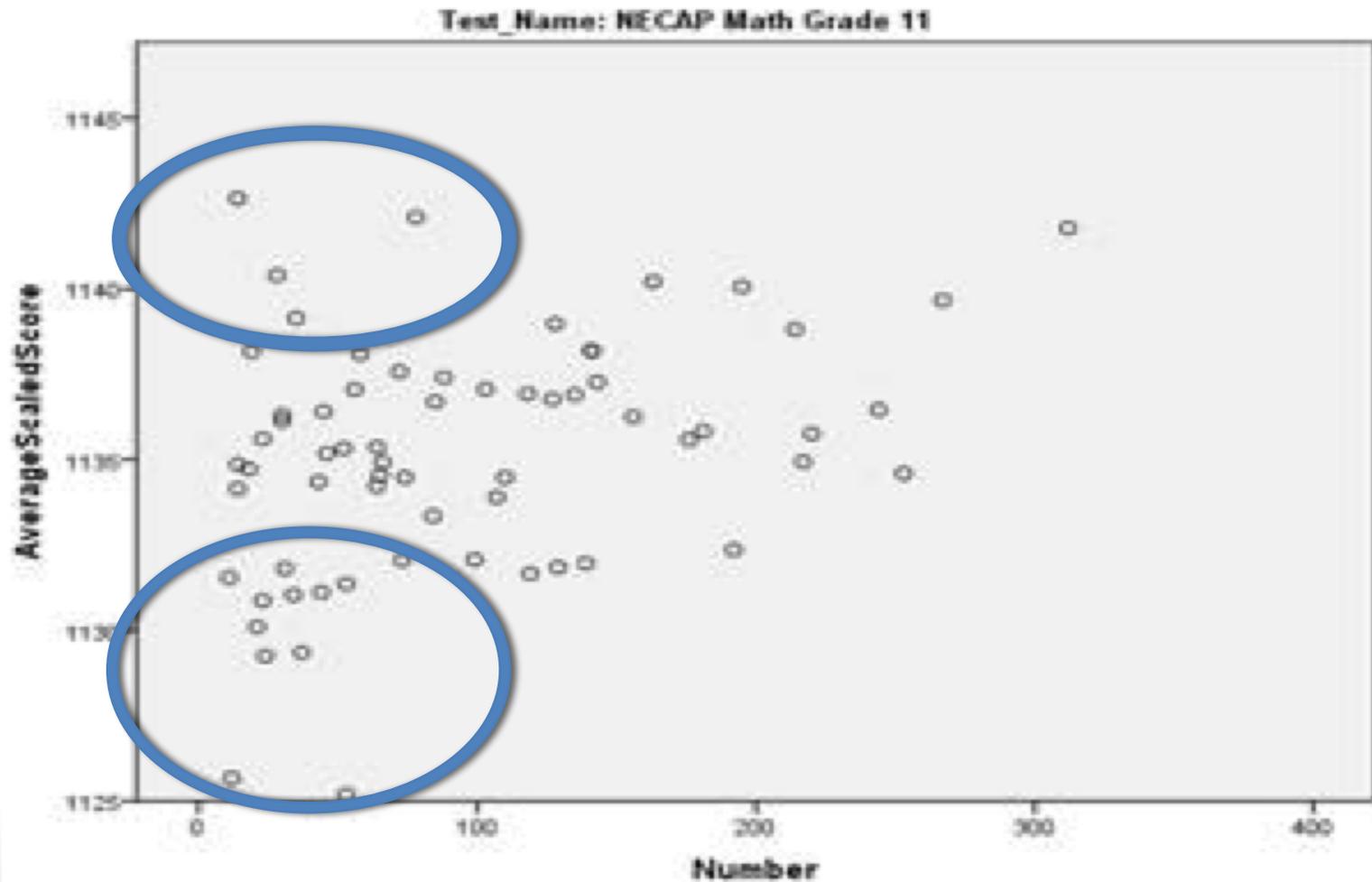
The NCAP 8th, 10th, and 12th grade assessments in Science assess a student's ability to use scientific knowledge and skills to solve problems and answer questions. The assessment is aligned to the Vermont State Standards for Science. The assessment is administered in the fall of each year. The assessment is administered in the fall of each year. The assessment is administered in the fall of each year.

When reporting by grade level AND bundling grades 3-8, 31% of schools will have some grade level data suppressed.

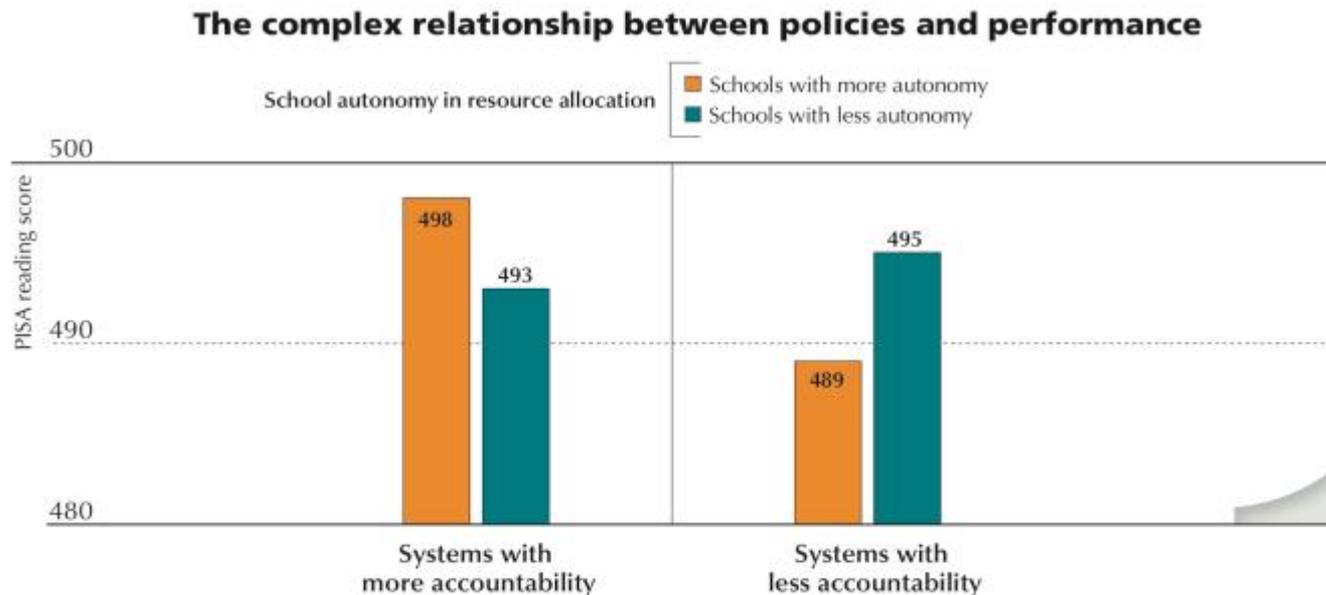
When reporting by school, 13% of schools will have some FRL data suppressed.

In some cases, lack of meaningful data about performance?

Scores are much less reliable in small schools, so hard to know if this variability is real, or if it is a function of measurement error?



School autonomy has a positive relationship with student performance when systems have clear goals and clear accountability for reaching those goals in place.



Note: In school systems in OECD countries where all schools post achievement data publicly, a student who attends a school with more autonomy in allocating resources than the average school tends to score five points higher on the PISA reading test than a student who attends a school with less autonomy. In contrast, in school systems where no schools post achievement data publicly, a student who attends a school with more autonomy in resource allocation tends to score six points lower on the reading test than a student who attends a school with less autonomy. These results are seen after students' and schools' socio-economic backgrounds are taken into account.

Source: OECD, *PISA 2009 Database*.

Information from a presentation by Andreas Schleicher (CCSSO, March 2014) and from PISA IN FOCUS 2011/9 (October)

What do you value?

What do you value?

For whom?

What do you value?

For whom?

What is the best way to
deliver it?

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: May 23, 2014
Re: Weekly Report

Status of Governor's Priorities: .

n/a

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

n/a

Significant Events/Meetings:

n/a

Evolving Issues:

Still working with VT Council on Problem Gambling on changes expected for FY15. During Wed VLC meeting the current director of VCPG and the expected new director asked for funding of \$260K instead of the \$150K that was approved (and was specifically explained to them two weeks ago). Not sure why this was done but will certainly find out (I was absent from the VLC meeting). The VT Lottery will begin administering the problem grant starting with FY15. Dept of Health will provide guidance.

Summary of Key Agency Department Activity:

We are preparing documentation for adding the test sample of bar vending machines to our gaming system, planning for placement of machines in mid-Nov (25 machines). A contract amendment for Intralot will be submitted within the next two weeks to add these and utilize one of the two year extensions provided for in the initial contract.

Executive Director's Commentary:

We have a \$70K liquidate damages claim against Intralot that was agreed upon late last year. They express interest in applying this credit to a subsequent purchase to avoid needing to declare the occurrence. We have no planned purchases until November so I am pushing the need to take a cash credit before the end of June. They hope we will take a credit for the new vending machines (4 machines could be purchased and the remaining 21 leased) which would leave a receivable on our books which is not normal for us, although not inappropriate. To see how concerned they are I plan to require credit for 8 machines if we are going to have to show it our books, which puts the state in a more favorable position financially. If they balk we will just take the cash credit in June and let them deal with the fallout of having to explain it in future disclosures.

I attended a mediation for a discrimination and wrongful discharge suit to which the Lottery is a party (filed in 2011). The plaintiff was employed by our gaming vendor, Intralot, and we were not satisfied with his experience and customer service skills so we disqualified him based on that. State's Attorney and someone from Risk Mgmt were present also. No agreement could be reached so I believe court is the next step with plans for pursuing a summary judgment.

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Greg Smith, Executive Director, VT Lottery
Date: May 30, 2014
Re: Weekly Report

Status of Governor's Priorities: .

n/a

Legislative Issues/Contacts:

none

Press Issues/Releases/Contacts:

n/a

Significant Events/Meetings:

n/a

Evolving Issues:

n/a

Summary of Key Agency Department Activity:

We are still preparing documentation for adding the test sample of bar vending machines to our gaming system, planning for placement of machines in mid-Nov (25 machines).

I submitted a request for assistance to the DII Project Mgmt Office along with a draft of our website RFP.

We will be sponsoring 5 Lake Monster baseball games this year. We are taking our cash machine to use for between-inning drawings for cash prizes. We start in late June and finish in mid-Aug.

Executive Director's Commentary:

Based on requests from our AAG and the State's Attorney handling our discrimination suit, I made contact with Alan Yandow and our former Security Director, Ginger Radke. They believe some key answers can be provided to assist in getting a favorable summary judgment to end this case.

I will be in Wash DC at lottery conference Monday – Wed with our newest commissioner. This is his first which should continue to broaden his understanding of the industry. Each one I attend stills helps me. June 12-13 is our Tri-State meeting in Killington, and June 17-20 is the NASPL Directors meeting in NH. I have encouraged our AAG Jacob Humbert to attend the NASPL Legal conference in late July if he is available. We have a number of efforts coming along in the next 18-24 months that will require a good preview on his part.

Executive Privilege

TO: Governor Peter Shumlin
FROM: Deputy Secretary Sue Minter
DATE: Friday, May 30, 2014
SUBJECT: VTrans - Confidential Report to the Governor

NOTES FOR GOVERNOR

Brian is away this week at the AASHTO national meeting, so we are holding the fort without him.

Federal Transportation Funding

- Congressional movement: Brian reports from the AASHTO meeting that House Republicans are seeking a way to transfer \$10 billion to HTF to get through end of calendar year. Their current proposed offset: Saturday mail delivery...Long term: \$100 billion more needed for Senate EPW bill; \$150 billion for President's bill. No real discussion yet on how to raise these funds for long term.
- The Highway Trust Fund is predicted to hit \$4 billion threshold (the point at which FHWA will reduce state reimbursements) by July 29. Unless there is a change, we can expect our federal reimbursements to be reduced in August. While we have not received specific information from FHWA, we believe our reduction will be in the range of 30% (\$1.6 M/wk). As you know, we have worked with the state Treasurer to ensure the state can manage to support this cash flow for the short term.

Construction and Operations Highlights

- The summer construction season is now in full swing, and our Districts are getting a good jump on the paving projects (Fast Fix 14) so you will see a lot of equipment on the road. Brent Curtis is doing weekly radio on a dozen stations, TV (WCAX) and print media spots (Free Press, TA & Reformer) to communicate with the travelling public where we are active. We are also working this year to improve our traffic management and will be keeping a close eye on this.

Media & Bridges

- Congressman Welch used the sight of one of our bridge reconstruction projects in Bennington for his press conference calling for Congress to address the Highway Trust Fund. Brian participated in this event and reports the Congressman was very pleased with the outcome. We, meanwhile, are pleased he continues to raise the flag on this important issue!
- We've had some excellent coverage of some of our key bridge innovation projects, including the I-91 bridge over Route 5 in White River Jct., which features a "lateral slide" construction and only 1 weekend of detours. We have been working to engage the media in some of these projects which feature both significant innovation, as well as our Accelerated Bridge Program which is getting more bridges through the system, and in many cases saving significantly on construction and design costs. Later this summer we might try to schedule a media tour, with you, to a few more signature bridges.
- Of note is that the Sand Hill Bridge on VT 125 in East Middlebury (closed since 4/19) is expected to reopen later today—a day ahead of schedule. While the community was skeptical about this project at the outset, they are now very pleased with the project/process and planning a celebration on July 23rd. This is the first of six bridges in the Rochester/Middlebury/Warren project bundle—all scheduled to be completed this season. Accelerated Bridge Construction techniques were deployed to speed construction and minimize disruption. In Rochester, work is now beginning on Bridge 19 at VT 73 and VT 100.

NOTES FOR STAFF

Climate Change

Work on the White House Task Force on Climate Preparedness and Resilience is very busy. The Sub Committee I chair on behalf of the Governor (regarding disaster recovery and resilience) had its last full meeting in Des Moines last week, and final conference call this week, all in preparation for our Recommendations which are due to CEQ by next Friday (6/6). This has been a lot of very productive work and leads me to the desire to continue working on the resilience issue here at VTrans, as well as around the state with our sister agencies. I will develop a proposal for consideration by the end of June. On the Climate Mitigation (GHG reductions) end of this equation, we are active in a national dialogue among DOTs to address severe weather, and are producing/moderating a panel and discussion among the northeast DOT Commissioners/Secretaries about climate preparedness and mitigation strategies at our regional meeting. As the on-the-ground practitioners in how to respond to increased and intensified weather events around the nation, the DOTs are really beginning to take this issue seriously – particularly the need to rebuild quickly post disaster and to better predict and prepare for what is ahead.

Awards

- Several VTrans projects were given awards at the ACEC-VT (American Council of Engineering Companies), including a National Award for the Checkered House bridge in Richmond which won a National award.

- DMV Captain Drew Bloom is the lead instructor on Use of Force and Tactics at the Vermont Police Academy. At the recent graduation ceremony for the 97th Basic Recruit Class, Drew was selected by the class as the outstanding instructor of the session.

Privileged and Confidential
Memorandum

To: Peter E. Shumlin, Governor
From: Douglas A. Racine, Secretary of Human Services
Re: AHS Weekly Report
Date: May 30, 2014

Vermont Department of Health (VDH)

Middle East Respiratory Syndrome (MERS) Update:

The VDH's State Epidemiologist continues to monitor the recent presence of MERS in the country.

- First reported on May 17th and there are now two confirmed cases in the United States.
- Vermont physicians have been kept informed by VDH through the Health Alert Network.
- MERS is viral respiratory illness first reported in Saudi Arabia in 2012. It is caused by a coronavirus called MERS-CoV. Most people who have been confirmed to have MERS-CoV infection developed severe acute respiratory illness. They had fever, cough, and shortness of breath. About 30% of these people died.
- There have been no reported cases in Vermont.

Board of Health Scheduled to Meet on June 24th to Consider the Hospital License Application of the Vermont Psychiatric Care Hospital (VPCH):

On June 24th, the Board of Health will meet to consider the application for licensure from the DMH for the new VPCH in Berlin. The Division of Licensing and Protection is scheduled to perform the official inspection visit on June 16th. During an earlier, informal walk-through in May, no problems were discovered. At that time it appeared that good progress was being made toward being ready for the June 16th inspection.

Hub & Spoke Update:

As of May 20th, there are 2,280 clients being served in the Opiate Treatment Hubs and 383 on the waiting list statewide (compared to 1,056 clients served and 838 on the waiting list in May of 2013). For April, based upon DVHA claims data, 114 Vermont MDs (Spokes) prescribed buprenorphine to 1,198 Vermont Medicaid beneficiaries and 14 out-of-state MDs prescribed to 95 Vermont Medicaid beneficiaries.

Successfully Addressing Smoking During Pregnancy - Webinar:

On May 9th, the VDH co-hosted a webinar entitled "*Successfully Addressing Smoking During Pregnancy*". Participants included WIC staff and healthcare providers throughout the state; there were over thirty attendees. This webinar was designed to help achieve the shared goal between VDH's Tobacco Control Program and WIC, of lowering smoking prevalence during pregnancy and promoting the importance of medical providers referring to tobacco cessation.

Along with the well-known adverse effects smoking has on pregnancy, this webinar also introduced new findings on how smoking affects pregnancy, such as causing an increased risk of birth defects (specifically orofacial clefts), attention deficit hyperactivity disorder, and stillbirth. An important take-away for providers who work with pregnant women was that incentive based intervention techniques are most effective for pregnant smokers (Cochrane Review 2013) if provided frequently, a program which is currently available for pregnant smokers through Vermont's Quitline.

Department of Mental Health (DMH)

Vermont Psychiatric Care Hospital (VPCH):

The new hospital continues to be on schedule. A Certificate of Occupancy allowing staff of the facility to occupy the building for training sessions has been granted by the Department of Fire Safety.

VPCH Tour for WCAX and VTDigger:

Deputy Commissioner Reed, CEO Jeff Rothenberg, BGS, and Engelberth Project Manager did a walk-through of the new hospital with Alexi Rubenstein from WCAX and Morgan True from VT Digger. Interview comments and photographs will likely appear in the upcoming days. Considerable focus from the media remains on overall cost increases to the system of care and staffing levels identified by specific legislators.

Vermont Psychiatric Survivors (VPS):

The DMH continues working with the Board of Directors for Vermont Psychiatric Survivors regarding the organizations financial/operations policies and potential leadership changes being considered by the Board.

Department of Disabilities, Aging and Independent Living (DAIL)

AFSCME Agreement:

The AFSCME agreement is finalized; members to vote on ratification this week.

United Health Foundation releases America's Health rankings:

For the second year in a row, Vermont has been rated the second healthiest state in the nation in overall health, but only fourth in senior health. While being in the top five is still a source of pride and some modest comfort, two indicators where we fall above the national average are worrisome: higher prevalence of falls and higher prevalence of chronic drinking. DAIL is reaching out to the VDH to help address these costly issues.

Administration on Community Living and the Centers for Medicare and Medicaid Services (CMS) commend Vermont's Aging and Disability Resource Connection (ADRC):

Federal regulators recently praised DAIL's progress to date on implementation of the "No Wrong Door" platform for accessing long term services and supports under the aegis of DAIL's

ADRC. In particular, they were impressed by the attention to long term service and supports in the context of health reform. Working across departments within AHS, the ADRC is:

- building stronger relationships with hospitals to build evidence-based care transitions models,
- working to improve the Medicaid eligibility process by enhancing the role of options counselors, and
- helping design a national training and certification program for Person Centered Counseling.

Vermont Veterans Home back in substantial compliance (not authorized for release as yet):

CMS led a follow-up survey of the outstanding deficiencies at the Vermont Veterans Home and have indicated they found them to be in substantial compliance with the terms and conditions of participation in Medicare/Medicaid. Had the Home not been found in compliance, they would have lost certification and been unable to bill for admissions. This is the second time in two years that the Home has been close to losing its certification. CMS has agreed to participate in all future surveys of state run homes to help mitigate concerns about state surveyor conduct.

Burlington Free Press:

Nancy Remsen of the BFP has contacted Chris McCarthy, Director of the Vermont Association of Business Industry and Rehabilitation (VABIR), asking about the difference between the work VABIR, Vocational Rehabilitation (VR) and Creative Workforce Solutions (CWS). She expressly stated she did not want to talk about John Howe or his issues. Chris will be calling her back.

Department of Corrections (DOC)

Nyotosha Laforce

Nyotosha Laforce was on parole for aggravated assault w/ weapon and transporting alcohol/drug into a correctional facility. On May 28, 2014, she was arraigned on 2nd degree murder in the death of her toddler. She was incarcerated at the time of her arraignment due to her parole being revoked. Her boyfriend, Tyler Chicoine, is also a possible suspect in the death. He was on furlough at that time for a simple assault, attempted simple assault, violations of conditions of release and assault & robbery. He is also incarcerated at this time for violating his furlough conditions.

Eric Jackson:

Eric Jackson is on furlough for escape, burglary, petty larceny, grand larceny, violation of conditions and unlawful mischief. On May 15, 2014, Jackson was given a urine analysis and tested positive for suboxone as well as THC and cocaine. He had tested positive for cocaine the week previous and admitted use. On May 15th, after initially lying about his use he admitted to injecting cocaine daily. He was being placed on GPS electronic monitoring but prior to the GPS being activated he fled the building and was placed on Escape. At the time of the Escape he was being investigated by the Vermont State Police (VSP) for Burglaries in both Vermont and New Hampshire. A search warrant had been executed at Jackson's residence and a number of items had been identified as having been stolen. On May 28th he was in a stolen vehicle and was

involved in a high speed chase with VSP. During the chase he rammed a trooper's vehicle with his vehicle. During this incident he was shot by the troopers. He is currently at Dartmouth hospital.

Community High School of Vermont (CHSVT) Harley Davidson Program:

On May 22nd, students from the CHSVT donated a rebuilt 1991 Harley-Davidson XL883 Standard Sportster to The Veterans' Place. The students at the Northwest Facility campus rebuilt the 1991 into an Indian Larry Style Bobber and upgraded the motor to a 1250 ci motor. The work on the bike, from frame to mechanical work to the paint, was completed by the students. The bike was ridden to the donation ceremony by a CHSVT graduate who is now employed at Green Mountain Harley Davidson. The Veterans' Place will be raffling off 300 tickets, at \$50.00 per ticket, with the help of the Combat Vets Association Chapter 26-2. With the Combat Vets assistance, The Veterans' Place will raise over \$15,000.00 toward repairs on the home that The Veterans' Place owns. The drawing for the bike will be on September 7, 2014 at 1:30 at Green Mountain Harley following the annual Moose Ride.

Office of Civil Rights:

In September of 2013, the Office for Civil Rights (OCR) selected the CHSVT for a compliance review under Section 504 of the Rehabilitation Act of 1973, and Title II of the Americans with Disabilities Act of 1990. CHSVT receives funds from the Department of Education and is a public secondary school system. Therefore CHSVT is subject to both Section 504, Title II of the ADA, and their respective implementing regulations. On June 24th through June 26th, members of the OCR Audit team will be in Williston to conduct an onsite review to assess whether CHSVT is providing qualified students with disabilities within its jurisdiction a free appropriate public education, and that it is following appropriate procedures for identification, evaluation and placement for students with disabilities. The Team Leaders/Civil Rights Attorney mentioned during a conference call that this is a routine audit and not a result of a complaint, and that CHSVT actually came to the forefront in a good way due to the fact that it is an accredited school within a correctional setting, an example of what they would hope to see for all states.

Population:

The department's incarcerated population averaged 2,094 for the previous week. The male population averaged 1,932 with 342 being presentenced inmates. The female population averaged 161 with 39 being presentenced inmates.

Department for Children and Families (DCF)

Clarity on DCF's 26% investigation rate compared nationally:

In recent news stories it has been reported that DCF's Family Services Division only responds to 26% of the reports we receive which is low compared to rates in other states. For example during federal fiscal year 2012, Alabama screened-in 98.6% of the reports they received and Wyoming screened-in 50%. Looking at these numbers it may seem that we are under responding, but these numbers don't tell the whole story.

Definition of a Report:

There is no standard definition of "total reports" from state to state so caution needs to be used when comparing data.

- Some states won't accept reports if they don't contain pieces of information. In Vermont, we take all reports and document them.
- Some states (such as Alabama) define "total reports" as those that meet all of their criteria for being credible reports of child abuse and neglect. Anything that does not meet these criteria is dealt with through a different process and is not counted in their number of total reports. In reality, they do not respond to anywhere near 98.6% of the total calls they get. Vermont counts all calls to the hotline that are documented as intakes as "reports". "Screened-in reports" are those that meet our criteria for being credible reports of child abuse or neglect.
- Other states have the ability to combine intakes about the same child/incident made by different reporters. We do not. The hotline may receive multiple intakes on the same allegation; all are counted. A school social worker could call one day to report an incident and the therapist could call a month later to report on the same incident. They would count as two reports in the total but only as one "screened-in report".
- In addition to being Vermont's child protection agency, we are also its youth justice agency. Our total number of reports therefore also includes reports of child behavior and youth delinquency. Other state child welfare agencies do not include this.

Definition of a Screened-In Report:

Family Services' "family assessment" category of child safety interventions is not included in the 26% investigation rate. They are not reported as investigations because they are conducted under authority of Vermont statute 33 VSA Chapter 53, rather than under Vermont's child abuse statute, 33 VSA Chapter 49. This type of assessment allows Family Services to intervene in situations that don't rise to the level of the statutory definition of "child abuse or neglect" but do raise concerns about whether children are receiving proper parental care. In 2012, Family Services conducted 1,044 family assessments. This makes our actual rate of intervention higher than the 26% that has been reported.

Robust Reporting:

If you look at the larger picture, you will see that Vermont has very robust reporting of child abuse and neglect concerns. In fact, Vermont has the highest national rate of reports received per 1,000 children (117.9). Compare this to Alabama which has a report rate of 18.6 per 1,000 children, and Wyoming with a report rate of 47.8 per 1,000 children.

The Family Service Division's philosophy – which translates into training for mandated reporters – is to encourage reporters to call the Child Protection Hotline to report their concerns and to let us sort out whether it is abuse or neglect.

In a nutshell:

Because of differences in what states report and the rates of reporting per 1,000 children, comparing rates of acceptance among them is like comparing apples to brussel sprouts.

Department of Vermont Health Access (DVHA)

Vermont Health Connect (VHC):

DVHA continues to negotiate for services from Optum related to operations assessment and staff augmentation as well as to enhance project management and IT assessment. The goal is a signed contract to allow for Optum to be on site the week of June 2nd.

Rep. Mike Fisher:

Rep. Fisher made a request for updated enrollment information for VHC. DVHA is working on a response to this request.

Ruling re: FAHC versus DVHA:

On May 22nd, Judge Toor decided the Fletcher Allen Health Care v. Department of Vermont Health Access case, Docket No. 212-4-13. Judge Toor denied the hospital's arguments that Vermont's hospital tax on revenues violates the broad based requirement of federal law. She also denied hospital's arguments that the tax violated the state law that provides for an exception to taxation for "physician office practices". Judge Toor also did not accept DVHA's rationale for the application of the tax in this case. Although she understood DVHA's position, she felt that the application of the tax left no room for the exception to apply. She struggled to understand with the record she received how DVHA applied the exception, how it had treated the exception in the past and under what parameters the exception applied. She specifically noted that there was no regulation interpreting the state law and no other decision regarding the issue.

Based on this rationale she remanded the case back to Commissioner Larson.

Vermont Information Technology Leaders (VITL) FY15 Contract Negotiations:

Ongoing contract negotiations with VITL for core Health Information Enterprise services, new projects and SIM related work have raised concerns that VITL may be overspending against SOV contract limits and about financial management. Recent information indicates that VITL has increased staff during the current fiscal year to a degree that may not be supported by available funding in FY15. Complexities around different federal and state funding sources that do or could support VITL's work complicate the situation and the negotiations. DVHA continues to gather information to gain a better understanding of VITL's current and proposed staffing and budgets. VITL has been reluctant to provide information about staff salaries, travel and other expenses.

Brattleboro Retreat:

DVHA and the Brattleboro Retreat continue negotiation about settlement over payment for denied days. Prior to final agreement, DVHA and the Retreat are participating in demonstration of an automated tool for the facilitation of clinical decision making based on the American Society of Addiction Medicine criteria.

116 STATE STREET
MONTPELIER, VERMONT 05620



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

Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: May 30, 2014

Secretary's Top Issues

The Agency has added three more dairy processors in the last week all three are making ice cream or frozen yogurt products. These bring our total to 112 inspected processors with more inquiries from persons wanting to start processing with 8 more milk handler licenses for Vermont processors pending currently. The section is going to have to do some scrambling to get all of plants inspected in a timely manner but this is a nice problem to be having considering the investment these people are making in Vermont. 58 of these plants are located on a dairy farm. Over half of the processors are small, processing less than the typical milk production from 10 cattle. The most popular product made is cheese with 68 processors making cheese. Another dairy plant inspector is needed to keep all of these processors inspected and legal to sell products throughout the US.

Maple Wind Farm completed repairs and upgrades to the state inspected poultry plant after the fire that leveled part of the establishment and did start the slaughter season as planned on May 27th. They plan on operating 3 days a week under state inspection throughout the season

The Working Lands Enterprise Board met on May 20th, and again on May 29th to make decisions on this year's grant recipients from its "Service Provider" area for just over \$400,000 of \$1.2 million available to 8 grantees, 7 of which will have statewide impact and 1 will impact Essex County. These grantees represent the agriculture, forestry and forest products sectors, (2 forestry projects, 5 agriculture projects, 1 ag and forestry project), and leveraged over \$450,000 in matching cash funds. **A press event to announce all FY14 Working Lands grant recipients will be held on June 17th, 10:00am at Grow Compost, Route 2, Moretown, VT.**

State Veterinarian, Dr. Kristin Haas, participated in the 2014 Secure Milk Supply regional emergency exercise this week. Worthwhile accomplishments of the exercise included a productive discussion between the New York and New England state veterinarians regarding methods of cooperation that would be possible during a Foot and Mouth disease outbreak that impacts the dairy industry in these states. This discussion represents the first time that the New England states and New York have formally collaborated on how to preserve the dairy industry during a FMD outbreak, which is important as this entire region more accurately represents the milk shed that would need to be preserved during a real emergency.

Assistant State Veterinarian and Animal Health Program Coordinator teamed up with a Vergennes large animal veterinarian and UVM extension to meet with swine producers and provide information on swine health, Porcine Epidemic Diarrhea virus, and swine nutrition. The event was hosted by the Paris Farmer's Union and the additional speakers were organized by VAAFM Animal Health. Speakers are considering making the presentation into a road show. Exciting example of collaboration between the Agency, producers, business, local veterinarians, and UVM extension.

116 STATE STREET
MONTPELIER, VERMONT 05620



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

Chuck Ross, SECRETARY

STATE OF VERMONT
AGENCY OF AGRICULTURE

Confidential and Privileged

TO: Gov. Peter Shumlin
FROM: Chuck Ross, Secretary of Agriculture
RE: Weekly Memo
DATE: May 30, 2014

Status of Governor's Priorities:

Legislative Activities and Issues

Representatives from the Agency of Ag and Department of Health met with the Attorney General's Office to assist with the rulemaking process on GMO labeling. This is an extremely complex process to insure that the rules for GMO labeling are synchronized with the current food safety rules and regulations for the Agency of Ag and Department of Health to try and minimize confusion for food processors.

Significant Events/Meetings:

- State Veterinarian, Dr. Kristin Haas, participated in the 2014 Secure Milk Supply regional emergency exercise this week. Worthwhile accomplishments of the exercise included a productive discussion between the New York and New England state veterinarians regarding methods of cooperation that would be possible during a Foot and Mouth disease outbreak that impacts the dairy industry in these states. This discussion represents the first time that the New England states and New York have formally collaborated on how to preserve the dairy industry during a FMD outbreak, which is important as this entire region more accurately represents the milk shed that would need to be preserved during a real emergency.
- Assistant State Veterinarian and Animal Health Program Coordinator teamed up with a Vergennes large animal veterinarian and UVM extension to meet with swine producers and provide information on swine health, Porcine Epidemic Diarrhea virus, and swine nutrition. The event was hosted by the Paris Farmer's Union and the additional speakers were organized by VAAFM Animal Health. Speakers are considering making the presentation into a road show. Exciting example of collaboration between the Agency, producers, business, local veterinarians, and UVM extension.
- State veterinarians and Animal Health Program Coordinators met with FDA at the Agency to discuss the Tissue Residue contract and the Statement of Work. FDA would like to provide inspectors with large offense-type cases however the 5 year contract price may not fully cover the increase in time and resources required to complete such cases.
- Assistant State Veterinarian and Local Foods Administrator met with two UVM Extension groups to discuss grant proposals designed to prepare the state for FSMA implementation. The groups are requesting Agency participation in the grants. Due to lack of current staffing, fulfilling these requests may be difficult. Ideally, funding and positions will be made available to assist in this important effort.
- Maple Wind Farm completed repairs and upgrades to the state inspected poultry plant after the fire that leveled part of the establishment and did start the slaughter season as planned on May 27th. They plan on operating 3 days a week under state inspection throughout the season
- Continuing work on Migrating the federal cross-utilization computers from the soon to be non-supported Windows XP to Windows 7
- Received compliance certificate for the Humane Handling Plan for the new Vermont Packing house (formerly Black River Meats) operation enabling the program to move forward with issuing the required licensing

- Food safety specialist trainee will be completing Federal Slaughter Inspection Training after next week enabling use on his own and in a relief capacity for the cross-utilization program

Evolving Issues:

- The Agency is due for an upgrade for USA Herds database. Assistant State Veterinarian and Animal Health Administrative Assistant participated in the monthly USA Herds call with the other states and Comp Aid, Inc to discuss available versions, proposed enhancements (VT submitted 5), and maintenance hours required.
- Sue James and Dan Scruton are working on a presentation to be used in training the bulk milk collector to both weigh and sample milk. The presentation is for a series of upcoming meeting for bulk milk collectors as they are a key resource that needs to do their job well for dairy farmers to get paid properly. The meetings are being sponsored by the milk cooperatives who will also be working with us on the presentation.

Summary of Key agency Department Activity

Administration:

Agencies of Agriculture and Natural Resources Laboratory Update: The 2 agencies, along with BGS leadership, are on track to post an RFP for Lab siting and conceptual design in June. Last Thursday, Agency leaders including Secretary Ross, Deputy Secretary LaClair and ANR Deputy Secretary Justin Johnson, as well as BGS project Managers, offered a briefing to 40 x-agency Lab Staff to preview the timeline for siting, design, cost-estimates and programming thru the end of calendar year 2014 and into the 2015 legislative session. Agency leadership is committed to frequent briefings and soliciting feedback about process and design. The collaborative model adopted will create an environmental and ag lab of the future. A breadth of questions and positive reception from state employees.

Land Use:

The VAAFAM took the following actions during the month of May. The Agency reviewed ten proposed projects that triggered review under criterion 9(B) and issued eight review letters. The review findings result in the on-site mitigation of 49.35 acres of agricultural soils, and the potential off-site mitigation of 29.17 acres (to be approved by District Commissions). This month, the Agency executed two Mitigation Agreements, which will result in the payment of \$33,768 to VHCB and drafted one mitigation agreement, totaling \$8,737.12. Additionally, the Agency is tracking 15 open applications that require a response for impacts to primary agricultural soils from previous months requiring follow up from the Applicant or input from other agencies.

This week the VAAFAM participated in a meeting with the ANR, NRB, PSD and solar developers addressing the Section 248 permitting process. The meeting focused on net metered solar installation and measures that could support an efficient permit review process. The group posed different strategies to gain efficiency including early engagement with regulatory entities and the creation of guidance documents for developers. Also suggested was for the PSD to look at procedural suggestions contained in the Vermont Energy Generation Siting Commission's report. The VAAFAM is not a statutory party in the Section 248 process, but has participated when there are impacts to primary agricultural soils. The next meeting of this working group is June 11.

The Vermont Housing and Conservation Board (VHCB) met on May 16th and reviewed grant proposals for 26 conservation projects. The Board approved 21 proposals for funding committing \$2,000,000+ of VHCB (state dollars) and \$2,400,000+ of NRCS (federal dollars) to purchase conservation easements and secure the land for future agricultural businesses. VAAFAM will be a co-holder of each easement along with VHCB, Vermont Land Trust (VLT) or Upper Valley Land Trust (UVLT). Over the last 26 years Vermont/VHCB has invested over \$68 million to secure agricultural infrastructure. These funds have also leverage additional federal and private investments.

Agricultural Development:

Deputy Secretary LaClair attended the Vermont Sustainable Jobs Fund Flex Capital Fund annual meeting, highlighting over \$3million in investments to growth stage businesses over the past 2 years. Flex capital fund has over 18 investors to date, largely various investment funds and philanthropy. Overview of Waitsfield business Liz Lovely, gluten free cookies, was followed by a tour of the factory. 18 employees; gross sales doubling in the last few years from \$1-\$2 million. Liz Lovely cookies are sold in Whole Foods to Market Baskets and soon to be in Home Goods across the U.S. Gluten-free market is hot. The second business highlighted was Wall Goldfinger, 35 year-old Vermont business completely wiped out in Irene (Northfield) and moved to Randolph in 2012 to occupy the old Ethan Allen Facility. Almost 50 employees selling state of the art conference tables (including the table in the White House situation

room). Some sourcing of local product, ie. marble however this highly competitive, high end market is about quality vs. Made in Vermont. Two top-quality Vermont businesses sustaining and creating 'jobs'.

Working Lands Enterprise Board Makes Investment Decisions on \$400,000 to 8 Service Providers

The Working Lands Enterprise Board met on May 20th, and again on May 29th to make decisions on this year's grant recipients from its "Service Provider" area for just over \$400,000 of \$1.2 million available to 8 grantees, 7 of which will have statewide impact and 1 will impact Essex County. These grantees represent the agriculture, forestry and forest products sectors, (2 forestry projects, 5 agriculture projects, 1 ag and forestry project), and leveraged over \$450,000 in matching cash funds. **A press event to announce all FY14 Working Lands grant recipients will be held on June 17th, 10:00am at Grow Compost, Route 2, Moretown, VT.**

Last year's investment reached over \$1 million into 37 agriculture and forestry projects touching every county in the State and leveraging an additional \$1.3 million in matching funds (funded 25 ag projects and 12 forestry projects proportionate to the total number of applications received by each sector). This year, the program further invests in job creation, innovation, sustainability, and increased income. To see a list of FY13 and FY14 funded projects, visit <http://workinglands.vermont.gov/projects>.

Food Safety and Animal Health and Consumer Protection:

Consumer Protection:

- Henry Marckres, Chief of Consumer Protection, met Wednesday with Jim Harrison of the Vermont Retail and Grocers Association on providing information and training to retailers on scanner testing and our Vermont program.
- Consumer Protection has experienced some mechanical issues with our Heavy Duty Scale Truck and our Liquid Propane Gas Prover. Both are in for repairs and our testing is slightly delayed.

Meat Inspection:

- Continuing to prepare for the Federal On-site review for "At Least Equal To" program status for the Meat Inspection Program. Review dates will be June 10th through 17th
- Meat Inspection Program is working on documentation for HR to establish the 2 new Food Safety Specialist Positions granted by the legislature
- Working with ANR/DEC on issues with the wastewater permit for the Adams' Farm slaughter facility in Wilmington

Animal Health Inspectors:

- Inspected a new rescue organization located in Montpelier; group primarily serves as a sanctuary for hard luck dogs but also dogs out to new homes.
- Contacted dairy farms for participation in the NAHMS survey
- Provided technical assistance and disease testing for Avian Influenza and Pullorum as a bird swap located at LD Oliver Seed in Milton on 5/24. This is the first time that such an event has been held at that location.
- Provide Mycoplasma testing at a poultry operation; testing needed for the export of hatching eggs to Canada.
- Provided technical assistance to a caller inquiring about selling cats and dogs at a flea market
- Provided official ear tags to livestock dealers in Orleans County.
- Inspected the Addison County Commission Sales for ADT compliance and provided official ear tags at no cost.
- Assisted Vermont State Police during an animal welfare inspection of a swine producer located in Poultney.
- Inspection of a Fallow Deer Farm in Middlebury.
- Provided technical assistance and disease testing for Avian Influenza and Pullorum at a swap hosted by the Vermont Bird Fanciers Club Swap in Springfield.
- Provided a Brown Bag Lunch presentation on cattle grading and market reporting. Free meat was provided.
- Completed a tissue residue investigation on a dairy for an amoxicillin residue in a cull cow.

Dairy:

- Vermont has added three more dairy processors in the last week all three are making ice cream or frozen yogurt products. These bring our total to 112 inspected processors. We are also still getting inquiries from persons wanting to start processing with 8 more milk handler licenses for Vermont processors pending currently. The

section is going to have to do some scrambling to get all of plants inspected in a timely manner but this is a nice problem to be having considering the investment these people are making in Vermont. 58 of these plants are located on a dairy farm. Over half of the processors are small, processing less than the typical milk production from 10 cattle. The most popular product made is cheese with 68 processors making cheese.

Agricultural Resource Management:

- On Friday, May 30, the ARM Division will hold a pre-hearing settlement conference with a small farm in Newport. The farm has had three releases of manure from its manure storage structure - with wastes running across property boundaries - in a year and a half. The farm has been issued a corrective action letter, cease and desist order, and now a notice of violation with a \$1,500 proposed penalty. At the conference we will seek to find ways to help the farmer improve his manure management.

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

- Staff conducted technical assistance visits on 3 MFOs in Addison County. One MFO meeting was about how the farm can import substrates for their methane digester and the other meetings related to MFOs transitioning into the LFO program.
- Staff are writing and processing FAP grants for farms interested in implementing spring practices as well as for an education outreach grant for a grazing workshop in Sudbury put on by UVM Extension. The field-based part of the grazing workshop will be held on a MFO that produces beef.
- Staff are processing applications and information for several MFOs that are increasing in size and we are working to transition the farms into the LFO program. Information is being compiled and permits are being drafted for these farms and this will be a major focus of the team through the rest of the month. Several draft permits and permit amendments have been submitted to our Directors for review.
- Staff are working on developing the water quality section of the new CAI USA Food Safety water quality database.

Conservation Reserve Enhancement Program (CREP):

- Staff are continuing to process CREP paperwork, identify potential projects and servicing existing contracts.
- Staff are finalizing a quality assurance plan for DEC lab to make possible waste stream monitoring to provide data to evaluate efficacy of an “alternative design” milk house wastewater treatment system installed in 2010 on a small dairy farm in Fairfield. Staff are coordinating the project with DEC lab, watershed volunteer and Agency of ag engineer.
- Staff visited SFO in East St. Johnsbury with VLT staff and DEC River Management to evaluate CREP potential on farm that will be purchased by VLT as “farmland access” property.

Secretary’s Comments:

Meetings:

- Attended Climate Cabinet meeting at ANR
- Attended VEDA Board meeting
- Participated in a conference call with USDA Chief Walker regarding Lake Champlain
- Met and worked with staff from the National Association of State Departments of Agriculture in D.C.

Ongoing Discussions with Governor’s Office:

- Attended Phase 1 Press Release with ANR at the Governor’s office

Upcoming Issues and Events:

- Will be attending the North East Association of State Departments of Agriculture annual conference in Boston.
- Will attend the Vermont Economic Consortium meeting in Burlington to discuss water quality.
- Will participate in the UVM College of Agriculture and Life Sciences board meeting next week.

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

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

www.anr.state.vt.us



Deborah L. Markowitz
Agency Secretary

Justin G. Johnson
Deputy Secretary

State of Vermont
Agency of Natural Resources

CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin

From: Deborah Markowitz, Secretary, Agency of Natural Resources

Date: May 30, 2014

Subject: ANR Weekly Report

Governor Level Issues:

Meetings with Solar developers: The first in an ongoing series of bi-weekly solar developer and regulator working group meeting convened this week. OPLA staff facilitated the gathering which included industry representatives from All Earth Renewables, Green Lantern Capital, Novus Energy, Encore Redevelopment, Energy Action Network, and REV and state agency representatives from ANR, PSD, VAAFM and NRB. The group will meet every other week until the legislative session to develop tools, written guidance and process improvements to facilitate the permitting and construction of well sited group net metered solar projects. With the expansion of the net metering cap, industry reps suggest that 100 – 150 new 500kw solar projects will be built in the next 3 years, before the federal tax credits sunset at the end of 2016. These 30 to 50 additional new projects a year represent a significant increase in permitting volume for OPLA staff.

Climate Cabinet Recommends Adoption of VT Zev Action Plan: At our Climate Cabinet meeting this week the cabinet members unanimously approved a draft ZEV Implementation plan for submission to you for your adoption. Once you okay the plan we are going to put it out on a 30 day public notice so that we can consider public comments prior to finalizing the plan. The plan was drafted with the help of Climate Cabinet agency staff and reflects a real commitment to implement the ZEV MOU in Vermont. I am happy to set up a briefing for you on this if you would find it helpful.

EVERYTHING ELSE:

Legislative Issues/Testimony:

Burning Corn in Outdoor Wood Boilers (OWBs): DEC's Air Quality & Climate Division Director met with Rep. Lanpher and her constituents, Mark and Paul Boivin who sell corn burning devices and corn to burn in such devices. The Boivins object to Vermont's OWB rule because it requires OWBs that are sold in Vermont to be tested for each fuel type for which the model is sold and certified to meet Vermont's emission limit. The model the Boivins would like to sell is only certified for wood pellet use and therefore cannot be sold lawfully for corn use in Vermont. If Vermont's OWB rule was to be amended, it would take 8-12 months. In the meantime, EPA's proposed New Source Performance Standard for residential wood heating devices is expected to be finalized in February 2015. Thus, the bigger issue for the Boivins is what will be required under EPA's new rule, which we highlighted for them in the meeting.

Press Issues/Releases:

TMDL Governor's Letter: David and his team did an amazing job with the TMDL presser. The coverage overall was great and sets us up well for the conversation about how we fund the implementation.

ZEV MOU: We got good coverage from the national press and some in Vermont for signing onto the action plan associated with the 8 state ZEV MOU. It was great to share the virtual podium with Mary Nichols from the California Air Board who was able to deflect the most hostile questions from the Auto Industry reporters.

Disabled Veterans' Hunting and Fishing Benefits Improve: More of Vermont's disabled veterans now have increased hunting and fishing license benefits thanks to legislation signed into law by Governor Peter Shumlin on May 5, 2014. "Vermont's veterans deserve our thanks for all they have given to their state and their country," said Governor Shumlin. "Making more disabled Vermonters eligible for free hunting and fishing licenses is one way to offer them the recognition they deserve."

Robert Sterling of Fair Haven is Vermont's State Game Warden of the Year: A State Game Warden for 18 years, Sterling was given the award by Governor Peter Shumlin in recognition of his excellent service on May 22 in Montpelier. He said Warden Sterling was chosen for "his professionalism, his strong work ethic, his dedicated training of new wardens, helpful outreach with the public, and his tracking and evidence work with his dog, "Rufus."

New Record Carp Caught in Lake Champlain: A Shoreham, angler took a new state record carp on May 20 from the Vermont waters of Lake Champlain. Darren Ouelette was bow-fishing for carp with Taylor Patterson in a backwater area of southern Lake Champlain when Darren spotted a very large carp cruising just below the surface in some flooded trees. Drawing quickly and taking aim, Darren arrowed the 44-pound 6-ounce giant, and then fought for over 20 minutes to land it on his fishing-modified compound bow.

State Parks Ready for Summer: Craig Whipple was interviewed at Little River State Park by WCAX for “The :30” news show, where he spoke about campgrounds and state parks opening for the season. It was a beautiful sunny day, and the WCAX videographer captured some great views at Little River.

Waterbury Reservoir: The Stowe Reporter featured an article about FPR’s proposed management plan for Waterbury Reservoir remote campsites:
http://www.stowetoday.com/stowe_reporter/opinion/weekly_editorial/article_2092d874-e1ca-11e3-8a11-0019bb2963f4.html

Significant Events/Meetings:

Public Meeting on Berlin Pond: 200 or more people showed up to participate in the public meeting to discuss petitions to restrict recreational use of Berlin Pond. There were speakers on all sides of the issue, and staff attorney Leslie Weltz did a great job keeping order, despite the fact that this was her first experience running a public meeting of this nature. Staff will be considering the comments as they develop their decision about how to proceed with the petition.

North Country Sportsman’s Club (Williston): (The issue here is lead abatement) DEC Waste Management and Wetlands staff met with representatives of the North Country Sportsmen’s Club (NCSC), the Town of Williston, SD Ireland, and Rep. Jim McCullough, on May 20 and conducted a follow up site visit (requested by Reps. McCullough and Macraig). The site visit was to observe corrections to the erosion control measures around the partially constructed berm, observe again the fill that has been brought in, and to ascertain if any wetlands are being encroached with the work that the NCSC is doing. A detailed trip report is being compiled. The summary is that the siltation fencing has been reinstalled and crushed concrete has been placed on steep erodible slopes, the same incidental waste items were observed in older fill, and no wetlands violations were noted. Our immediate concerns have been addressed, though we do agree with Reps. McCullough and Macraig that the cleanup has gone too slowly and are tightening timelines wherever possible. We did inform NCSC that we would want them to apply for an ongoing permit for the disposal of asphalt, bricks and concrete waste from multiple sources. We will wait to issue approval until the determination is made as to if this waste is allowed under Williston’s permit process.

Addison Natural Gas Phase II: Vermont Public Service Board issued a Fifth Scheduling Order for the proceeding in response to several motions to modify the schedule in order to allow more time for the parties to follow-up on the initial discovery answers provided by Vermont Gas Systems, Inc. in advance of the second round of discovery. Direct testimony by ANR staff is now due June 13. The Wetlands Program received documents from VGS this week. Documents include information about an alternative route which avoids the perimeter of Shoreham Swamp and a study of possible hydrologic impacts from trenching.

State Flood Hazard Area & River Corridor Rule: The draft rule was provided to sister agencies and key external stakeholders for review and comment in January 2014, with a request for feedback by March 28. We received feedback from ANR programs and Regional Planning Commissions. Upon passage of H.676 (Act 107), we circled back with AAFM, BGS, and AOT, as we had not received their comments on the draft rule. We indicated our willingness to still receive input as well as our intent to start rulemaking in early June. BGS and AAFM responded with some clarification questions, but were

in support of the rule as drafted. In early May, AOT indicated they had concern that the Federal Highway Administration (FHWA) may not be willing to pay the cost of meeting standards that exceed the National Flood Insurance Program. Not having specific information, AOT counsel asked FHWA to review the draft rule and provide feedback. Once this issue is resolved, we will reinitiate rulemaking, likely late summer, as we will have missed the May 23 ICAR pre-filing deadline, for June rulemaking.

SUMMARY OF KEY DEPARTMENT ACTIVITY

Office of Planning and Legal Affairs:

Hermitage Resort: OPLA staff attending a site visit at Hermitage Resort to discuss overall planning and permitting issues for the Mountain, East Track and Airport Act 250 master plans.

Technical hearings were held for **Barton Solar** (8148), a 1.89 MW solar generation facility, and GMP Stafford Hill Solar (8098), a 2.3 MW solar generation facility with an energy storage component. Both applicants entered into agreements (MOUs) with the Agency and the MOUs were accepted into evidence by the Board. The applicants agreed to adhere to a number of conditions protective of natural resources. Barton conditions included construction and operational protocols to avoid and minimize impacts to wetlands, streams and the marsh horsetail (*Equisetum palustre*), a state threatened plant. GMP included construction and operational protocols to minimize impacts to the cap on the closed Rutland landfill (site of the project) as well as reporting requirements to assess greenhouse gas impacts. The Board issued a CPG for a 500 kW group net metering project in Waterbury Center that included conditions to protect wetlands, deer habitat and drinking water supply wells as well as reporting requirements to assess greenhouse gas impacts.

OPLA initiated review of 9 new Act 250 and 7 new Sec. 248 applications/notices this week.

Environmental Conservation

Lean Grants/Contracts Project Implementation: Staff are working on the implementation plan for the Grants/Contracts Lean event. The first steps are to create the standard operating procedures and enhancing the current tracking system to include the program activities/tracking. We are also visiting other state agencies to study their systems in order to inform how we move forward.

Universal Recycling, Department of Corrections Food Scrapping: DEC Waste Management & Prevention staff met with Corrections staff at the Northwest State Correctional Facility to discuss compliance with Universal Recycling (Act 148), focusing on recycling and food scrap diversion at this facility. We toured the facility with a representative from the Northwest Solid Waste Management District who also hauls food scraps in the St. Albans region. Each month a meeting will be held with the remaining correctional facilities, with the goal of getting them all fully compliant in the near future.

Marina Underground & Aboveground Storage Tank Outreach: Vermont's latest generation of underground storage tanks (UST) and aboveground storage tank (AST) rules require that all fueling

systems at marinas must meet recently-adopted industry standards by the marina's opening date this spring. Working closely with the compliance assistance program, WMPD staff has implemented and continue a significant outreach effort to all marinas located in Vermont, focused on reducing the likelihood of a leak or spill getting into the water body.

EPA Site Visit & Proposal, Ely Mine: On May 21, staff conducted a site walk-through and discussion of the EPA's submitted design for the Ely Copper Mine clean-up. The design calls for the consolidation of waste rock in a to-be developed capped cell, while the beneficiated wastes (tailings and ore roasts) to be consolidated together in the existing ore-roast bed. The consolidation of these beneficiated wastes will require the ore roast bed wall to be extensively dismantled, stabilized and reinstalled. While there were many diverse topics of discussion during the site visit, the program's reaction to this proposal was requested, and specifically if the proposal confirms to existing solid waste regulations, or would require a waiver from the Solid Waste Program.

Lake Champlain Cleanup Plan: The final Phase One Plan was released on May 29. We will turn next to working with stakeholder groups to prepare for implementation. In addition, we will be working with EPA to ensure that we have input into the completion of their scientific modeling work that will serve as as foundation for their final decision in the Total Maximum Daily Load (TMDL) to be issued at the end of the summer.

Energizer (Bennington): Air Quality & Climate Division (AQCD) is working with the Waste Management & Prevention Division to investigate high ambient concentrations of Trichloroethylene (TCE) monitored adjacent to the Energizer facility in Bennington as part of their site remediation investigative work. TCE is a chlorinated solvent and known carcinogen that was banned in much of the world in the 1970s in food and pharmaceutical industries. It is still used for special solvent degreasing and cleaning applications. Energizer currently uses TCE in the battery manufacturing process and controls those emissions with a carbon adsorption unit. Past use of TCE and tetrachloroethylene (PCE, Perc, drycleaning solvent) at Energizer led to ground contamination. We are conducting a modeling exercise in-house to assess potential air impacts from the permitted emission rate from the carbon adsorber stack on monitored ambient levels in the neighborhood.

Aeolus Mountain Spa Hearing (Manchester): As a result of numerous public comments we received on the draft indirect discharge permit for this proposed hotel, restaurant and spa, a public hearing was held on May 12. A short site visit was held prior to the hearing. Approximately 30 people attended the 2-hour hearing, including Rep. Cynthia Browning. We received numerous questions and comments, primarily focused on potential impacts to the Battenkill River, which we addressed during the hearing. A responsiveness summary is being drafted on all comments we received on the draft permit.

Business Assistance to Fulflex (Brattleboro), Burlington Mitsubishi, Green Mountain Keurig (Waterbury): Environmental Assistance staff visited Fulflex to assist with the development of their pollution prevention plan update. The company manufactures elastic tapes and threads. Staff continued to work with Burlington Mitsubishi as part of their effort to address compliance issues at their South Burlington facility. A site visit confirmed that several issues have been addressed with regard to oil storage and floor drain issues. Staff continued to assist Green Mountain Keurig on regulatory compliance issues regarding a new product manufacturing process.

EPA State Revolving Fund Program Review: EPA officials met with Facilities Engineering Division staff this past week to conduct their annual on-site review of the Clean Water and Drinking Water State Revolving Fund Programs. EPA will prepare a draft report evaluating the state Programs, which should be available for our review and comment in June. Based on the exit briefing, we don't expect any significant findings and it is our impression that EPA has a high degree of confidence in the manner in which Vermont manages its Programs.

Illicit Discharge (Proctor): DEC's Ecosystem Restoration Program (ERP) staff, Stone Environmental, VT Rural Water Association, and the Town of Proctor located a significant illicit discharge that was not corrected with new sewers installed in 1985. This finding is a result of the 2013 ERP-funded Illicit Discharge Detection and Elimination project for the Upper Otter Creek and Poultney River and the 2011 Lake Champlain Basin Program-funded Otter Creek Illicit Discharge Detection and Elimination project. There may be several homes and businesses that were not properly connected.

Jay Peak Water Quality Remediation Plan: Jay Peak Resort submitted a new two-year accelerated remediation plan for surface waters impaired by ski area development there. This satisfies the first major milestone established in Watershed Management's March 21, 2014 order issued pursuant to 10 V.S.A. 1272 for the remediation of these waters.

Livestock Removal from Lake Champlain: As a result of a call to the Governor's hotline, early this week Watershed Management staff provided logistic support to extract a deceased cow that was found beached on the shores of Lake Champlain in Ferrisburgh. Staff were able to secure the cow, and tow it using Vermont's Lake Champlain Monitoring Program boat, to the nearest boat launch. From there, a farmer was standing by to dispose of the poor beast as arranged by AAFM. Good collaboration to eliminate a public health threat from the Lake.

Fish and Wildlife

Rattle Snake Project: Staff continued monitoring the emergence period for these snakes. Unfortunately, preliminary tissue sample testing reveals the likely presence of Snake Fungal Disease in the state's second rattlesnake population. Further DNA testing on these sample submissions will provide a more definitive and reliable result. Although we had suspected SFD at this second population, the Department has not been able to confirm it until now.

Fishing: Fishing activity is high when the weather cooperates. Wardens continue encountering numerous fishing violations mostly license violations. However, several arrests were made for taking Bass in closed season and for illegally transporting live fish which were destined to be released into another pond. Boating activity remains lower than expected for this time of year. The unstable weather seems to have discouraged boaters. Wardens also continue assisting the hatchery staff with fish stocking.

Police Academy Graduation: Seven game warden trainees graduated from the Vermont Police Academy. Four of the seven officers will be assigned permanent patrol districts after completion of the two post-basic academy training classes. The other three will begin our seven month field-training program.

Rivers and Roads Training: Staff participated as a co-instructor at a 2-day Rivers & Roads Training workshop hosted by ANR for municipal road staff and transportation planners. These workshops are intended to increase the understanding of river processes and aquatic habitat for a wide range of municipal professionals involved in the design or implementation of projects involving rivers and streams.

Potential Bass Tournament in 2016: Staff attended a meeting in Burlington with the Lake Champlain Chamber of Commerce, Vermont Convention Bureau, and representatives of the City of Burlington. The topic of the meeting was to discuss the interest and benefits of the region and state playing host to a professional bass tournament to be held on Lake Champlain, possibly hosted on the waterfront in Burlington. If the various interested parties decide to go forward with pursuing such an event, it would likely be for the 2016 season.

Forest, Parks and Recreation

Holiday Weekend: There was lots of media attention given last week to the Memorial Day opening of the peak state park operating season. There were no major incidents reported over the holiday weekend. Attendance is 32% ahead of last season (when the weather was particularly bad).

Fee Adjustments: Changes to administrative rules to adjust state park service fees will go before LCAR this week. There has been mostly positive response to the changes.

Recreation Updates: Priorities continue to be; development of the statewide public trail information program in partnership with the Upper Valley Trail Alliance, developing a long-range activity plan for mountain biking on FPR lands in partnership with VMBA, finalizing policies for rock climbing in partnership with CRAG-VT and completing policies and procedures for motorized access to ANR lands for people with physical disabilities.

Logger Training: Rutland County Forester Chris Stone and State Lands Forester Rick White presented segments of logger training (LEAP) last week at Vermont Technical College in Randolph. Logger Education for the Advancement of Professionalism is a state-supported effort, with Watershed Forester Gary Sabourin as the lead.

Invasive Plants: Invasive species control on state land in southwestern Vermont got a great boost last week. This grant-funded initiative is a joint project of the Forestry and Parks Divisions in District 2/Region 2. The program goals are to combine invasive plant control with hands-on education and create demonstration sites on state land – both State Forests and State Parks. On May 22, 134 kids and staff from the Castleton Village School visited Bomoseen State Park to learn about invasive species through a hands-on learning experience. Despite off and on rain, these middle school students pulled honeysuckle, buckthorn, garlic mustard and European spindle tree.



Privileged and Confidential

MEMORANDUM

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

From: Christopher Recchia, Commissioner

Date: May 30, 2014

Subject: Weekly Report

Governor Level Issues:

Status of Priorities and Cases of Interest:

GMP/IBM: We are filing an MOU today with the board with GMP, IBM and AIV to support a rate decrease of -1.47% with the additional credit to consumers of \$5.96M of the VY money in year one, resulting in an effective rate decrease of about -2.4%. IBM will have its rates frozen at that level for 3 years. AARP did not join (yet – though discussions are continuing) in this MOU, but is supporting the IBM rate freeze per our earlier agreement. GMP and we continue to negotiate with AARP, but the decision was made to move forward today rather than ask for another delay, as we do not want to cause the schedule for resolving the cases to slip. This MOU is intended to resolve both the rate case docket and the alternative regulations docket. We will be issuing a media statement by the end of the day.

BT: In preparation for testimony before the Board, we are pushing Burlington to accept a resale with a minimum threshold of about \$6M – the amount owed to Pecor, or \$7.3M (Pecor plus additional taxpayer money) rather than a higher amount Burlington would like to see (\$11M). We do not believe the value of BT (or the Board) will support that price as a

minimum for resale. We are also working with them to understand where the \$1.3M in new Burlington money is coming from to make sure we can support the source.

Entergy: I toured the plant on Wednesday and met with the NRC Regional Administrator in the morning to discuss issues of Spent Fuel management, EPZ exemptions, etc. VDEMHS joined in this meeting. Nothing is imminent on the EPZ decisions, and I am scheduled to meet with Mike Twomey to discuss this as well as site assessment and site restoration approach, to be followed by meetings with ANR and DOH.

Significant Meetings/Events this and next week:

May 27: PSD/VELCO meeting on regional transmission; Chris attends inter-agency VY meeting

May 28: Chris at VY for NRC meetings, VY tour; Darren and Anne Margolis participate in inter-agency workgroup meeting with solar developers at ANR

May 29: Darren speaks about thermal efficiency finance initiative at fuel dealers annual meeting; Darren meeting with Linda McGinnis and Andi Colnes on state buildings solar initiative

May 30: Chris in NH for regional transmission meeting

June 2: Meeting with EnerNOC re FCM.

June 3: PSD meeting with solar developer for South Forty 2.5 MW project in Burlington

June 4: Chris meeting with Mary Powell; Chris attends energy discussion at ACCD with Noelle Mackay; Chris and Autumn Barnett and Aaron Kisicki meet with opponents of Seneca Wind

June 6: Meeting with VGS and GAZ-Metro to discuss Phase II and opportunities to bring in bio-gas into the VGS system.

PERD

Clean Energy Development Fund

- Received official word from Johanna Miller of VNRC that she will accept the nomination of Rep. Klein to be on the CED Board.

Vermont Clean Energy Industry Report

- Final revisions from ACCD, REV obtained; still waiting for comments from DOL and PSD senior leadership

Net-metering

<u>Net Metering Activity 5/16/14 -5/23/14</u>			
	Registrations*	Applications	CPGs Granted
Count	25	5	37
kWAC	137.93	574.112	407.560

Ave Size kW	6.374	114.822	11.015
--------------------	-------	---------	--------

Cumulative Capacity of Registrations and Applications Submitted			
Year To Date		Total Since 1999	
2013 kW	2014 kW	1999 – 2014 kW	% of 15% CAP
3369.34	4848.33	43,361.38	~ 28.9%

*Note: As of April 1st projects up to 15kW are now eligible for the registration process. Prior to this change, systems larger than 10kW were required to file an application.

Total Energy Study

- In process of checking data received from Tax Department against REMI base parameters (which come from census). FACETS outputs received from DEC 5/23/14, to be transplanted into REMI as soon and as quickly as possible.
- We expect a draft final report from Dunsky on 5/28, and will present based on it at the Climate Cabinet meeting on 5/29 (along with a general update on the study’s progress).
- Met with VNRC, VEIC, and VPIRG to update them on the progress of the TES. They expressed interest in meeting again as we near report completion/rollout.
- Met with 350.org VT regarding the TES; they are particularly interested in the carbon tax options.
- Discussed TES modeling of transportation with consultant for RSG (working for VTrans) who is modeling the transportation sector’s energy and emissions future in greater detail.

Other Items

- Staff met with VEIC re: SEP competitive grant opportunity, whereby we could facilitate DOE funding for building labeling and disclosure activities. Idea is to partner with new Hampshire, making this a multi-state application (and allowing VT/PSD also to apply for support for interconnection work w/ GMP).
- Docket 8180 – Began drafting of testimony analyzing the proposed VGS expansion
- PSD Energy Siting Processes & Mapping Tools – held an internal PSD meeting, including the key points:
 - Presented a simple diagram of VSJF’s Energy Atlas and EAN’s Dashboard end user interface, listed the primary data points for existing PSD maps, and listed ideas for energy mapping analyses.
 - Items PSD needs to further investigate include interaction with Pure Docs, access to data resources use in Utility Facts, access to ANR Biofinder data, access to Vermont’s 3 phase power maps (for GMP it is available on their website), and the role of VCGI as a resource for PSD.

Engineering

Nuclear Regulatory Commission (NRC) Meeting with State Liason Officers (SLOs)

The NRC Region I met Wednesday, 5/28 with PSD, VDEMHS, and the SLOs from MA and NH to discuss Vermont Yankee spent fuel management, decommissioning, and emergency planning. A candid and productive discussion was held regarding state issues and NRC processes. The NRC will let the states know when comment periods are open regarding VY's proposed changes to emergency planning. The NRC will hold a public meeting tonight regarding plant performance over the past year.

SDPP Report Release and Water System Damage Prevention forum

An event is planned at Norwich University in Northfield VT to release a recently-completed State Damage Prevention Program report, followed by a forum/discussion related to water system damage prevention. The event is tentatively planned for a half-day at the University on Wednesday, July 9, 2014. The forum is expected to provide valuable perspectives related to the process of protecting essential services delivered to Vermonters safely and reliably via underground facilities.

2014 Vermont Gas Systems Addison Transmission Pipeline Construction

The Department Gas Engineer met with VGS's Contact Manager and Addison Pipeline Project Manager on Tuesday to gain an understanding of the company's current plans for transmission pipeline construction in June. ANR and Army Corps of Engineers permits must be complete for all areas prior to construction activity in any area. Because both of these groups of permits are not presently complete, the company is now hoping to mobilize in mid-June.

Gas Pipeline Inspection Activity

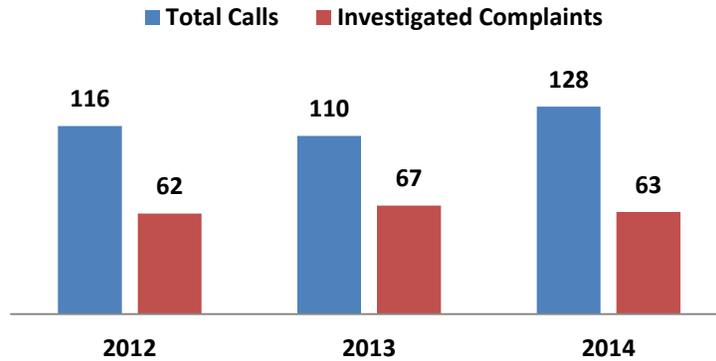
The Gas Engineer reviewed the progress of Keurig Green Mountain in its remediation of probable violations which were noted in a warning letter to the company earlier this year. The company has retained consulting engineers to perform actions related to engineering documentation, leak surveys, atmospheric surveys and pressure regulator tests. The engineering company has also been retained to produce written procedures for the company to follow when future gas pipeline safety code required activities are performed. Completion of these actions, to correct the violations, is scheduled for June and August of this year.

CAP

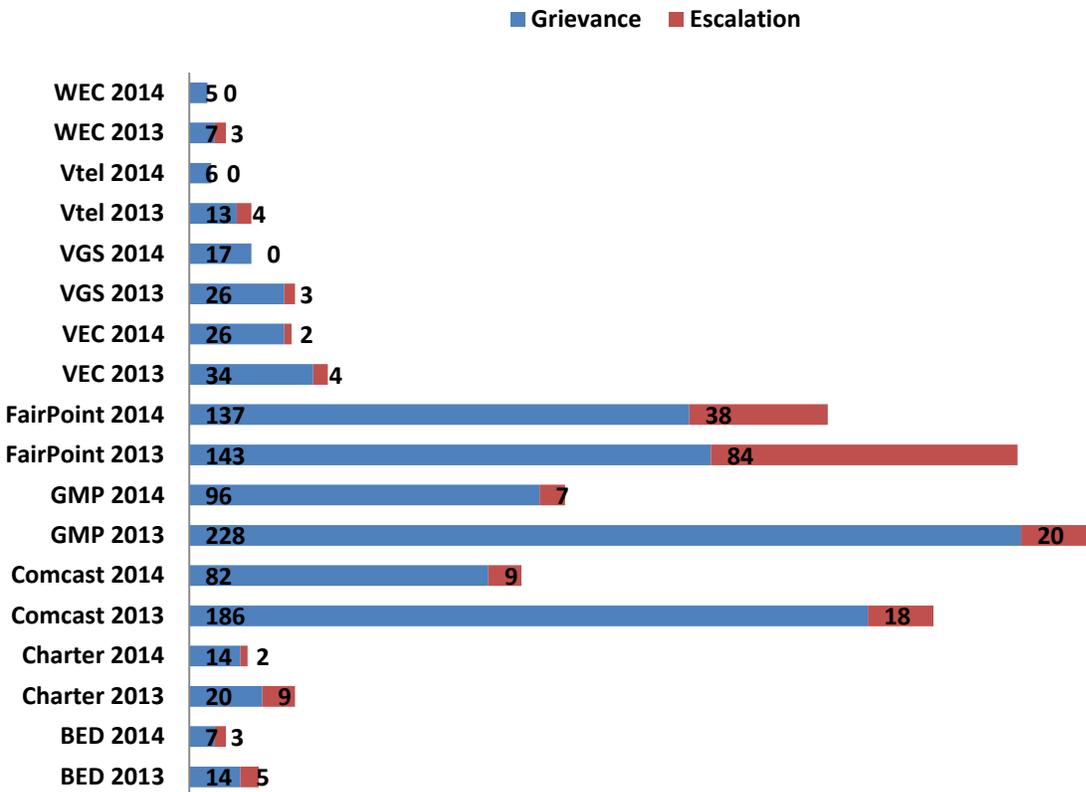
Please note that this report covers activity from Sunday to Saturday, May 18-24, 2014.

CALL DATA

Calls to CAPI Same 7 days each year



Number of Complaints Investigated, by Company YTD 2013 and 2014



CONSUMER COMPLAINTS

Complaint topics included, but were not limited to:

- Broadband: (1) desire for state-run system, (4) unserved address
- (1) Battery backup for VTel phone service
- (1) EVT: rebate not received for refrigerator turned in

- (5) Responses to Comcast’s annual Quality of Service notice to consumers
- (2) Billing changes at GMP
- Question about New England Power Link project
- Net-metered wind: (1) discrepancy in meter readings between consumer and utility (see case example below), (1) question about where to find application

POST CPG WIND COMPLAINTS

Aggregated data on wind complaints received by the Department is now available. Complaint numbers are shown in total, by project, by topic, and by anonymized complainant. The spreadsheet is available upon request.

OTHER DIVISION ACTIVITY

Charter CPG renewal, Docket 7820:

- CAPI and Telecom completed focus groups in Barre and St. Johnsbury. Specific community members were invited, to represent the community and government stakeholders in each area. In Barre, 6 guests attended and, in St. Johnsbury, 7 attended. Discussions concentrated on the local Public, Educational and Government (PEG) access channels and the ways in which the PEGs are meeting the current community communication needs, the ways in which they could be better meeting those needs and the ways in which the organizations currently use the PEG programming and services that are available to them. Representatives from Charter and the PEGs were also present. CAPI is now reviewing feedback received for incorporation into the Department’s Community Needs Assessment.
- CAPI is preparing survey questions for a non-scientific survey of community stakeholders. Two versions of the survey will be created: one for participants in the focus groups and one for non-participants.
- Worked with Telecom, Finance, and PA divisions to submit discovery questions
- Reviewed consumer complaints to identify issues to address with the company. Charter’s local office hours being too limited or inaccurate and Charter’s response time to the Department emerged as issues.

Universal Service Fund budget: CAPI met with Gregg Faber from the Public Service Board regarding calculation of the USF budget for the upcoming year and the impacts of recent legislative changes to the high cost fund, namely, the change to a fixed 2% rate imposed on consumers.

Public Advocacy

GMP Rate Case and Alternative Regulation Filing – Docket Nos. 8190 & 8191 – The Department and GMP have reached a settlement in principle resolving these two matters. The parties all

requested that the Board extend the time for non-petitioner testimony (and objections to GMP rebuttal testimony) in both cases to May 30 – to provide time for a settlement to be finalized. The goal is to have an MOU filed by May 30. As of today, we have reached a final MOU. Recent signals from AARP have been encouraging but need more work to get them on board. Technical hearings are slated to begin on June 9; however, in extending the surrebuttal deadline, the Board indicated that it might need to push hearings back given the tight timeframe between surrebuttal and the hearings. We are hoping with the MOU filed today to avoid a change in schedule.

Net Metering Compliance Tariffs (Hardwick and Morrisville) – Tariff Nos. 8498 & 8499 – Hardwick and Morrisville (both municipal utilities that exceeded the 4 percent cap before passage of the net metering law) filed revisions to their net metering tariffs to comply with the law and re-establish their net metering programs. On May 28, the Department filed letters with the Board recommending acceptance of the tariffs.

Barton Solar – Docket 8148 – The petitioner filed a copy of its Threatened and Endangered Species Takings Permit issued by ANR. The Menards filed proposed findings of fact and brief. The Menards focused on the areas of permitted intervention requesting a background noise study be conducted and for the inverters to be enclosed, as well as a glint and glare study to be performed. Additionally the Menards requested the Board recognize the petitioner’s undue hostility toward the interveners. The petitioner submitted a brief and proposed findings. Reply briefs are due by May 29th.

Rutland Renewable Energy, LLC – City Solar Garden Project – Docket 8182 –The petitioner’s counsel held a conference call to “coordinate” the prefiled testimony required by the PSB in order to support the characterization of the PPA in this case as “cost effective.” She seemed disturbed by GMP’s suggestion that the testimony should address the 2014 standard offer RFP results suggesting that it would harm the case. Additionally, petitioner’s counsel has requested the PSB provide the petitioner with written questions and to allow the witness with an opportunity to provide written responses on all criteria other than economic benefit. The prefiled testimony is due by June 18th.

GMP Stafford Hill Solar in Rutland – Docket 8098 – GMP provided supplemental testimony and exhibits describing the project design modifications, as well as the noise study. GMP filed with the PSB the revisions to the PSD’s first set of information requests. Additionally, GMP provided the Board requested updated response comparing the resulting cost of power from the project to other sources of PV power in Vermont after taking into account the recent 2014 SPEED standard offer bids/awards. The response states that the higher cost of GMP’s project is not surprising since it faces higher capital costs because it on a landfill and estimates the value for operation after the 25-year standard offer term at 2 cents/kWh. The technical hearing was held May 28th and was uneventful.

Addison Expansion—Docket 7970 – The Department filed a response to Mr. Hurlburt’s most recent motion to move the pipe off of his property on Old Stage Road. The PSD reiterated that

a technical hearing is necessary to evaluate all of the issues surrounding the Board-ordered re-route in this area and VGS's subsequent proposal. We continue to work with VGS and counsel for one of the Old Stage Road homeowners to coordinate post-CPG process regarding land impact, including the planning of an informal site visit. PSD counsel and our safety consultant are preparing letters to advise VGS of the PSD's expectations with respect to pipe specifications and procurement and construction practices, together with other safety specifications ordered by the Board based upon the PSD's testimony. One letter has been delivered and two are being finalized.

Addison Expansion Phase 2—Docket 8180- Responses to VPIRG's two pending motions for partial summary judgment are due May 30. The Department believes these to be improperly characterized as summary judgment motions and without merit. We will oppose. Vermont Gas has concluded its negotiations with the Town of Shoreham and we have been provided a draft MOU. This will be presented to the Town at a special meeting; there will be an opportunity to ask questions and provide comments, but the MOU will not be put to a Town vote.

Nulty CNG Project—no docket—Energetek-North Country, Inc., the organization with which Tim Nulty is now affiliated, submitted its petition for a declaratory judgment that the CNG business it plans to operate does not require a CPG—either for the company itself or the facilities. The Nulty team had previewed this for the Department and hopes to garner our support, comparable to the support we gave NG Advantage when it sought a like declaratory ruling. Department staff is reviewing the petition and consulting with other regulators, such as the Fire Safety Division of the Department of Public Safety.

GASNA 14P Williamstown Solar Project – Docket 7632 – PSB issued two Orders on this docket on 5/21/14. The first was concerned the imposition of sanctions for transferring the ownership of the project without prior Board approval. The Department had recommended that this violation of a CPG condition warranted a penalty in an amount between \$5,000 and \$10,000. The PSB imposed a \$5000 penalty and provided the petitioner with an opportunity for a hearing. In the second Order the Board held that while certain changes to the design of the project's oil containment system did not constitute a "substantial change" to the project design, the CPG nonetheless needed to be amended to include an inspection condition, which became necessary with the change in design. Furthermore, the Board requested comments on whether the petitioner violated a CPG conditions for constructing those project modifications, which it deemed to be 'material', without prior Board approval. Parties have until June 4, 2014 to submit comments on whether petitioner should be sanctioned for failing to comply with an express condition of the CPG. PSD will likely support the imposition of a sanction after consultation with ANR and a review of the penalty criteria in 30 VSA §30.

Sudbury Solar 2.0 MW Solar (Std Offer) - Docket 8225 – PSB held a site visit and public hearing on May 20, 2014, both attended by PSD Engineering and PA divisions. Between 30 and 50 people attended the public hearing and approximately 15 spoke against the project based on aesthetics. The project is highly visible as it is sited along a scenic corridor on Route 30. Several homeowners testified that the project would permanently and negatively impact their views.

Speakers noted that the Town of Sudbury receives no benefit as host and that there are alternative sites in Sudbury that would have less impact on the scenic, historic setting of the Town.

Bridport Solar 2.0 MW Solar (Std Offer) - Docket 8234 – PSB held a site visit and public hearing on May 27, 2014, both attended by PSD Engineering and PA divisions. Between 15 and 20 people attended the public hearing and approximately 5 spoke against the project based on aesthetics. The project is highly visible as it is sited along a scenic corridor on Route 22A with long views to the north, south and west. Several homeowners testified that the project would permanently and negatively impact their views. Speakers noted that the Town of Bridport receives no benefit as host and that there are alternative sites in Bridport, owned by the same landowner that would have less aesthetic impact.

Demand Resource Plan Proceeding - EEU 2013-01 – PSD filed reply comments on Budget and Compensation recommendations on 5/21. The target date for issuance of a Budget order by the PSB is June 6th, but that is unlikely to occur on schedule. Next step is negotiation of Quantitative Performance Indicators with VEIC and BED and filings on this subject are due in early July.

Waterbury Solar - CPG # NMP 3664 – PSB issued a CPG for this 500kW net metered solar facility on 5/23/14. The Board did impose the as-built and annual Greenhouse Gas reporting conditions requested by ANR, and prohibited mowing during Bobolink nesting season between May 15 and August 1. The permit also contained restrictions and conditions related to wetlands pertaining to construction activities, mowing, oil containment, and wetlands restoration upon decommissioning of the project. The Board approved a fence with 6 inch vertical spacing.

Five New 500kW solar Group Net Metered Projects at Precision Drive in North Springfield – Winstanley Enterprises issued 5 separate 45 day notices for 5 different 500kW group solar net metering projects on the site where they had proposed the NSSEP biomass facility, rejected by the PSB earlier this year. They had contacted PSD about this proposal in advance of the filing. PA is concerned that this is in fact a 2.5 MW solar facility and that the developer is attempting to circumvent existing § 248 permit requirements by proposing it as five separate smaller projects. The proposals, if approved, would enable the developer to obtain the net metering price, which is far in excess of the standard offer price for this power. As net metering proposals these projects would obtain streamlined permitting, conditional waivers of many § 248 criteria, no decommissioning plan or fund requirement, and much less public engagement. If built, this would be the largest solar facility in the State of Vermont. PSD should consider filing a challenge to this project immediately as the 45 day notice has commenced the (very) streamlined process under PSB Rule 5.100.

Burlington Telecom – Docket 7044 –The Department continues to review draft supplemental testimony from BT and identify issues of particular concern in that testimony. BT will file its supplemental testimony, supporting documents, and proposed schedule on May 29, 2014.

Sheffield Wind – Docket 7156 – The Department’s sound expert, Jim Barnes of Acentech Inc., and First Wind’s David Hessler will hold a conference call on May 29 to discuss Hessler’s practice and procedure in gathering sound data during the four Board-order quarterly monitoring sessions. Barnes has also tentatively scheduled an indoor-to-outdoor attenuation study at the Brouha residence in late June.

Cold River Solar – Docket 8188 – Petitioner shared a draft revised decommissioning fund estimate reducing the fund approximately \$170,000 for the 2.3MW project to approximately \$130,000. The initial fund estimate had been roughly \$85,000, but it had “netted out” predicted salvage value of the project equipment in violation of Board precedent. The initial fund grew to roughly \$170,000 once the equipment costs were included in the estimate. The Department is considering whether to secure an expert to determine whether the \$40,000 fund reduction is justified. Department testimony in the proceeding is due June 18, 2014.

Windham Wind – Docket 7905 – PA and CAPI staff presented at a presentation made by Iberdrola in Windham regarding the potential for a wind facility in the area. MET towers in the area have been gathering wind data for a year, but at least another two years are needed before a determination can be made as to the viability of a wind project. The Department spoke in broad terms about the § 248 process, but repeatedly stressed that any potential project was years away from seeking a CPG from the Board. The attendees were generally open-minded on the prospect of a project.

Charter Cable CPG Renewal – Docket 7820 - The Department filed discovery on May 20th. The Department’s testimony is due on June 18th. The Department is considering proposed CPG conditions that it will discuss with the company prior to filing testimony.

Village of Swanton Section 108 Petitions – no docket – The Department will file its comments to the Board on May 28th, recommending approval of the Section 108 petitions, provided the limit to the line of credit is amended to an amount of \$1,300,000, so that the borrowed amount will not exceed the limit. The Department has discussed this issue with the company, and the Petitioner intends to amend its request.

Sovernet Eligible Telecommunications Carrier Designation – Docket 7619 – Sovernet withdrew its request for renewal of its ETC designation on May 5th. On May 23rd, the Board issued a memorandum seeking information regarding the status of Sovernet’s Lifeline customers. The company must respond by June 2nd. The Department has learned that Sovernet has received high-cost support payments for 2013 and 2014, after expiration of the company’s ETC designation. The Department intends to bring this to the Board’s attention, and comment on the company’s response to the May 23rd memo, after its response is filed.

Willoughby Water – No Docket – The PSD continued working with the system owner on a request for PSB approval of a temporary rate. Additionally, the PSD asked the owner for his approval to suggest the PSB close the associated abandonment docket (#8117). The owner has requested more time to make that decision. Since the PSD status report is not due until June

26th, the PSD will plan to investigate this issue again in a couple of weeks.

SPEED Standard Offer – No Docket – VEC has provided the PSD with an analysis comparing the avoided HQ energy costs to the energy costs incurred by VEC in the ISO-NE settlement during the times that the SPEED SO block load generation was added to VEC's settlement ISO-NE load. VEC has proposed the PSD call another meeting in June to work towards resolution of cost recovery issues.

NextSun Solar – Park Street – Docket 8194 – PSD served discovery requests on the petitioner regarding aesthetics, sound levels, construction hours, PPA price and inconsistencies in the petitioner's filing. Responses are due by June 6th.

NextSun Solar – Main Street – Docket 8195 – PSD served discovery requests on the petitioner regarding aesthetics, sound levels, construction hours, PPA price and inconsistencies in the petitioner's filing. Responses are due by June 6th.

Telecommunications

AT&T Coverage Change – AT&T plans a reduction in coverage in South-Eastern Vermont. Some of the coverage in this area is provided by Verizon through a roaming agreement from three towers in New Hampshire. 2G data services from these towers will be disabled on June 21, and voice services will be disabled on September 30. AT&T has overlapping, but lower power, services in some of the areas that will lose this service from New Hampshire. AT&T has plans to install some additional temporary cell sites. The PSD has requested that AT&T provide maps and analysis that provide some estimate of the extent of area or locations that will likely see a reduction in coverage. The PSD is further requesting that Verizon take some temporary action to reduce the effect upon any customers.

FairPoint Broadband Data – FairPoint has agreed to provide broadband availability information with a unique identifier for each location. This will enable better continuity between submissions.

FairPoint Alt-Reg Plan – PSD staff is developing conditions to seek in the renewal of the FairPoint alternative regulation plan. These conditions include possible bill credits for service quality or billing problems.

Burlington Telecom HD/DVR Rate Discrepancy – The Department received a memorandum from the Regulatory Affairs staff of Burlington Telecom that outlines the billing errors that occurred between August 21, 2011 and March 21, 2013. The memo also breaks down the customer classes owed a refund (DVR, HD, HD/DVR), number of class members in each, and the amount of refunds for each class. Telecom and CAPI staff members have concerns about the completeness of the memo. BT should be required to provide sufficient information to the Department to allow staff to independently verify the amounts owed to customers. While this may entail a customer by customer breakdown, staff would note that BT will have to do this

kind of analysis anyway and the Regulatory Affairs, Outside Plant, and Forward Planning Department at BT should be able to provide the Department with this information without much additional work.

248a – A summary of Department comments on 248a applications filed in the past week:

5/23/2014	AT&T/Lincoln Browns Rd; <i>de minimus</i>	monopole; recommended approval conditioned on correct aggregate surface area calculations
5/27/2014	AT&T/W. Brattleboro 6428 - South St - Docket No 8104; <i>de minimus</i>	lattice subsequent de min; recommended approval, structural analysis issues
5/27/2014	AT&T/Woodstock 6417 - Blankey Cottage Ln; <i>de minimus</i>	lattice; recommended approval
5/27/2014	AT&T/Plainfield 6537 - Upper Rd; limited size/scope	stealth chimney; recommended approval
5/27/2014	VTel/Putney 01 - Harbinger Way; limited size/scope	lattice collocate; recommended approval
5/27/2014	AT&T/Lincoln VFD; <i>de minimus</i>	VFD bldg w/false flues; recommended approval by analogy of false flues to fiberglass pine needles so they don't count in aggregate surface area
5/27/2014	VTel/Richford 01 - Green Avenue; limited size/scope	new monopole; recommended approval
5/28/2014	AT&T/Topsham 6308 - Rte 302; full	monopole--room for four additional future collocators; recommended approval

Finance and Economics

Electric

BED-presented a draft proposal for a solar installation at the Burlington Airport. Staff is reviewing the business case and has reviewed the project financials and found several questionable assumptions and analytic errors that, when corrected, would increase the cost of the solar project to levels above currently available market-based solar supplies for the 20 and 25 year levelized options. The 30 year option appears to provide rate payer benefit, and we're encouraging the project in that direction.

BED Request for Accounting Order - Burlington Electric Department requests the Board to issue

an Accounting Order allowing BED to book and defer \$4,341,051 in income it will receive from New England Power Company (NEPCO) on or before July 10, 2014 pursuant to a Termination and Release Agreement between the parties signed June 30, 2003. BED proposes to amortize this income over a period of 120 months, commencing in July 2014 and continuing through Fiscal Year 2024. The request is under staff review and a Department recommendation is due June 15, 2014.

GMP – PSB Tariff Filing #8501: GMP Modified Alternative Regulation Plan Power Adjustor Filing: Second Fiscal Quarter, 2014. GMP has filed the Second Fiscal Quarter 2014 Power Adjustor, filed pursuant to GMP's Alternative Regulation Plan, as approved by the PSB in Docket 7864. The proposed power adjustor calls for no rate adjustment. Staff is awaiting receipt of additional information requested on 5/22/14. PSD Recommendation is due June 13, 2014.

VPPSA--SPEED Standard-Offer; Staff is reviewing the Board's request for comments on whether the Board should approve VPPSA's proposed accounting treatment and pricing mechanism and whether the proposed ownership arrangement is consistent with the RFP and Section 8005a(c)(1)(B).

Energy Efficiency Utilities

The Fiscal Agent has been asked but has not responded to questions about the late payment of the Gross Receipts Tax that has generated a penalty liability for the PSB of \$10,868.77. We are continuing to seek a response to our inquiry. We plan to send a late payment invoice to the Board next week.

VEIC - Staff met with VEIC, VEC and Stowe to discuss AMI interval data transfer. Staff expressed the opinion that the utilities are required to provide VEIC with meter data in the native format that the utilities are using and that any data modification or manipulation beyond the native format is a cost that should be paid for by VEIC. The payment terms should be dictated by the utility, and change only with the utilities' consent. VEIC recommended a 45 day payment lag to the utilities; this is not an optimal business practice for the utility.

GRT

Stowe Cable and Jefferson Cable were late in filing their Annual Report and paying their Gross Revenue Tax (GRT). After being advised of the GRT penalty, the utilities commented that they thought they had received a form letter saying that they could file late. No such letter was issued. Staff explained there is no extension, by statute, on remitting the GRT.

Gross Revenue Taxes continue to come in. This week's receipts are all subject to the 25% penalty and the utilities have been advised of the penalty by email. The most recent totals are:

This week:	\$ 6,272
Fiscal YTD	\$8,466,866
Budget Projection:	<u>\$8,362,740</u>
Variance for FY 14	\$ 104,126

Last year: ...\$8,144,516.

Regional Policy

Meeting with Vermont Utilities

- Staff met with Vermont utilities to discuss significant regional issues, including:
 - ISO-NE's winter reliability proposal. ISO-NE is proposing several measures to ensure that there are sufficient resources during the coldest days when gas is not available for generation, including compensating dual-fuel units for unused oil, subsidizing the installation/restoration of dual-fuel capability, ensuring LNG availability, and providing incentives for demand response. The consensus was that it is extremely difficult to measure the effectiveness of the reliability program as the potential consequences of not implementing the program (rolling blackouts on the coldest days of the years), are very significant and difficult to monetize. Generally, it was felt that there is not a lot of benefit to opposing the program and plenty of risk – being perceived as partly to blame if blackouts occur.
 - Solar distributed generation forecast. ISO-NE has developed an interim solar PV forecast that assumes all state policy goals regarding solar PV will be met over the next ten years. The forecast significantly derates the total amount of PV, based on solar's coincidence with peak and the potential that policy goals do not continue beyond the existing end date. ISO-NE is proposing to use the solar forecast for transmission planning purposes, but is not proposing to use it to lower the installed capacity requirement. ISO-NE is forecasting that there will be a deficit of capacity resources starting the next capacity period. If the solar forecast was included in load requirements, it would erase the deficit for the next two years and significantly lower the deficit going forward, saving ratepayers hundreds of millions of dollars. VELCO has agreed to give a presentation at NEPOOL arguing that solar should be included in the load forecast; PSD staff will be assisting with the presentation.
 - New England Governors' Regional Infrastructure Initiative. Staff provided an update on some of the policy issues at play. Utilities indicated that they are interested in participating in the RFP development and selection process, in part to have another set of eyes looking out for Vermont ratepayer interests. Utilities will be discussing whether they want to work together or participate individually.

- Renewable Energy Credits. Utilities raised the issue of NextEra no longer accepting Vermont RECs because of the perception that these RECs are double-counted. Some of the utilities are finding that there is decreased interest in Vermont RECs due to the NextEra letter, and stated that the issue of Vermont double-counting RECs was the subject of considerable discussion at a recent regional energy marketing conference.

Demand Response Participation in Energy Markets

- On May 23, 2014, the D.C. Circuit Court of Appeals issued a ruling stating that ISO-NE did not have jurisdiction to require regional entities (such as ISO-NE) to pay demand response at wholesale market rates. The court reasoned that, pursuant to the Federal Power Act, reductions in retail load are subject to state jurisdiction and therefore demand response is outside of FERC's jurisdiction. The ruling pertained to a FERC order requiring regional entities to allow Demand Response to participate in the day-ahead and real-time energy markets, but the reasoning also applies to DR participation, including passive DR (energy efficiency) in capacity markets. It's unclear whether FERC will appeal the ruling so there will likely be some uncertainty on this issue for a while; however, Staff will be working with ISO-NE and NEPOOL to better understand the impacts of the ruling.



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

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

Jeb Spaulding, Secretary

**PRIVILEGED AND CONFIDENTIAL
MEMORANDUM TO THE GOVERNOR**

TO: Governor Peter Shumlin

FROM: Secretary Jeb Spaulding

DATE: May 30, 2014

SUBJECT: Confidential Report to the Governor

BUILDINGS AND GENERAL RESOURCES

Of Interest to the Governor:

Received our Conditional Certificate of Occupancy for the Vermont Psychiatric Care Hospital in Berlin, allowing facility set-up and staff training in preparation for patient occupancy

Of Interest to the 5th Floor:

Randolph Center – Vermont Veterans’ Cemetery (Master Plan): The project team design charrette on May 22nd went well. The consultants prepared extensive site analysis plans regarding: historic and environmental assessment, and contour survey, as well as outlining feasible building site locations. Three site design concepts were presented based on the site analysis conducted. Option A-1 was the preferred concept, showing the new Admin/Welcome Center on College farm land, directly in line with the Vermont Global War on Terror Memorial. The preferred location for the maintenance building and yard was on the east side of Stage Coach Road, in the woodland north of the Circle of Flags. Currently Tricia met with the commissioner and deputy commissioner to review potential funding sources for construction documents. In order for the project to be considered for this year’s federal grant funding, the State has to certify that they have funding (~\$415K) available to continue with construction documents by August 15th. Wanda is currently looking into Rules to see if it is possible for us to move forward with CD this year, without waiting for the next capital bill. We are also looking into the possibility of swapping land with the College; the swap would be for the western parcel by the fire station (~ 350’x440’ or 3.5acres) for +/-3 acres of land on the south of Furnace Street and west side of Stage Coach Road.

Westminster – Public Safety Building (New Construction): Plans and specifications are 99% complete, still waiting on a few items. A design review board hearing has been scheduled for June 2nd at 7:30 p.m. The Act 250 Coordinator has issued a Jurisdictional Opinion, a request for reconsideration has been sent. The only item that is an issue is the visibility of the radio tower and the consideration that the monopole be of a tree design. The tree design will increase the cost of the tower by \$80,000 to \$90,000.

Legislative Issues/Contacts:

Meeting with Rep. Rebecca Ellis and others to discuss a State building renewable energy initiative whereby the electricity used in all state buildings would be generated by solar by a date certain. Ellis group to meet with Liz Miller next week.

Significant Events/Meetings:

Paving Parking Lot at National Life: Attended a meeting to decide if expenditure of fleet excess funds should be used for paving the lower lot.

Mylan: 20 Houghton Street sale - We appear to be making good progress towards finalization of terms for the PSA. The environmental language appears to be agreeable to both sides, and Mylan is currently considering language regarding the building condition/inspection that was sent by SOV to Mylan on 5/29. Mylan has requested to be an additional insured on SOV's insurance for the building. Both sides anticipate execution soon, with deposit due within 2 weeks of signing. – Emily Montgomery

Sammis/Lamberton: Have informed Mr. Sammis of our intention to enter into a public/private/partnership relationship with the Exit 7 developers. Sammis has asked for a call back which will occur today. Will reach out to Exit 7 developers in search of an agreement.

FINANCE AND MANAGEMENT

Issues Update:

Staff is meeting with the Agency of Commerce and Community Development to start planning for the incorporation of the Vermont Center for Geographic Information as an integrated part of state government.

Through the morning of May 30, 2014, the food fight fund has received \$14,244.55 in donations from 361 individuals/organizations.

HEALTH CARE REFORM

Issue Updates:

Robin is on vacation this week. Alister Martin, Dukakis Fellow and student with Harvard Medical School/Kennedy School, is working with the health care reform team and Governor's office this summer and he started this week.

SIM Update: The SIM Team spent significant time planning for the June HIE/HIT, DLTSS and Care Models/Care Management work group meetings. Those three work groups have planned summer

activities that will culminate in funding and policy recommendations by September. The Quality and Performance Measures Work Group also met and began the challenging task of selecting measures for the second year of the Shared Savings ACO Program measures. These conversations are incredibly intense as stakeholders have strong, and differing, feelings about quality and performance measures.

VITL: VITL released an RFP to support the launch of their provider portal, VITLAccess and consumer understanding of VITL and the Health Information Exchange. VITLAccess is the provider portal that will allow Vermont's providers access to all of the electronic health record information of their patients (with appropriate consent) that is available on our Health Information Exchange. This is the culmination of years of work to build the electronic infrastructure to share clinical data across the system. The next step is to get providers to use VITLAccess and the RFP is to support the outreach to do so. The RFP will also engage consumers to determine their level of understanding of VITL, the Health Information Exchange and electronic health records to support the consent policy just enacted by the state. The work under this RFP is supported by DVHA's Grant with VITL.

HUMAN RESOURCES

Press Contacts:

Commissioner Duffy spoke with Nancy Remsen about the status of the Howe investigation, the State's policies on retaliation, VSEA 's contentions regarding temporary relief from duty, and the rationale for putting employees on temporary relief from duty. She asked if DHR feels political pressure in the case, and Commissioner Duffy assured her she does not and Mr. Howe has and will receive the same treatment as all other state employees, no worse and no better.

Significant Events/Meetings:

DHR is facilitating team building meetings at BGS.

DHR met with the Agency of Education to discuss AOE's results on the statewide engagement survey. Secretary Holcombe was receptive, but has expressed concerns about having to follow certain procedures required by the collective bargaining agreements. Commissioner Duffy has asked for a meeting to discuss how DHR can partner with AOE to help her achieve her goals.

DHR attended a Benefits Advisory Committee meeting with VSEA and the Vermont Retired Employees group. DHR explained fiscal deficits with the plan, based upon what appears to be increases in claims, although additional work will be required to assess the exact reasons. This work is underway.

Evolving Issues:

DHR is reviewing procedures related to investigations, in an effort to streamline the process and create greater ability to resolve issues at the local level. Commissioner Duffy will present a plan to Secretary Spaulding next week. As part of this process, Commissioner Duffy and other DHR team members met with Scott Rogers at AOT to explore workable options.

DHR is in the process of creating new positions and implementing position changes required by new legislation. In particular, DHR is working with ACCD to transition the Vermont Center for Geographic Studies to ACCD and with the Veterans' Home to create more exempt employees.

INFORMATION AND INNOVATION

No report.

LIBRARIES

Significant Meetings/Events:

School Librarians Meet with AOE Secretary Holcombe: Marty Reid accompanied 4 members of the Executive Board of the Vermont School Library Association to a meeting with Rebecca Holcombe on May 29th. The school librarians discussed the work of school librarians in Vermont and the discussion focused on information literacy, licensing and training of school librarians, common core and the role of school libraries, and the need for representation in the AOE for school libraries. The Department of Libraries has a Youth Services Consultant on staff, but her focus is public libraries, though we do offer limited services for school libraries. It was a good meeting which established some common ground and recognition of the important role of school libraries in the life of schools and in the continuum of lifelong learning.

TAXES

Legislative Update:

Miscellaneous Tax Bill/Education Rate Bill: Major Provisions: The Department has put together its worklist for tackling tasks from the bill, with the highest priorities including developing the list and outreach for the 100 delinquent taxpayers, and sorting out the issues with respect to the R&D Credit changes. For the first time, we were able to use our Constant Comment lists to send out final Tax legislative updates – tailored to individuals, businesses and practitioners.

Operations:

Website Overhaul: We have long intended to overhaul the website in parallel to the VTax Project, and we have promoted one of our outreach specialists to webmaster after a robust recruitment.

Tax Season Wrap-Up:

More stats:

Use Tax: To date, the certification line has resulted in a \$600,000 increase, a 50% jump, in revenue from self-reporting of tax on out of state and online purchase.

Declarations: In the second year of the return to annual declarations, we are ahead on the number of timely filed declarations sent to towns.

Booklets: We received less than 7,000 returns from the paper booklets this year, which is less than half of last year's total. We saw an increase in the use of web forms and free e-file.

Meeting Season:

Advisory Boards: We have our quarterly meetings with both the business group and the practitioner group the third week of June as well. Practitioners already have expressed concern over the top 100 list, disclosure of the R&D credit, and generally about our enhanced compliance work.

Education: Our outreach group now regularly presents at practitioner trainings, generally scheduled late spring and fall.

VTax Project:

Revenue Accounting and Reporting: A team from Tax met with Jim Reardon and Jeff Carr to explain the transition to the new processing system, and the challenges and opportunities with respect to accounting and reporting revenue. The important points were that day to day, even month to month comparisons, year over year will have somewhat less relevance during the change, and that as the system is implemented we will have much better data and opportunities for enhanced reporting. In the short term however, Jeff is just interested in minimizing disruption to the forecasting, and we all agreed, that communication will be critical. Next step is to meet with JFO and Tom Kavet.

Chainbridge: The microsimulation model is complete, and both Tax and JFO staff have been trained. Tax staff is very enthusiastic. There is a learning curve, given the functionality of the new model, but speed and depth of analysis in running tax change scenarios is vastly improved.

CONFIDENTIAL MEMORANDUM TO GOV. PETER SHUMLIN

From: Susan Spaulding
Date: May 30, 2014
RE: Boards and Commissions Update

Vermont Housing & Conservation Board: Gus Seelig met with Josh Laughlin last week and wants to THANK YOU for appointing him. Gus says he is a “great guy, salt of the earth, asks very good questions. Josh has a genuine feeling for working folks especially some who feel disenfranchised in Vermont. He will be an excellent board member!”

Vermont State Housing Authority: Intern Ernest, who was appointed a couple weeks ago, drove to Manchester to start working at Vermont.com is now working for Rep. Sean Patrick Maloney in the NY 18th District. New York’s gain and our loss!

Board of Education: You are scheduled to interview 3 students on Tuesday, June 3rd. I think you will be impressed with all three but unfortunately you will only be able to appoint one. Their applications, writing samples and letters of reference will be in your briefing book.

Office Puppy: Bella Richards-Pepper would like to be able to come and visit on the 5th floor but she is not allowed. That has made her very sad. Can something be done about that?



CONFIDENTIAL and PRIVILEGED

To: Governor Peter Shumlin
From: Michael J. Hogan, Commissioner of Liquor Control
Date: May 30, 2014
Re: Weekly Report

Status of Governor's Priorities:

Legislative Issues/Contacts/Updates:

- S299: would allow for licensees to serve flights of various products for comparison purposes. The bill was passed out of Senate and is in House General. Powdered Alcohol Study also included. Bill review already submitted.
- H884 Miss Tax Bill: Made some adjustments on spirits taxes that will help instate manufacturers.

Press Issues/Releases/Contacts: Nothing now.

Significant Events/Meetings: Next Board Meeting 06/11/2014 - Enforcement Hearings.

Evolving Issues: ERP/POS Project underway. New DLC IT Manager starts June 1.

- Preliminary review of department processes for potential licensing and enforcement system.
- Performance Audit underway. Report hopefully in May.
- Planning an alcohol symposium for early December for policy makers, licensees, and industry partners. I hope some of your staff will be able to attend. Will keep you informed.
- Taught a class at Vermont Technical College on Distilling to future distillers. Great experience!

Summary of Key Department Activity:

- May sales continue to look good! We should break a department record by the end of the fiscal year.

Commissioner's Commentary: Have a great weekend.